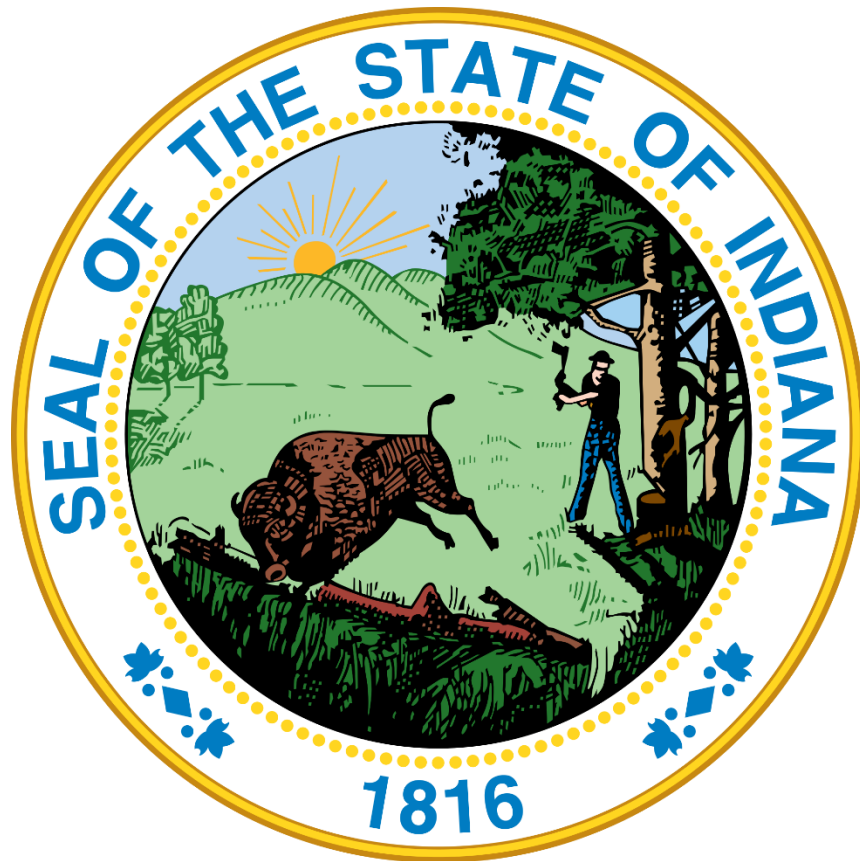


# FINANCIAL SECTION





**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

TO: THE HONORABLE ERIC J. HOLCOMB, THE MEMBERS OF THE GENERAL ASSEMBLY,  
AND THE CITIZENS OF THE STATE OF INDIANA

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Indiana (State), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the Table of Contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Indiana Economic Development Corporation, Indiana Finance Authority, State Lottery Commission, Indiana Bond Bank, Indiana Housing and Community Development Authority, Indiana Board for Depositories, Indiana Secondary Market for Educational Loans Inc., Indiana Stadium and Convention Building Authority, White River State Park Development Commission, Ports of Indiana, Indiana State Fair Commission, Indiana Comprehensive Health Insurance Association, Indiana Political Subdivision Risk Management Commission, Indiana State Museum and Historic Sites Corporation, Indiana Motorsports Commission, Purdue University, and Indiana University, which represent 85.2 percent, 81.1 percent, and 85.5 percent of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units. We also did not audit the Indiana Public Retirement System, External Investment Pool Custodial Fund, and State Police Pension Fund, which represent 88.0 percent, 88.6 percent, and 46.3 percent, respectively, of the assets, net position, and revenues and additions of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those discretely presented component units and fiduciary activities, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the following were audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with *Government Auditing Standards*: Indiana State Fair Commission, and Indiana Political Subdivision Risk Management Commission, reported as discretely presented component units, and the State Police Pension Fund and Indiana Public Retirement System, reported within the aggregate remaining fund information.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the State's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinion***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note IV, G, to the financial statements, the State adopted new accounting guidance, GASB Statement No. 84 *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of Employer Contributions for Employee Retirement Systems and Plans and Other Postemployment Benefits, Schedules of Changes in the Net Pension Liability and Related Ratios for Employee Retirement Systems and Plans, Schedules of the State's Proportionate Share of the Net Pension Liability for Employee Retirement Systems and Plans, Schedules of Changes in the Net OPEB Liability and Related Ratios for Other Postemployment Benefits, Schedule of Changes in the Total OPEB Liability and Related Ratios for Other Postemployment Benefits, Schedule of Investment Returns for Other Postemployment Benefits, Budgetary Information, Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Major Funds (Budgetary Basis), Budget/GAAP Reconciliation - Major Funds, and the Infrastructure - Modified Reporting for Condition Rating of the State's Highways and Bridges and Comparison of Needed-to-Actual Maintenance/Preservation, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

*Other Information*


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The accompanying combining and individual statements for the Non-Major Governmental and Proprietary Funds, Internal Service Funds, Fiduciary Funds, Non-Major Discretely Presented Component Units, Budget/GAAP Reconciliation Non-Major Special Revenue Funds, and the Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual statements for the Non-Major Governmental and Proprietary Funds, Internal Service Funds, Fiduciary Funds, Non-Major Discretely Presented Component Units, and the Budget/GAAP Reconciliation Non-Major Special Revenue Funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, the procedures performed as described above, and the reports of the other auditors, the combining and individual statements for the Non-Major Governmental and Proprietary Funds, Internal Service Funds, Fiduciary Funds, and Non-Major Discretely Presented Component Units, and the Budget/GAAP Reconciliation Non-Major Special Revenue Funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

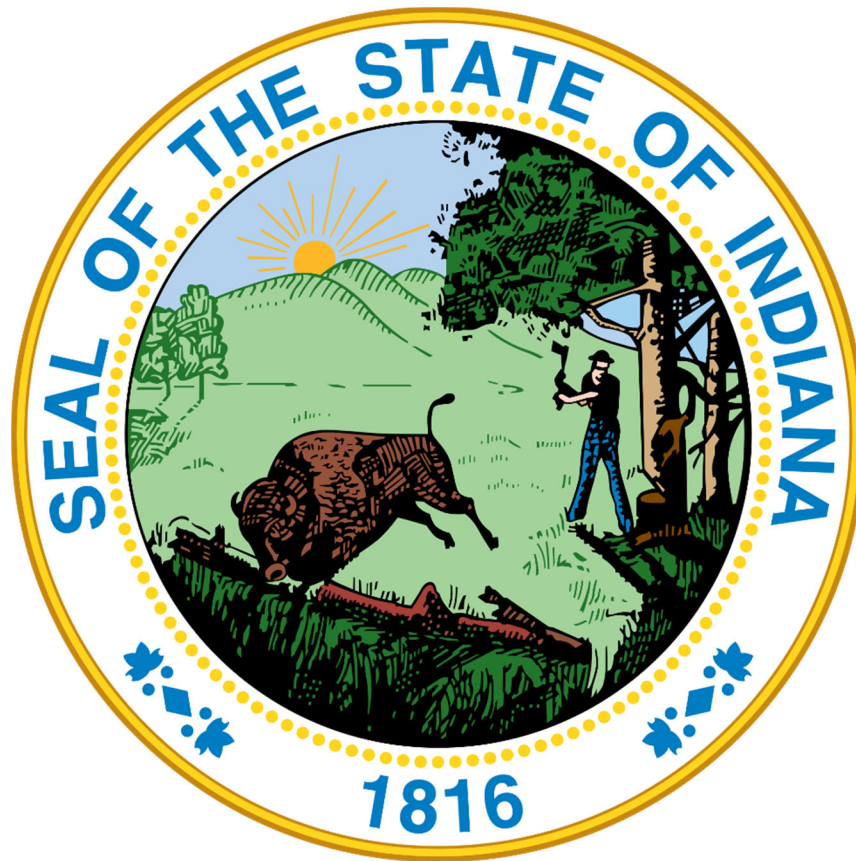
**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2022, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

January 6, 2022

# MANAGEMENT'S DISCUSSION AND ANALYSIS



## STATE OF INDIANA

### Management's Discussion and Analysis

#### June 30, 2021

The following discussion and analysis of the State of Indiana's financial performance provides an overview of the state's financial activities for the fiscal year (FY) ended June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the state's financial statements, which follow this section. Because of prior period adjustments and reclassifications as described in Note IV(G) of the Notes to the Financial Statements, FY 2020 numbers have been restated.

### Financial Highlights

- For FY 2021, on a government-wide basis, the assets and deferred outflows of the State of Indiana exceeded its liabilities and deferred inflows by \$20.5 billion. This compares with \$16.0 billion for FY 2020, as restated.
- At the end of the current FY, unassigned fund balance for the General Fund was \$3.4 billion, or 23.4% of the total General Fund expenditures.
- On a government-wide basis for the primary government, the state incurred expenses net of program revenue of \$21.5 billion, which are offset by general revenues totaling \$26.2 billion, giving an increase in net position of \$4.7 billion.
- General fund forecasted revenue for the primary government increased by \$4,032.9 million, or 26.2%, from FY 2020. Income tax filing and due date shifts were made from FY 2020 into FY 2021 to align with federal income tax rate shifts. This shift is estimated to account for \$886.3 million of the FY 2021 revenue collections.
- Combined general fund reserve balances for FY 2021 were \$3,922.7 million.
- For the first time since FY 2012, the statutory, end-of-the biennium calculation resulted in the determination of excess reserves. A total of \$1,090.8 million will be used to reduce statutorily directed pension liabilities and to pay for taxpayer credits in FY 2022.
- Indiana is one of thirteen states that has the highest credit rating assigned by all three independent credit rating agencies: Fitch, Moody's, and Standard & Poor's Ratings Service (S&P). From the April 2021 report, S&P cited four areas in issuing the AAA credit rating: modest economic growth across all sectors, maintenance of strong budgetary reserves, active budget management, and low overall debt levels. Fitch's November 2020 rating report issued AAA due to "the state's low long-term liability burden and exceptionally strong operating profile, including prudent budgetary budget management during the long economic expansion that further strengthened the state's robust financial resilience as it enters the current coronavirus-driven downturn."
- Indiana continues to position itself as one of the lowest debt-level states in the country. Net tax supported debt (NTSD) represents just \$233 per capita, the 6th lowest in the country (Moody's Debt Median Report, June 14, 2021).
- In 2021, Indiana received several accolades for its business environment. This includes favorable rankings of 5th in the nation in Chief Executive Magazine's annual "Best States for Business" survey (April 2021), top 10 best states for business tax climate (Tax Foundation 2021 Index), and 1st in Business Facilities' Annual Rankings Report of best states for manufacturing output (August 2021).

#### Key Economic Indicators

	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2019</u>	<u>% Change</u>
Total Labor Force	3,321,235	3,359,406	-1.1%
Total Employed Labor Force	3,175,002	3,259,595	-2.6%
Total Goods and Service Employment	3,047,500	3,184,300	-4.3%
Service-Providing Employment	2,373,100	2,491,200	-4.7%
Goods-Producing Employment	674,400	693,100	-2.7%
Unemployment Rate	4.4%	3.0%	46.7%
Median Household Income	60,813	57,603	5.6%

Sources: Indiana Department of Workforce Development, Bureau of Labor Statistics, and U.S. Census Bureau.

Salaries and benefits for state employees represent approximately 7.0% of governmental fund expenditures. The following table shows a ten year history of the count of full time state employees.

<b>Year</b>	<b>Governor's Authority</b>	<b>Judiciary</b>	<b>Other Elected Officials</b>	<b>On Disability Leave - In Pay Status</b>	<b>On Disability Leave - Not in Pay Status</b>	<b>Total</b>
2021	28,803	964	896	422	154	31,239
2020	29,607	950	1,147	395	181	32,280
2019	28,868	922	1,124	363	193	31,470
2018	28,634	908	1,095	370	220	31,227
2017	28,286	894	1,062	425	221	30,888
2016	28,315	886	1,107	419	250	30,977
2015	28,157	865	1,083	455	289	30,849
2014	28,279	845	1,065	471	312	30,972
2013	28,398	831	1,049	511	345	31,134
2012	28,485	835	1,049	545	349	31,263

For more information on personnel paid through the Auditor of State, please read the Statistical Section.

## Overview of the Financial Statements

This Financial Section consists of four parts: management's discussion and analysis (this part), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the state. The first two statements are government-wide financial statements that provide both long-term and short-term information about the state's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the state government, reporting the state's operations in more detail than the government-wide statements.

- The governmental fund statements tell how general government services such as public safety, education, and welfare were financed in the short term as well as what remains for future spending.
- Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses, such as the Unemployment Compensation Fund.
- Fiduciary fund statements provide information about the financial relationships in which the state acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong, such as the retirement plan for the state's employees.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* and *other supplementary information* that further explain and support the information in the financial statements.

## Government-wide Financial Statements

The government-wide financial statements report information about the state as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the state's net position and how it has changed. Net position, which equals the state's assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, is one way to measure the state's financial health, or position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the State of Indiana is improving or deteriorating. To assess the overall health of the state, additional non-financial factors should be considered, such as changes in the state's tax base, the condition of the state's roads and the state's student population. The government-wide

financial statements of the state are divided into three categories:

- **Governmental activities.** Most of the state's basic services are included here, such as the state's roads and bridges, and health and environmental programs. State sales and income taxes and federal grants finance most of these activities.
- **Business-type activities.** The state provides goods and services through these activities that are financed or recovered primarily through fees and user charges. The Unemployment Compensation Fund, the Inns and Concessions Fund, and the Indiana Residual Malpractice Insurance Authority are included here.
- **Discretely Presented Component Units.** These are legally separate discretely presented entities for which the state is financially accountable. These include, among others, the Indiana Finance Authority, the State Lottery Commission of Indiana, the Indiana Bond Bank, the Indiana Housing and Community Development Authority, and colleges and universities that receive state funding.

### Fund Financial Statements

The fund financial statements provide more detailed information about the state's most significant funds, not the state as a whole. Funds are accounting devices that the state uses to keep track of specific sources of funding and spending for particular purposes. The State of Indiana uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The state has three kinds of funds: governmental funds, proprietary funds, and fiduciary funds.

1. **Governmental funds.** Most of the state's basic services are included in governmental funds, which focus on (1) cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the state's programs.

*Relationship and Reconciliation.* Because the information provided in the governmental funds statements does not encompass the additional long-term focus of the government-wide statements, reconciliation pages are provided. On

the page following each governmental fund's financial statement, these reconciliations explain the differences between the government-wide and the fund financial statement. Government-wide statements use full accrual accounting. Revenues are recognized when they are earned and expenses are recognized as soon as the liability is incurred, regardless of the timing of related cash inflows and outflows. Governmental fund financial statements use the modified accrual basis of accounting. Revenues are recognized when earned so long as they are collectible within the current period or soon enough afterwards to pay liabilities of the current period. Specific accrued liabilities are recognized as expenditures when payment is due because that is when they are normally liquidated with expendable available financial resources.

Non-current assets such as infrastructure, land, and property, plant and equipment appear on the government-wide statements but not on the governmental fund statements where they are expensed as acquired rather than capitalized. Non-current liabilities such as capital lease payables and net pension liabilities also appear on the government-wide statements but not on the fund statements. Internal service funds are included as part of the governmental activities in the government-wide statements but not the governmental fund financial statements because they provide services to the governmental funds.

2. **Proprietary funds.** Services for which the state charges customers a fee are generally reported in proprietary funds. These funds use the economic resources measurement focus and the accrual basis of accounting. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. In fact, the state's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information such as cash flows. The state uses internal service funds (the other type of proprietary fund) to report activities that provide supplies and services for the state's other programs and activities. An example would be the State Employee Health Insurance Fund.
3. **Fiduciary funds.** The state is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The state is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds use the economic resources measurement focus and



the accrual basis of accounting. All of the state's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These

activities are excluded from the state's government-wide financial statements, because the state cannot use these assets to finance its operations.

## Financial Analysis of the State as a Whole

### Net Position

The following is condensed from the Statement of Net Position:

State of Indiana Condensed Schedule of Net Position (in millions of dollars)						
Primary Government						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 19,025.0	\$ 16,894.8	\$ 698.8	\$ 676.8	\$ 19,723.8	\$ 17,571.6
Capital assets	18,483.0	17,644.1	0.3	0.4	18,483.3	17,644.5
<b>Total assets</b>	<b>37,508.0</b>	<b>34,538.9</b>	<b>699.1</b>	<b>677.2</b>	<b>38,207.1</b>	<b>35,216.1</b>
Deferred outflows of resources	2,256.8	1,477.9	-	-	2,256.8	1,477.9
<b>Total deferred outflows of resources</b>	<b>2,256.8</b>	<b>1,477.9</b>	<b>-</b>	<b>-</b>	<b>2,256.8</b>	<b>1,477.9</b>
Current liabilities	6,263.0	6,562.3	84.2	167.2	6,347.2	6,729.5
Long-term liabilities	12,503.1	13,042.3	23.5	23.8	12,526.6	13,066.1
<b>Total liabilities</b>	<b>18,766.1</b>	<b>19,604.6</b>	<b>107.7</b>	<b>191.0</b>	<b>18,873.8</b>	<b>19,795.6</b>
Deferred inflows of resources	457.9	422.2	-	-	457.9	422.2
<b>Total deferred inflows of resources</b>	<b>457.9</b>	<b>422.2</b>	<b>-</b>	<b>-</b>	<b>457.9</b>	<b>422.2</b>
Net position:						
Net investment in capital assets	17,720.4	16,811.8	0.3	0.4	17,720.7	16,812.2
Restricted	1,160.8	1,105.5	531.5	426.9	1,692.3	1,532.4
Unrestricted	1,659.6	(1,927.3)	59.6	58.9	1,719.2	(1,868.4)
<b>Total net position</b>	<b>\$ 20,540.8</b>	<b>\$ 15,990.0</b>	<b>\$ 591.4</b>	<b>\$ 486.2</b>	<b>\$ 21,132.2</b>	<b>\$ 16,476.2</b>

At the end of the current FY, net position for the primary government increased by \$4.7 billion.

Current and other assets increased by \$2.1 billion due primarily to increases in tax revenues and unspent federal grant revenues received through the ARPA – Economic Stimulus Fund, which resulted in more cash, cash equivalents, and investments.

Capital assets increased by \$838.8 million. The principal reason for the increase in capital assets were increases in land, infrastructure, and construction in progress at the Indiana Department of Transportation primarily due to the continuation of the Next Level Agenda initiative, which focuses on maintaining and building the state's infrastructure. In addition, assets

were acquired through the defeasance of bonds from the Indiana Finance Authority.

Deferred outflows of resources increased \$778.9 million. The reason for the increase was an additional contribution subsequent to the actuarial measurement date per HEA 1001-2021 to the TRF Pre-1996 Pension Plan.

Total liabilities decreased \$921.8 million primarily due to the additional contribution to TRF Pre-1996 Pension Plan reducing the net pension liability and a reduction to accounts payable. The reduction in accounts payable was primarily due to unique transactions in 2020 related to investment settlements and Medicaid.

## Changes in Net Position

The following is condensed from the Statement of Activities:

<b>State of Indiana</b>						
<b>Condensed Schedule of Change in Net Position</b>						
<b>(in millions of dollars)</b>						
	<b>Primary Government</b>					
	<b>Governmental</b>		<b>Business-type</b>		<b>Total Primary</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Government</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 3,401.5	\$ 3,299.1	\$ 657.4	\$ 468.4	\$ 4,058.9	\$ 3,767.5
Operating grants and contributions	20,093.2	15,992.1	-	-	20,093.2	15,992.1
Capital grants and contributions	1,326.6	1,249.9	-	-	1,326.6	1,249.9
General revenues:						
Income taxes	8,021.5	6,788.5	-	-	8,021.5	6,788.5
Sales taxes	9,400.4	8,320.7	-	-	9,400.4	8,320.7
Other	3,868.9	3,355.2	4,853.6	3,033.6	8,722.5	6,388.8
<b>Total revenues</b>	<b>46,112.1</b>	<b>39,005.5</b>	<b>5,511.0</b>	<b>3,502.0</b>	<b>51,623.1</b>	<b>42,507.5</b>
<b>Program Expense</b>						
General government	2,136.1	1,673.8	-	-	2,136.1	1,673.8
Public safety	1,799.5	1,820.5	-	-	1,799.5	1,820.5
Health	809.7	462.3	-	-	809.7	462.3
Welfare	20,264.6	18,360.2	-	-	20,264.6	18,360.2
Conservation, culture and development	1,508.2	549.8	-	-	1,508.2	549.8
Education	11,649.6	11,535.3	-	-	11,649.6	11,535.3
Transportation	3,355.3	3,166.4	-	-	3,355.3	3,166.4
Interest expense	38.9	42.3	-	-	38.9	42.3
Unemployment compensation fund	-	-	5,381.6	4,007.6	5,381.6	4,007.6
Other	-	-	23.6	23.5	23.6	23.5
<b>Total expenses</b>	<b>41,561.9</b>	<b>37,610.6</b>	<b>5,405.2</b>	<b>4,031.1</b>	<b>46,967.1</b>	<b>41,641.7</b>
Excess (deficiency) before transfers	4,550.2	1,394.9	105.8	(529.1)	4,656.0	865.8
Transfers	0.6	0.4	(0.6)	(0.4)	-	-
<b>Change in net position</b>	<b>4,550.8</b>	<b>1,395.3</b>	<b>105.2</b>	<b>(529.5)</b>	<b>4,656.0</b>	<b>865.8</b>
Beginning net position, as restated	15,990.0	14,594.7	486.2	1,015.7	16,476.2	15,610.4
Ending net position	<b>\$ 20,540.8</b>	<b>\$ 15,990.0</b>	<b>\$ 591.4</b>	<b>\$ 486.2</b>	<b>\$ 21,132.2</b>	<b>\$ 16,476.2</b>

### Governmental Activities

Program expenses exceeded program revenues by \$16.7 billion. General revenues and transfers were \$21.3 billion. The increase in net position was \$4.6 billion, which is 9.9% of total revenues and 10.9% of total expenses.

Excess (deficiency) before transfers increased \$3.2 billion from FY 2020 to FY2021.

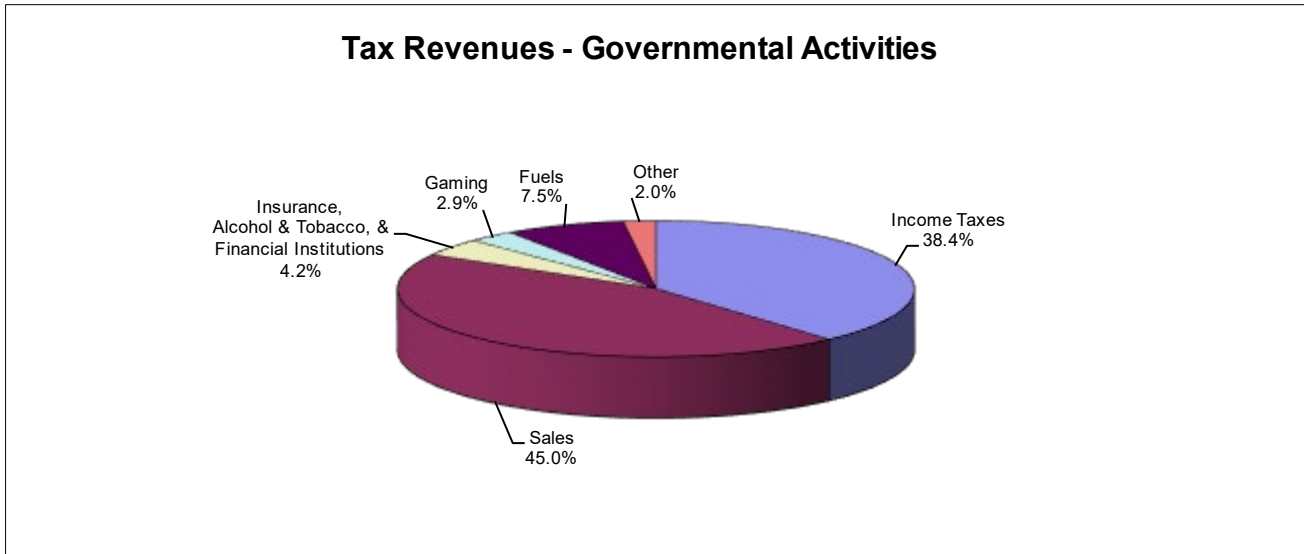
Increased revenues were driven mainly by increased operating grants and contributions, income tax and sales tax revenue. Operating grants and contributions increased \$4.1 billion due to increase in federal funding related to the Medicaid program, American Rescue Plan Act, National School Lunch program, and

Supplemental Nutrition Assistance Program (SNAP), offset partially by a decrease in Covid-19 programs funding. Coronavirus relief legislation prevented recipients from being disenrolled from the Medicaid program, causing increased expenditures and a corresponding increase in federal revenues. The National School Lunch program funding increased as school attendance returned to in person and the program covered all student lunch. The increase in SNAP was to provide increased food support during the ongoing pandemic. Income tax revenue increased \$1.2 billion due primarily to rising wages and increased employment. Sales tax revenue increased \$1.1 billion. The economy continued to grow from increased sales as many sectors began to recover from the COVID-19 pandemic.

Expenses increased \$4.0 billion or 10.5%. Welfare expenses increased \$1.9 billion primarily due to increased spending of welfare programs. Conservation, culture and development increased \$1.0 billion due primarily to spending of Federal COVID-19 federal grant funds largely received in fiscal

year 2020 and the new FEMA Lost Wages Assistance program. General government and Health expenses increased generally due to spending on federal funding related to the ongoing public health emergency.

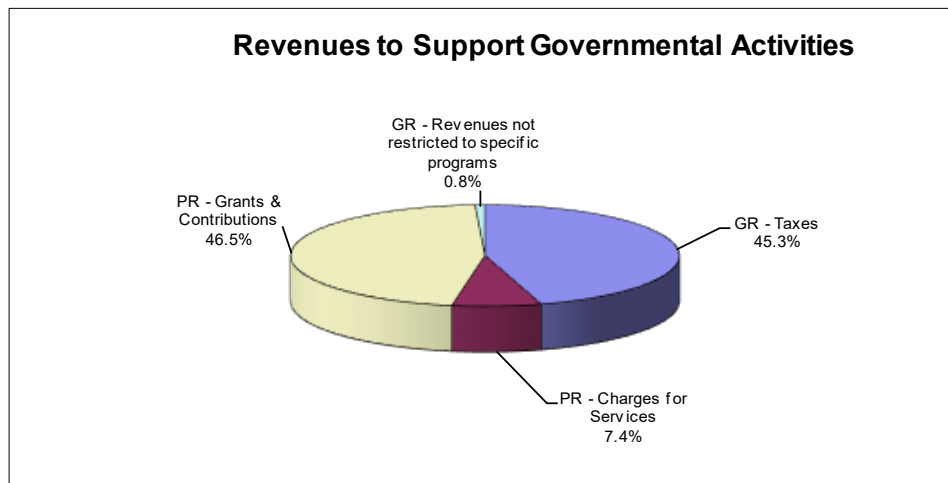
Tax revenues for governmental activities were broken down as follows:



Tax revenues of \$20.9 billion represent 45.3% of total revenues for governmental activities. This compares to \$18.3 billion or 46.8% of total revenues in FY 2020. Program revenues accounted for \$24.8 billion or 53.9% of total revenues. In FY 2020, program revenues accounted for \$20.5 billion or 52.7% of total revenues. General revenues other than tax revenues were \$377.7 million or 0.8% of total revenues. Of this,

\$24.4 million were investment earnings. This compares to 2020, when general revenues other than taxes were \$213.7 million or 0.5% of total revenues and \$172.4 million was investment earnings. Investment earnings decreased \$148.0 million from FY 2020 to FY 2021 or 85.8% due to lower interest rates.

Total revenues for governmental activities were broken down as follows:



PR = program revenues  
GR = general revenues

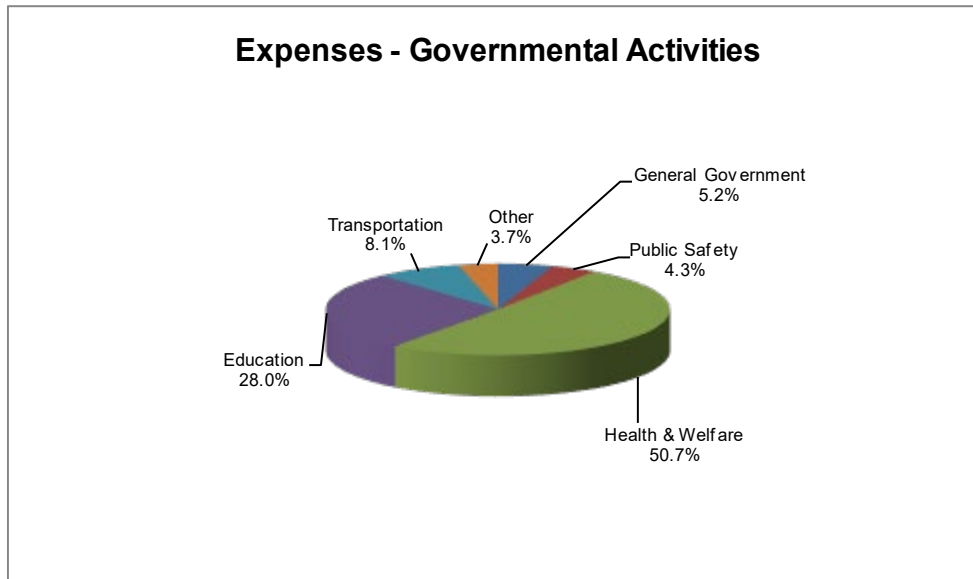
## 12 - State of Indiana - Annual Comprehensive Financial Report

Total revenues were 110.9% of expenses which was an increase from 103.7% in FY 2020. Total revenues increased 18.2% from \$39.0 billion in FY 2020 to \$46.1 billion in FY 2021. Expenses increased 10.5% from \$37.6 billion in FY 2020 to \$41.6 billion in FY 2021.

The largest portion of the state's expenses is for welfare, which is \$20.3 billion, or 48.8% of total expenses. This compares with \$18.4 billion, or 48.8% of total expenses in FY 2020. The change in welfare expenses was an increase of \$1.9 billion or 10.3%. \$4.2 billion of welfare expenses in FY 2021 were funded from general revenues.

Some of the major expenses were Medicaid Assistance, \$15.3 billion, the U.S. Department of Health and Human Services Fund, \$1.5 billion, and the federal food stamp program in the U.S. Department of Agriculture Fund, \$1.9 billion.

Total expenses for governmental activities were broken down as follows:



### Business-type Activities

Business-type activities represent 10.7% of the Primary Government's revenues and 11.5% of the expenses. The Unemployment Compensation Fund accounts for 97.0% of business-type activities' operating revenues and 99.7% of operating expenses. The change in net position for business-type activities was an increase of \$105.2 million.

The Unemployment Compensation Fund collects employer taxes and the federal share of

Education comprises 28.0%, or \$11.6 billion of the state's expenses. In FY 2020, education accounted for 30.7%, or \$11.5 billion, of expenses. The change in education expenses was an increase of \$114.3 million, or 1.0%. Some of the major expenses were tuition support of \$7.3 billion, General Fund appropriations for state colleges and universities of \$1.6 billion, Teachers' Retirement Pension of \$1.6 billion, federal grant programs from the U.S. Department of Education Fund of \$666.4 million, and U.S. Department of Agriculture Fund of \$451.4 million.

Transportation spending accounted for \$3.4 billion, or 8.1% of expenses. Transportation comprised \$3.2 billion or 8.4% of expenses in FY 2020. Transportation includes expenses related to the maintenance and construction of state infrastructure.

unemployment compensation. Benefits are paid to eligible individuals and the fund covers general and administrative expenses. Revenues earned in the fund exceeded expenses by \$104.6 million. This compares to FY 2020 when this fund's expenses exceeded revenues by \$535.6 million. Employer contributions into the fund increased by \$188.5 million, from \$444.5 million in FY 2020 to \$633.0 million in FY 2021. The increase in net position of \$104.6 million is due to an increase in employer contributions and increases in federal subsidies which helped offset the increase in unemployment benefits paid.

The following schedule shows the net expense (revenue) attributable to each function of government. Each function of Indiana government is either self-supporting (a negative number) or requires additional general revenues to cover expenses (a positive number).

<b>Net Cost of Primary Government</b> (in millions of dollars)			
	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>% Change</u>
<b>Governmental Activities:</b>			
General government	\$ (880.3)	\$ 410.0	-314.7%
Public safety	1,002.8	1,092.0	-8.2%
Health	24.8	(296.9)	-108.4%
Welfare	4,160.4	3,815.8	9.0%
Conservation, culture, and development	562.4	161.3	248.7%
Education	10,352.1	10,446.1	-0.9%
Transportation	1,479.5	1,398.9	5.8%
Interest expense	38.9	42.3	-8.0%
<b>Business-type Activities:</b>			
Unemployment Compensation Fund	4,748.6	3,563.1	33.3%
Malpractice Insurance Authority	1.2	0.4	200.0%
Inns and Concessions	(1.9)	(0.7)	171.4%
<b>Total</b>	<b><u>\$ 21,488.5</u></b>	<b><u>\$ 20,632.3</u></b>	<b><u>4.1%</u></b>

## Financial Analysis of the State's Funds

The following is an analysis of the state's major governmental funds. The transfers in and transfers out for these funds are explained in much greater detail in note IV(B) in the Notes to the Financial Statements.

### General Fund

The General Fund is maintained to account for resources obtained and used for those services traditionally provided by state government which are not required to be accounted for in another fund. The fund balance of the General Fund at June 30, 2021 was \$6.8 billion, which is 68.2% of total assets. This compares to a fund balance at June 30, 2020 of \$4.6 billion, which was 59.1% of assets. This indicates that the state's financial position in the General Fund increased from the prior year. The fund balance of \$6.8 billion is comprised of nonspendable of \$92.1 million, restrictions of \$544.9 million, commitments of \$39.6 million, and assignments of \$2.6 billion, leaving an unassigned balance of \$3.4 billion. The restricted amount consists of the Rainy Day Fund, which is accounted for in the General Fund. For more information on the components of fund balance, see the chart in the Notes to the Financial Statements III(B).

The General Fund's revenues increased 14.0%, or \$2.3 billion, from FY 2020, because of an increase in

total income tax of \$1.3 billion and sales tax revenue of \$1.0 billion.

General Fund expenditures increased \$425.5 million, or 3.0% from FY 2020.

General Fund transfers in increased \$42.4 million or 3.3% from FY 2020. Transfers out were \$3.2 billion in FY 2021 as compared to \$3.1 billion in FY 2020. More detail on these transfers can be found in the Notes to the Financial Statements IV(B).

Overall, the fund balance of the General Fund increased \$2.1 billion.

### Public Welfare-Medicaid Assistance Fund

Medicaid is an insurance program for low-income individuals. It is jointly funded by the Federal government and the state.

The fund received \$11.9 billion in federal revenue as compared to \$10.5 billion in FY 2020. State funding comes through transfers from the General Fund. Transfers in were \$2.9 billion in FY 2021 which is the same compared to FY 2020. Transfers out were \$257.4 million compared with \$447.2 million in FY 2020. The fund distributed \$15.3 billion in Medicaid Assistance during the year, which is an increase of \$1.2 billion over FY 2020. The change in fund balance increased \$69.3 million from FY 2020 to FY 2021.

### **U.S. Department of Health and Human Services Fund**

The U.S. Department of Health and Human Services Fund is a fund to account for federal grants that are used to carry out health and human services programs.

The fund received \$1.4 billion in federal grant revenues and expended \$1.7 billion. The US DHHS Fund received transfers in of \$413.4 million mostly from the General Fund for various health and human services programs. The change in fund balance from FY 2020 to FY 2021 was an increase of \$28.1 million.

### **Federal COVID-19 Fund**

The Federal COVID-19 Fund provides federal grant dollars to cover costs that are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019. The fund includes the CARES Act, the Coronavirus Relief Fund (CRF), and additional funds provided for existing grant programs.

The fund received \$2.7 billion in federal grant revenues and expended \$2.7 billion for pandemic related expenditures. The change in fund balance from FY 2020 to FY 2021 was an increase of \$44.8 million.

### **ARPA – Economic Stimulus Fund**

The ARPA-Economic Stimulus Fund provides federal grant dollars to support the state in responding to the impact of COVID-19 and in its efforts to contain COVID-19 on communities, residents, and businesses. Its uses build on and expand the support provided to the state and local governments through the CRF.

The fund received \$1.5 billion in cash which is all unearned. There were no expenses in 2021. This is a new fund for fiscal year 2021.

### **General Fund Budgetary Highlights**

At 2021 fiscal year-end, Indiana closed the books with \$3,922.7 million in combined balance reserves. This

was the highest combined balance on record. The previous record was \$2,270.1 million at the end of FY 2019. General Fund forecasted revenues for FY 2021 totaled \$19,407.4 million which is \$1,222.1 million (6.7%) above estimates from the Revenue Forecast Technical Committee's presentation at the April 15, 2021 Budget Committee meeting. The FY 2021 revenue report indicates that Indiana employment, income, and business activity, along with federal assistance measures, led to a sharper economic return than was forecasted. An estimated \$886.3 million of income tax payments due in the last quarter of Fiscal Year 2020 were deferred to Fiscal Year 2021. After a balance transfer of \$214.7 million from the General Fund to the Medicaid Contingency and Reserve Account and a \$196.8 million transfer from the General Fund to the Tuition Reserve Account, the combined balances remaining in each account were \$2,621.1 million in the General Fund, \$214.7 million in the Medicaid Contingency and Reserve Account, \$549.4 million in the Tuition Reserve Account, and \$537.4 million in the Rainy Day Fund.

## **Capital Asset and Debt Administration**

### **Capital Assets**

Capital assets were \$18.5 billion, which was 48.4% of total assets for the primary government. Related debt was \$0.8 billion. Net investment in capital assets for the primary government was \$17.7 billion. Related debt was 4.3% of capital assets. Total capital assets increased \$838.8 million or 4.8% and is mostly attributable to increases in the Indiana Department of Transportation's land, infrastructure, and construction in progress and assets acquired through the defeasance of bonds from the Indiana Finance Authority (IFA). The net increase in capital assets is primarily comprised of increases for \$516.6 million in INDOT construction in progress and \$263.6 million in buildings and improvements from IFA. More detailed information about the state's capital assets is presented in Note IV(D) to the Financial Statements.

The following table shows the percentage change from FY 2020 to FY 2021.

State of Indiana Capital Assets (in millions of dollars)							
	Governmental Activities		Business-type Activities		Total Primary Government		Total % Change
	2021	2020	2021	2020	2021	2020	
Land	\$ 2,616.2	\$ 2,532.6	\$ -	\$ -	\$ 2,616.2	\$ 2,532.6	3.3%
Infrastructure	12,903.3	12,863.6	-	-	12,903.3	12,863.6	0.3%
Construction in progress	1,064.5	1,114.9	-	-	1,064.5	1,114.9	-4.5%
Property, plant and equipment	3,650.2	3,117.2	1.1	1.1	3,651.3	3,118.3	17.1%
Computer software	907.4	319.9	-	-	907.4	319.9	183.7%
Less accumulated depreciation	(2,658.6)	(2,304.1)	(0.7)	(0.7)	(2,659.3)	(2,304.8)	15.4%
<b>Total</b>	<b>\$18,483.0</b>	<b>\$17,644.1</b>	<b>\$ 0.4</b>	<b>\$ 0.4</b>	<b>\$18,483.4</b>	<b>\$17,644.5</b>	<b>4.8%</b>

## Long-term Obligations

Long-term obligations items are included in the following table. These items comprised 66.4% of total liabilities.

The following table shows the percentage change from FY 2020 to FY 2021.

State of Indiana Long-term Liabilities (in millions of dollars)							
	Governmental Activities		Business-type Activities		Total Primary Government		Total % Change
	2021	2020	2021	2020	2021	2020	
Accrued liability for compensated absences	\$ 207.0	\$ 193.3	\$ 0.8	\$ 0.7	\$ 207.8	\$ 194.0	7.1%
Capital lease payable	762.4	832.3	-	-	762.4	832.3	-8.4%
Claims payable	-	-	22.7	23.1	22.7	23.1	-1.7%
Net pension liability	11,392.2	11,792.9	-	-	11,392.2	11,792.9	-3.4%
Net OPEB liability	54.2	133.0	-	-	54.2	133.0	-59.2%
OPEB DC liability	44.0	57.2	-	-	44.0	57.2	-23.1%
Asset retirement obligations	7.8	-	-	-	7.8	-	N/A
Pollution remediation	35.5	33.6	-	-	35.5	33.6	5.7%
<b>Total</b>	<b>\$12,503.1</b>	<b>\$13,042.3</b>	<b>\$ 23.5</b>	<b>\$ 23.8</b>	<b>\$12,526.6</b>	<b>\$13,066.1</b>	<b>-4.1%</b>

Total long-term liabilities decreased by 4.1% or \$539.5 million. The largest decreases were for the net pension liability of \$400.7 million and for other postemployment benefits of \$92.0 million. Long-term liabilities related to capital leases also decreased by \$69.9 million.

The continued funding for the Teachers Pre-96 Fund was the major contributing factor for the decrease to the net pension liability.

The decrease for other postemployment benefits was mainly due to actuarial valuation changes in actuarial assumptions for the state's OPEB plans.

The Indiana Finance Authority did not issue any new highway revenue bonds, therefore capital lease payables decreased.

Claims payable for business activities decreased by \$0.4 million. This was the amount of decrease in claims payable for the Indiana Residual Malpractice Insurance Authority.

More detailed information about the state's long term obligations is presented in Note IV(F) to the Financial Statements.

## Infrastructure

As required by GASB Statement No. 34, the state has capitalized its infrastructure. This amounts to \$12.9 billion in roads and bridges using the modified approach and \$2.1 billion in right of way classified as land, and \$34.2 million in property (septic, sewer, and water systems; and streets/sidewalks/curbs) and dams being depreciated. In order to utilize the modified approach, the state is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the state.
- Document that the assets are being preserved approximately at or above the established condition level.

Under the modified approach, the state expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 11,098 centerline road miles of pavement along 240 routes and approximately 5,811 bridges that the state is responsible to maintain.

The state has consistently maintained the assessed conditions of roads over the past three years. It is the state's policy to maintain a network average International Roughness Index based on the right wheel path (IRI RWP) of no more than 101 for Interstate Roads, NHS Non-Interstate, and Non-NHS Roads (a good rating is in the range of 80–114). The most recent condition assessment, completed for FY 2021, indicated that the average IRI RWP for roads was in an acceptable range.

The state has maintained the assessed conditions of bridges at levels which are above the established benchmarks. It is the state's policy to maintain Interstate bridges at an average sufficiency rating of 87%, NHS Non-Interstate bridges at an average sufficiency rating of 85%, and Non-NHS bridges at an average sufficiency rating of 83% (a good rating is 80% - 90%). The most recent condition assessment, completed in FY 2021, indicated that the average sufficiency rating for bridges exceeded the minimum acceptable standard.

Total actual maintenance and preservation costs for interstate roads was higher than planned during fiscal 2021 for interstate roads. Various factors contributing

to this included letting additional projects, scope changes, and competitive biddings.

The total actual maintenance and preservation costs for all other road classifications were lower than planned during FY 2021. Various factors contributed to these costs being less than planned including bids that came in under the original estimates, work volumes, lower fuel costs, and redefining the repairs needed and the methods used. The average IRI RWP for Interstate roads was in the excellent condition rating range and the two other road categories, NHS roads - Non-Interstate and Non-NHS roads, were in the good condition rating range. The state's standard of having less than 12.5% of all roads rated in poor condition was met.

Total actual maintenance and preservation costs were less than planned for Interstate and non-National Highway System bridges. This was due to multiple factors including bids that came in under benchmark estimates, change of scope, and reprioritization to meet the agencies goals. The average sufficiency rating for the maintenance of bridges in all road classes was excellent.

## Economic Factors

On March 6, 2020, Indiana Governor Eric J. Holcomb declared that a public health emergency existed in the State through Executive Order 20-02 due to COVID-19. The economic impacts of restrictions imposed on business, travel, and entertainment to limit the spread of the disease is evident in Indiana's economic output decline during the first two calendar quarters of 2020.

The latest annual data released by the Bureau of Economic Analysis (BEA) on March 26, 2021, indicates that Indiana's 2020 real Gross Domestic Product (GDP) was \$385.3 billion and declined in real value by 3.1% compared to 2019. However, all of that decline occurred in the first two quarters of 2020. Industries most acutely impacted were food services, arts, recreation, entertainment, manufacturing, and transportation. The second half of calendar year 2020 saw quarterly growth in GDP. Based on BEA quarterly releases, the first half of calendar year 2021 is also seeing substantial growth in GDP. Q1 of 2021 saw a 9.4% growth in real GDP which was the 7<sup>th</sup> highest state growth rate in that quarter, and Q2 of 2021 realized a growth rate of 6.1%.

In comparison to other states, Indiana's economy ranked 18<sup>th</sup> largest in the U.S. in terms of value of goods and services in calendar year 2020. Indiana's largest contributor to real GDP has been and continues to be the manufacturing sector. As of January 2021, the manufacturing sector accounted for



over 17% of the non-farm jobs in Indiana.

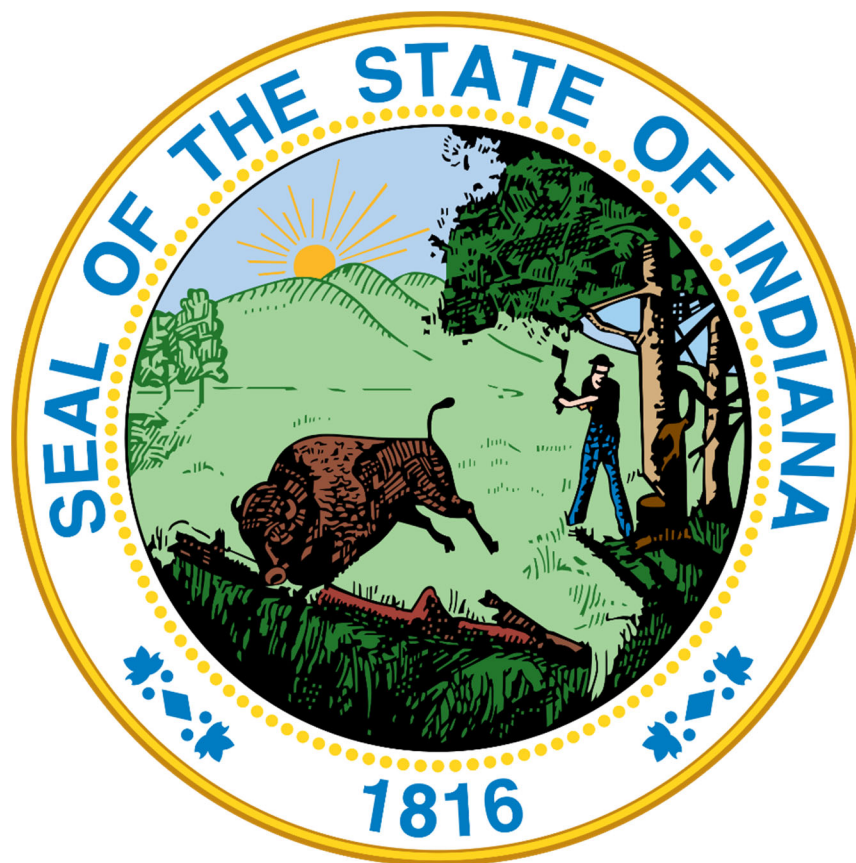
Indiana began calendar year 2020 with a per capita personal income of \$48,980 and a seasonally adjusted unemployment rate of just 3.2%. By July 2020, after a few months into the global coronavirus pandemic, Indiana's unemployment rate stood at 8.6%. One year

later in June 2021, the unemployment rate had dropped to 4.1%. Estimated per capita personal income for Indiana in 2020 had grown to \$51,340. Contributing industries to personal income growth were farming, construction, retail, transportation, real estate, professional/technical fields, and health care.

## Contacting the Auditor of State

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the state's finances and to demonstrate the state's accountability for the money it receives. If you have questions about this report or need additional financial information, contact [ACFR@auditor.in.gov](mailto:ACFR@auditor.in.gov) or 317-232-3300.

# BASIC FINANCIAL STATEMENTS



# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

## 20 - State of Indiana - Annual Comprehensive Financial Report

**State of Indiana**  
**Statement of Net Position**  
**June 30, 2021**  
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash, cash equivalents and investments - unrestricted	\$ 12,281,027	\$ 88,794	\$ 12,369,821	\$ 11,281,803
Cash, cash equivalents and investments - restricted	549,117	300,154	849,271	6,098,518
Securities lending collateral	2,423,607	-	2,423,607	60,905
Receivables (net)	3,330,137	309,183	3,639,320	1,915,022
Due from primary government	-	-	-	10,000
Due from component unit	22,738	-	22,738	709
Inventory	4,138	543	4,681	3,489
Prepaid expenses	111,255	62	111,317	17,613
Loans	302,537	-	302,537	3,435,185
Investment in direct financing lease	-	-	-	1,750,858
Net pension and OPEB assets	-	-	-	100,937
Other assets	444	32	476	570,771
Capital assets:				
Capital assets not being depreciated/amortized	16,549,846	-	16,549,846	2,927,742
Capital assets being depreciated/amortized	4,591,785	1,075	4,592,860	16,497,017
less accumulated depreciation/amortization	(2,658,617)	(732)	(2,659,349)	(7,729,595)
Total capital assets, net of depreciation/amortization	18,483,014	343	18,483,357	11,695,164
<b>Total assets</b>	<b>37,508,014</b>	<b>699,111</b>	<b>38,207,125</b>	<b>36,940,974</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Accumulated decrease in fair value of hedging derivatives	-	-	-	114,957
Debt refunding loss	-	-	-	55,932
Related to pensions	2,190,963	-	2,190,963	52,624
Swap termination	-	-	-	50,236
Related to OPEB	62,686	-	62,686	157,243
Related to asset retirement obligations	3,114	-	3,114	2,483
<b>Total deferred outflows of resources</b>	<b>2,256,763</b>	<b>-</b>	<b>2,256,763</b>	<b>433,475</b>
<b>LIABILITIES</b>				
Accounts payable	1,695,821	78,457	1,774,278	678,607
Interest payable	-	-	-	105,482
Tax refunds payable	43,397	-	43,397	-
Payables to other governments	311,625	-	311,625	-
Due to component unit	10,000	-	10,000	-
Due to primary government	-	-	-	22,738
Unearned revenue	1,778,046	5,394	1,783,440	622,947
Advances from federal government	-	-	-	100,245
Securities lending collateral	2,423,607	-	2,423,607	60,905
Derivative instrument liability	-	-	-	114,957
Other liabilities	451	280	731	310,408
Long-term liabilities:				
Due within 1 year	149,130	1,332	150,462	1,113,865
Due in more than 1 year	12,353,981	22,190	12,376,171	9,433,861
<b>Total liabilities</b>	<b>18,766,058</b>	<b>107,653</b>	<b>18,873,711</b>	<b>12,564,015</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Advanced payment for service concession agreement	-	-	-	3,932,342
Service concession arrangement receipts	-	-	-	266,405
Related to pensions	254,678	-	254,678	61,615
Related to OPEB	202,687	-	202,687	147,415
Related to irrevocable split interest agreements	540	-	540	34,322
<b>Total deferred inflows of resources</b>	<b>457,905</b>	<b>-</b>	<b>457,905</b>	<b>4,442,099</b>
<b>NET POSITION</b>				
Net investment in capital assets	17,720,406	343	17,720,749	6,884,776
Restricted - nonexpendable:				
Grants/constitutional restrictions	-	-	-	3,451
Permanent funds	502,835	-	502,835	61,447
Instruction and research	-	-	-	1,516,483
Student aid	-	-	-	1,467,916
Capital projects	-	-	-	8,747
Clinical/health programs	-	-	-	60,450
Other purposes	113,099	-	113,099	602,662
Restricted - expendable:				
Grants/constitutional restrictions	544,891	-	544,891	1,891,566
Future debt service	-	-	-	255,622
Instruction and research	-	-	-	812,081
Student aid	-	-	-	1,183,343
Endowments	-	-	-	74,720
Capital projects	-	-	-	707,322
Clinical/health programs	-	531,498	531,498	41,342
Other purposes	-	-	-	1,837,684
Unrestricted	1,659,583	59,617	1,719,200	2,958,723
<b>Total net position</b>	<b>\$ 20,540,814</b>	<b>\$ 591,458</b>	<b>\$ 21,132,272</b>	<b>\$ 20,368,335</b>

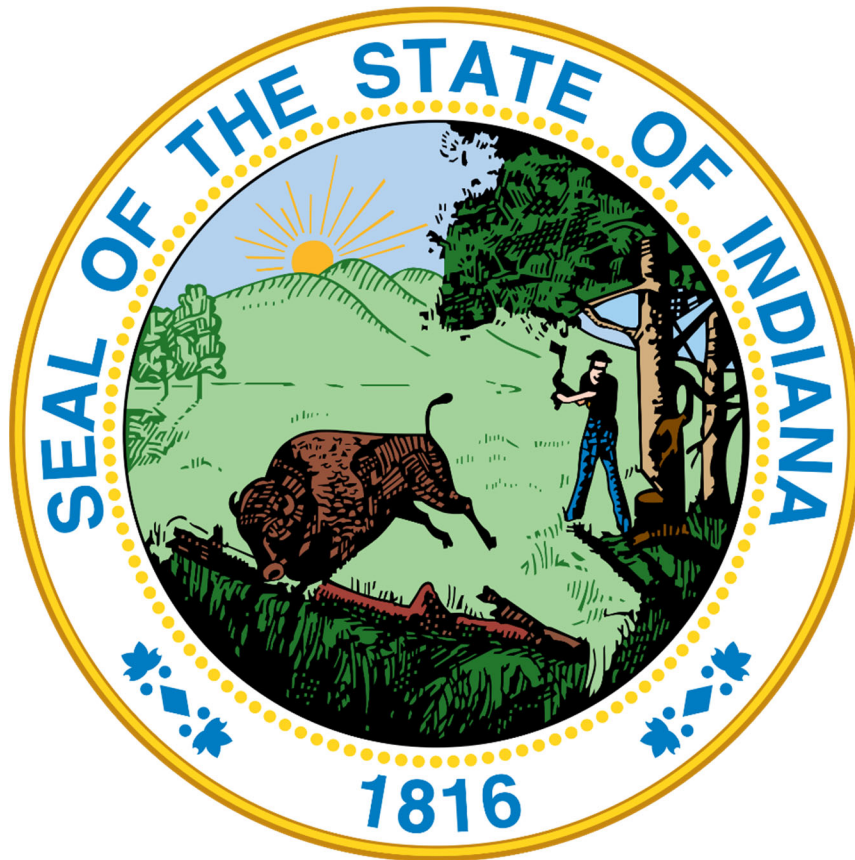
The notes to the financial statements are an integral part of this statement.

**State of Indiana**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 2,136,059	\$ 704,589	\$ 2,310,569	\$ 1,220	\$ 880,319	\$ -	\$ 880,319	\$ -
Public safety	1,799,452	603,459	192,112	1,078	(1,002,803)	-	(1,002,803)	-
Health	809,747	469,132	315,856	-	(24,759)	-	(24,759)	-
Welfare	20,264,605	894,080	15,210,136	-	(4,160,389)	-	(4,160,389)	-
Conservation, culture and development	1,508,174	229,617	716,118	-	(562,439)	-	(562,439)	-
Education	11,649,623	2,807	1,294,718	-	(10,352,098)	-	(10,352,098)	-
Transportation	3,355,317	497,785	53,737	1,324,256	(1,479,539)	-	(1,479,539)	-
Interest expense	38,887	-	-	-	(38,887)	-	(38,887)	-
Total governmental activities	<u>41,561,864</u>	<u>3,401,469</u>	<u>20,093,246</u>	<u>1,326,554</u>	<u>(16,740,595)</u>	<u>-</u>	<u>(16,740,595)</u>	<u>-</u>
Business-type activities								
Unemployment Compensation Fund	5,381,586	633,003	-	-	-	(4,748,583)	(4,748,583)	-
Malpractice Insurance Authority	1,947	768	-	-	-	(1,179)	(1,179)	-
Inns and Concessions	21,671	23,594	-	-	-	1,923	1,923	-
Total business-type activities	<u>5,405,204</u>	<u>657,365</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,747,839)</u>	<u>(4,747,839)</u>	<u>-</u>
Total primary government	<u>\$ 46,967,068</u>	<u>\$ 4,058,834</u>	<u>\$ 20,093,246</u>	<u>\$ 1,326,554</u>	<u>(16,740,595)</u>	<u>(4,747,839)</u>	<u>(21,488,434)</u>	<u>-</u>
<b>Component units:</b>								
Governmental	281,467	584	198,598	-	-	-	-	(82,285)
Proprietary	3,513,366	2,318,592	473,785	358,352	-	-	-	(362,637)
Colleges and universities	7,697,786	3,623,979	2,083,685	97,429	-	-	-	(1,892,693)
Total component units	<u>\$ 11,492,619</u>	<u>\$ 5,943,155</u>	<u>\$ 2,756,068</u>	<u>\$ 455,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,337,615)</u>
General Revenues:								
Income tax					8,021,502	-	8,021,502	-
Sales tax					9,400,361	-	9,400,361	-
Fuels tax					1,571,304	-	1,571,304	-
Gaming tax					615,030	-	615,030	680
Alcohol & Tobacco tax					427,859	-	427,859	-
Insurance tax					234,760	-	234,760	-
Financial Institutions tax					214,143	-	214,143	-
Other tax					428,206	-	428,206	-
Total taxes					<u>20,913,165</u>	<u>-</u>	<u>20,913,165</u>	<u>680</u>
Revenue not restricted to specific programs:								
Investment earnings					24,425	5,901	30,326	2,707,207
Payments from State of Indiana					-	-	-	1,725,764
Other					353,243	4,847,750	5,200,993	786,840
Transfers within primary government					555	(555)	-	-
Total general revenues and transfers					<u>21,291,388</u>	<u>4,853,096</u>	<u>26,144,484</u>	<u>5,220,491</u>
Changes in net position					4,550,793	105,257	4,656,050	2,882,876
Net position - beginning, as restated					15,990,021	486,201	16,476,222	17,485,459
<b>Net position - ending</b>					<u>\$ 20,540,814</u>	<u>\$ 591,458</u>	<u>\$ 21,132,272</u>	<u>\$ 20,368,335</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, 2021**

(amounts expressed in thousands)

	<u>General Fund</u>	<u>Public Welfare- Medicaid Assistance Fund</u>	<u>US Department of Health and Human Services</u>	<u>Federal COVID-19</u>
<b>ASSETS</b>				
Cash, cash equivalents and investments-unrestricted	\$ 4,588,964	\$ 299,840	\$ -	\$ 389,484
Cash, cash equivalents and investments-restricted	544,888	-	-	-
Securities lending collateral	2,423,607	-	-	-
Receivables:				
Taxes (net of allowance for uncollectible accounts)	1,780,394	-	-	-
Accounts	10,428	145,277	645	1,374
Grants	-	212,268	153,265	65,802
Interest	468	-	-	-
Interfund loans	458,241	-	-	-
Due from component unit	-	-	-	-
Prepaid expenditures	92,133	-	-	-
Loans	-	-	-	-
Other	414	-	-	-
<b>Total assets</b>	<b>\$ 9,899,537</b>	<b>\$ 657,385</b>	<b>\$ 153,910</b>	<b>\$ 456,660</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 168,209	\$ 319,912	\$ 66,747	\$ 36,328
Salaries and benefits payable	63,938	-	10,503	-
Interfund loans	-	-	454,698	-
Interfund services used	5,887	3	1,641	41
Intergovernmental payable	39,237	-	-	110,989
Tax refunds payable	37,502	-	-	-
Unearned revenue	-	-	-	242,126
Accrued liability for compensated absences-current	4,953	-	1,025	-
Other payables	414	-	-	-
Securities lending collateral	2,423,607	-	-	-
<b>Total liabilities</b>	<b>2,743,747</b>	<b>319,915</b>	<b>534,614</b>	<b>389,484</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable revenue	400,480	-	-	-
<b>Total deferred inflow of resources</b>	<b>400,480</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>				
Nonspendable	92,133	-	-	-
Restricted	544,891	-	-	-
Committed	39,600	-	-	-
Assigned	2,649,843	337,470	-	67,176
Unassigned	3,428,843	-	(380,704)	-
<b>Total fund balance</b>	<b>6,755,310</b>	<b>337,470</b>	<b>(380,704)</b>	<b>67,176</b>
<b>Total liabilities, deferred inflow of resources, and fund balance</b>	<b>\$ 9,899,537</b>	<b>\$ 657,385</b>	<b>\$ 153,910</b>	<b>\$ 456,660</b>

continued on next page



**State of Indiana**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**  
(amounts expressed in thousands)

	ARPA - Economic Stimulus Fund	Non-Major Governmental Funds	Total
<b>ASSETS</b>			
Cash, cash equivalents and investments-unrestricted	\$ 1,535,915	\$ 5,219,050	\$ 12,033,253
Cash, cash equivalents and investments-restricted	-	4,229	549,117
Securities lending collateral	-	-	2,423,607
Receivables:			
Taxes (net of allowance for uncollectible accounts)	-	219,546	1,999,940
Accounts	-	110,886	268,610
Grants	-	234,082	665,417
Interest	-	196	664
Interfund loans	-	13,151	471,392
Due from component unit	-	22,738	22,738
Prepaid expenditures	-	16,737	108,870
Loans	-	302,538	302,538
Other	-	30	444
<b>Total assets</b>	<b>\$ 1,535,915</b>	<b>\$ 6,143,183</b>	<b>\$ 18,846,590</b>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 484,712	\$ 1,075,908
Salaries and benefits payable	-	34,422	108,863
Interfund loans	-	16,694	471,392
Interfund services used	-	3,493	11,065
Intergovernmental payable	-	161,399	311,625
Tax refunds payable	-	5,895	43,397
Unearned revenue	1,535,915	-	1,778,041
Accrued liability for compensated absences-current	-	2,762	8,740
Other payables	-	33	447
Securities lending collateral	-	-	2,423,607
Total liabilities	1,535,915	709,410	6,233,085
<b>DEFERRED INFLOW OF RESOURCES</b>			
Unavailable revenue	-	172,445	572,925
Total deferred inflow of resources	-	172,445	572,925
<b>FUND BALANCE</b>			
Nonspendable	-	519,572	611,705
Restricted	-	4,229	549,120
Committed	-	963,806	1,003,406
Assigned	-	3,861,563	6,916,052
Unassigned	-	(87,842)	2,960,297
Total fund balance	-	5,261,328	12,040,580
<b>Total liabilities, deferred inflow of resources, and fund balance</b>	<b>\$ 1,535,915</b>	<b>\$ 6,143,183</b>	<b>\$ 18,846,590</b>

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

**State of Indiana**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2021**

(amounts expressed in thousands)

**Total fund balances-governmental funds** **\$ 12,040,580**

Amounts reported for governmental activities in the statement of net position 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	\$ 2,616,158	
Infrastructure assets	12,903,417	
Construction in progress	1,064,459	
Buildings and improvements	2,931,132	
Furniture, machinery, and equipment	576,709	
Computer software	907,434	
Accumulated depreciation	<u>(2,576,172)</u>	
Total capital assets, net of depreciation		18,423,137

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	434,861	
Accounts receivable	<u>489,729</u>	
Total receivables		924,590

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

Accounts payable	(419,221)	
Litigation liabilities	(39,556)	
Pollution remediation	<u>(21,788)</u>	
Total liabilities		(480,565)

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 position.

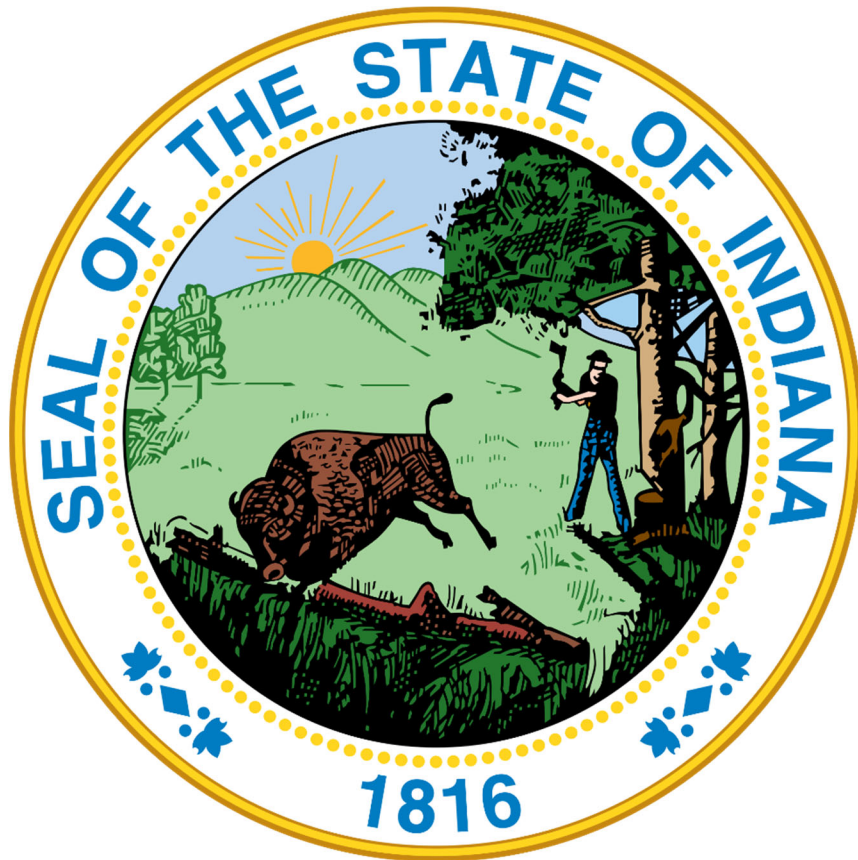
277,408

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	(191,058)	
Other postemployment benefits and related deferrals	(238,198)	
Loan from the Indiana Board for Depositories	(10,000)	
Capital lease payable	(762,395)	
Net pension liability and related deferrals	(9,438,024)	
Asset retirement obligations	<u>(4,661)</u>	
Total long-term liabilities		<u>(10,644,336)</u>

**Net position of governmental activities** **\$ 20,540,814**

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, 2021**  
(amounts expressed in thousands)

	<u>General Fund</u>	<u>Public Welfare- Medicaid Assistance Fund</u>	<u>US Department of Health and Human Services Fund</u>	<u>Federal COVID- 19</u>
<b>Revenues:</b>				
Taxes:				
Income	\$ 7,997,414	\$ -	\$ -	\$ -
Sales	9,264,222	-	-	-
Fuels	1,541	-	-	-
Gaming	191,663	-	-	-
Alcohol and tobacco	255,190	-	-	-
Insurance	229,457	-	-	-
Financial Institutions	-	-	-	-
Other	412,754	-	-	-
Total taxes	18,352,241	-	-	-
Current service charges	247,716	829,301	208	-
Investment income	24,425	-	-	4
Sales/rents	849	-	-	-
Grants	2,565	11,899,602	1,426,235	2,694,910
Other	81,847	-	181	1,996
Total revenues	18,709,643	12,728,903	1,426,624	2,696,910
<b>Expenditures:</b>				
Current:				
General government	1,054,614	-	34,461	711,984
Public safety	988,743	-	10,560	212,805
Health	5,242	-	161,115	432,341
Welfare	1,073,601	15,279,445	1,505,486	390,146
Conservation, culture and development	143,133	-	2,963	534,509
Education	11,199,277	-	12,685	347,874
Transportation	207,660	-	-	22,419
Debt service:				
Capital lease principal	3,583	-	10	-
Capital lease interest	281	-	-	-
Capital outlay	-	-	-	-
Total expenditures	14,676,134	15,279,445	1,727,280	2,652,078
Excess (deficiency) of revenues over (under) expenditures	4,033,509	(2,550,542)	(300,656)	44,832
<b>Other financing sources (uses):</b>				
Transfers in	1,315,297	2,877,283	413,429	-
Transfers (out)	(3,229,307)	(257,434)	(84,711)	(11)
Issuance of capital lease	-	-	-	-
Total other financing sources (uses)	(1,914,010)	2,619,849	328,718	(11)
<b>Net change in fund balances</b>	2,119,499	69,307	28,062	44,821
<b>Fund Balance July 1, as restated</b>	4,635,811	268,163	(408,766)	22,355
<b>Fund Balance June 30</b>	<b>\$ 6,755,310</b>	<b>\$ 337,470</b>	<b>\$ (380,704)</b>	<b>\$ 67,176</b>

continued on next page

**State of Indiana**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

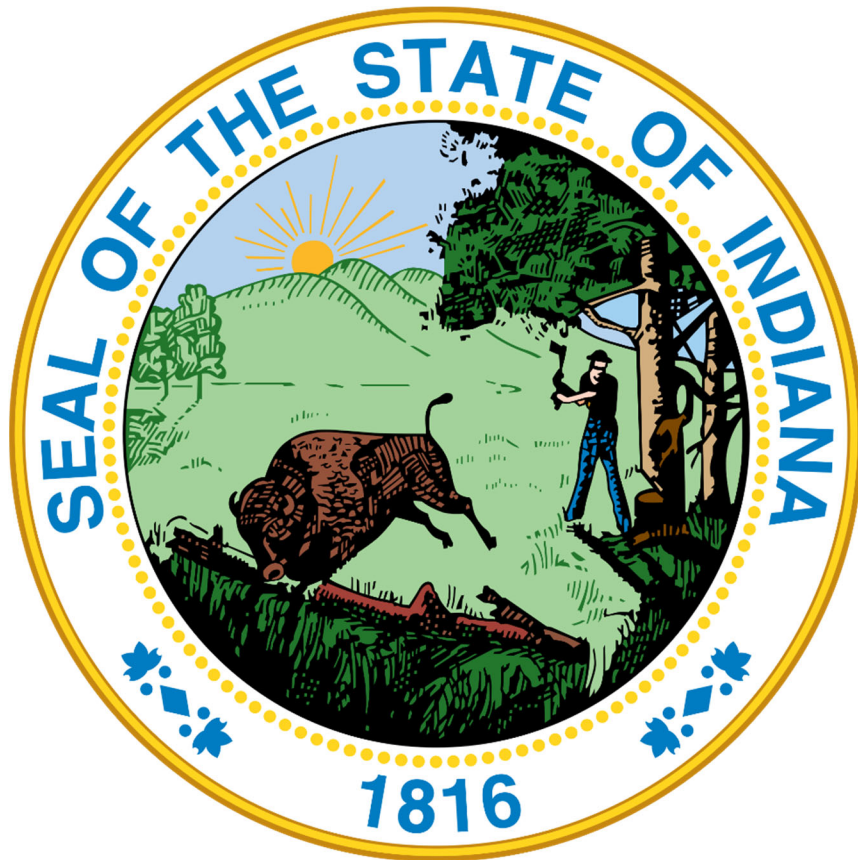
	ARPA- Economic Stimulus Fund	Non-Major Governmental Funds	Total
<b>Revenues:</b>			
Taxes:			
Income	\$ -	\$ -	\$ 7,997,414
Sales	-	103,101	9,367,323
Fuels	-	1,556,934	1,558,475
Gaming	-	423,367	615,030
Alcohol and tobacco	-	168,683	423,873
Insurance	-	5,303	234,760
Financial Institutions	-	215,437	215,437
Other	-	16,197	428,951
Total taxes	-	2,489,022	20,841,263
Current service charges	-	2,308,027	3,385,252
Investment income	-	35,293	59,722
Sales/rents	-	18,722	19,571
Grants	-	5,271,461	21,294,773
Other	-	79,232	163,256
Total revenues	-	10,201,757	45,763,837
<b>Expenditures:</b>			
Current:			
General government	-	372,292	2,173,351
Public safety	-	654,246	1,866,354
Health	-	232,516	831,214
Welfare	-	2,056,357	20,305,035
Conservation, culture and development	-	818,816	1,499,421
Education	-	1,139,871	12,699,707
Transportation	-	3,641,756	3,871,835
Debt service:			
Capital lease principal	-	64,312	67,905
Capital lease interest	-	38,607	38,888
Capital outlay	-	14,615	14,615
Total expenditures	-	9,033,388	43,368,325
Excess (deficiency) of revenues over (under) expenditures	-	1,168,369	2,395,512
<b>Other financing sources (uses):</b>			
Transfers in	-	2,689,019	7,295,028
Transfers (out)	-	(3,718,987)	(7,290,450)
Issuance of capital lease	-	843	843
Total other financing sources (uses)	-	(1,029,125)	5,421
<b>Net change in fund balances</b>	-	139,244	2,400,933
<b>Fund Balance July 1, as restated</b>	-	5,122,084	9,639,647
<b>Fund Balance June 30</b>	<b>\$ -</b>	<b>\$ 5,261,328</b>	<b>\$ 12,040,580</b>

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

**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, 2021**  
(amounts expressed in thousands)

Net change in fund balances-total governmental funds	<b>\$ 2,400,933</b>
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.	485,632
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 (\$218,049) exceeds depreciation (\$140,208) in the current period.	77,841
Capital assets received from component units do not provide or require the use of current financial resources.	268,606
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Tax revenue	74,504
Non-tax revenue	38,403
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	(53,951)
Litigation expenses	7,291
Pollution remediation expenses	(2,192)
Asset retirement expenses	(4,661)
The change in net pension liability does not provide or require the use of current financial resources.	1,165,687
The change in other postemployment benefits liability does not provide or require the use of current financial resources.	63,903
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.	28,797
Change in net position of governmental activities.	<b>\$ 4,550,793</b>

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



**State of Indiana**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**June 30, 2021**  
(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
<b>Assets</b>				
Current assets:				
Cash, cash equivalents and investments - unrestricted	\$ -	\$ 88,794	\$ 88,794	\$ 247,446
Cash, cash equivalents and investments - restricted	300,154	-	300,154	-
Receivables:				
Accounts	73,324	366	73,690	30,133
Interest	2,369	235	2,604	-
Interfund services provided	-	-	-	11,065
Inventory	-	543	543	4,138
Prepaid expenses	-	62	62	2,385
Other assets	-	32	32	-
<b>Total current assets</b>	<b>375,847</b>	<b>90,032</b>	<b>465,879</b>	<b>295,167</b>
Noncurrent assets:				
Accounts receivable	232,889	-	232,889	-
Capital assets:				
Capital assets being depreciated/amortized	-	1,075	1,075	142,322
less accumulated depreciation/amortization	-	(732)	(732)	(82,445)
Total capital assets, net of depreciation/amortization	-	343	343	59,877
Total noncurrent assets	232,889	343	233,232	59,877
<b>Total assets</b>	<b>608,736</b>	<b>90,375</b>	<b>699,111</b>	<b>355,044</b>
<b>Deferred Outflows of Resources</b>				
Related to pensions	-	-	-	7,240
Related to OPEB	-	-	-	363
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,603</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	77,238	561	77,799	49,490
Claims payable	-	1,069	1,069	-
Salaries and benefits payable	-	658	658	2,997
Accrued liability for compensated absences	-	263	263	2,618
Unearned revenue	-	5,394	5,394	5
Other liabilities	-	280	280	4
<b>Total current liabilities</b>	<b>77,238</b>	<b>8,225</b>	<b>85,463</b>	<b>55,114</b>
Noncurrent liabilities:				
Accrued liability for compensated absences	-	535	535	4,606
Claims payable	-	21,655	21,655	-
Net pension liability	-	-	-	20,540
Net OPEB liability	-	-	-	135
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>22,190</b>	<b>22,190</b>	<b>25,281</b>
<b>Total liabilities</b>	<b>77,238</b>	<b>30,415</b>	<b>107,653</b>	<b>80,395</b>
<b>Deferred Inflows of Resources</b>				
Related to pensions	-	-	-	4,594
Related to OPEB	-	-	-	250
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,844</b>
<b>Net position</b>				
Net investment in capital assets	-	343	343	59,877
Restricted-expendable:				
Unemployment compensation	531,498	-	531,498	-
Unrestricted	-	59,617	59,617	217,531
<b>Total net position</b>	<b>\$ 531,498</b>	<b>\$ 59,960</b>	<b>\$ 591,458</b>	<b>\$ 277,408</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 Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2021**  
(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
<b>Operating revenues:</b>				
Sales/rents/premiums	\$ -	\$ 24,362	\$ 24,362	\$ 176,148
Employer contributions	633,003	-	633,003	-
Charges for services	-	-	-	12,100
Insurance premiums	-	-	-	451,378
Other	-	372	372	2,159
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Total operating revenues	633,003	24,734	657,737	641,785
<b>Operating expenses:</b>				
General and administrative expense	17,841	16,737	34,578	187,642
Cost of sales and services	-	5,391	5,391	23,277
Claims expense	-	557	557	-
Health / disability benefit payments	-	-	-	393,332
Unemployment compensation benefits	5,363,745	-	5,363,745	-
Depreciation and amortization	-	77	77	10,087
Contributions to other postemployment benefits	-	-	-	14,257
Other	-	25	25	-
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Total operating expenses	5,381,586	22,787	5,404,373	628,595
Operating income (loss)	<u>(4,748,583)</u>	<u>1,947</u>	<u>(4,746,636)</u>	<u>13,190</u>
<b>Nonoperating revenues (expenses):</b>				
Interest and other investment income	5,849	52	5,901	-
Interest and other investment expense	-	(831)	(831)	-
Gain (Loss) on disposition of assets	-	5	5	1,075
Federal financial assistance	4,847,373	-	4,847,373	-
Other	-	-	-	8
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Total nonoperating revenues (expenses)	4,853,222	(774)	4,852,448	1,083
Income before contributions and transfers	104,639	1,173	105,812	14,273
Capital contributions	-	-	-	18,547
Transfers (out)	-	(555)	(555)	(4,023)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Change in net position</b>	104,639	618	105,257	28,797
<b>Net position, July 1, as restated</b>	<u>426,859</u>	<u>59,342</u>	<u>486,201</u>	<u>248,611</u>
<b>Net position, June 30</b>	<u>\$ 531,498</u>	<u>\$ 59,960</u>	<u>\$ 591,458</u>	<u>\$ 277,408</u>

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, 2021**

(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 482,999	\$ 25,419	\$ 508,418	\$ 507,186
Cash received from interfund services provided	-	-	-	128,118
Cash paid for general and administrative	(17,841)	(16,456)	(34,297)	(189,680)
Cash paid for salary/health/disability benefit payments	(5,447,815)	-	(5,447,815)	(396,030)
Contributions to OPEB plans	-	-	-	(14,257)
Cash paid to suppliers	-	(5,310)	(5,310)	(23,669)
Cash paid for claims expense	-	(912)	(912)	-
Other operating income	-	-	-	2,158
Net cash provided (used) by operating activities	<u>(4,982,657)</u>	<u>2,741</u>	<u>(4,979,916)</u>	<u>13,826</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers out	-	(555)	(555)	(4,023)
Federal financial assistance	4,847,373	-	4,847,373	-
Other	-	-	-	8
Net cash provided (used) by noncapital financing activities	<u>4,847,373</u>	<u>(555)</u>	<u>4,846,818</u>	<u>(4,015)</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition/construction of capital assets	-	(33)	(33)	(17,288)
Proceeds from sale of assets	-	-	-	1,466
Capital contributions	-	-	-	18,547
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(33)</u>	<u>(33)</u>	<u>2,725</u>
<b>Cash flows from investing activities:</b>				
Proceeds from sales of investments	-	3,938	3,938	-
Purchase of investments	-	(6,176)	(6,176)	-
Interest income (expense) on investments	7,112	1,095	8,207	-
Net cash provided (used) by investing activities	<u>7,112</u>	<u>(1,143)</u>	<u>5,969</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(128,172)</b>	<b>1,010</b>	<b>(127,162)</b>	<b>12,536</b>
<b>Cash and cash equivalents, July 1</b>	<b>428,326</b>	<b>16,885</b>	<b>445,211</b>	<b>234,910</b>
<b>Cash and cash equivalents, June 30</b>	<b>\$ 300,154</b>	<b>\$ 17,895</b>	<b>\$ 318,049</b>	<b>\$ 247,446</b>
<b>Reconciliation of cash , cash equivalents and investments:</b>				
Cash and cash equivalents unrestricted at end of year	\$ -	\$ 17,895	\$ 17,895	\$ 247,446
Cash and cash equivalents restricted at end of year	300,154	-	300,154	-
Investments unrestricted	-	70,899	70,899	-
<b>Cash, cash equivalents and investments per balance sheet</b>	<b>\$ 300,154</b>	<b>\$ 88,794</b>	<b>\$ 388,948</b>	<b>\$ 247,446</b>

continued on next page

**State of Indiana**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2021**  
(amounts expressed in thousands)

	Unemployment Compensation Fund	Non-Major Enterprise Funds	Total	Internal Service Funds
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (4,748,583)	\$ 1,947	\$ (4,746,636)	\$ 27,447
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization expense	-	77	77	10,087
Contributions to OPEB Plans	-	-	-	(14,257)
(Increase) decrease in receivables	(150,004)	(133)	(150,137)	(3,896)
(Increase) decrease in interfund services provided	-	-	-	(330)
(Increase) decrease in inventory	-	81	81	(219)
(Increase) decrease in prepaid expenses	-	30	30	380
(Increase) decrease in deferred outflows	-	-	-	(2,363)
Increase (decrease) in claims payable	-	(356)	(356)	-
Increase (decrease) in accounts payable	(84,070)	30	(84,040)	(2,970)
Increase (decrease) in unearned revenue	-	818	818	(42)
Increase (decrease) in salaries payable	-	169	169	182
Increase (decrease) in compensated absences	-	34	34	612
Increase (decrease) in net pension liabilities	-	-	-	(1,803)
Increase (decrease) in net OPEB liabilities	-	-	-	(157)
Increase (decrease) in deferred inflows	-	-	-	1,156
Increase (decrease) in other payables	-	44	44	(1)
Net cash provided (used) by operating activities	<u>\$ (4,982,657)</u>	<u>\$ 2,741</u>	<u>\$ (4,979,916)</u>	<u>\$ 13,826</u>

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

**State of Indiana**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2021**

(amounts expressed in thousands)

	Pension and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds	Custodial Funds	
			External Investment Pool	Other
<b>Assets</b>				
Cash, cash equivalents and non-pension investments	\$ 46,788	\$ 75,298	\$ 1,686,026	\$ 907,179
Securities lending collateral	199,190	-	-	-
Receivables:				
Taxes for other governments	-	-	-	17,925
Contributions	77,592	-	-	-
Interest	98,660	-	54	-
Member loans	61	-	-	-
Accounts	-	2,346	-	-
From investment sales	7,154,282	-	6,047	-
Other	7	-	-	-
Total receivables	<u>7,330,602</u>	<u>2,346</u>	<u>6,101</u>	<u>17,925</u>
Pension and other employee benefit investments at fair value:				
Short term investments	2,916,912	-	-	-
Equity Securities	12,325,755	-	-	-
Debt Securities	15,342,268	-	-	-
Mutual Funds and Collective Trust Funds	27,862	-	-	-
Other	17,938,077	-	-	-
Total investments at fair value	<u>48,550,874</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other assets	321	-	-	-
Property, plant and equipment net of accumulated depreciation	4,488	-	-	-
<b>Total assets</b>	<b><u>56,132,263</u></b>	<b><u>77,644</u></b>	<b><u>1,692,127</u></b>	<b><u>925,104</u></b>
<b>Liabilities</b>				
Accounts payable	13,918	74	131	34,648
Salaries and benefits payable	-	149	-	-
Benefits payable	115,662	-	-	-
Investment purchases payable	8,670,018	-	-	-
Due to other governments	-	-	-	643,136
Securities purchased payable	463,610	-	-	-
Securities lending collateral	199,190	-	-	-
Other	1,536	-	23	-
<b>Total liabilities</b>	<b><u>9,463,934</u></b>	<b><u>223</u></b>	<b><u>154</u></b>	<b><u>677,784</u></b>
<b>Net Position</b>				
Restricted for:				
Employees' pension benefits	45,947,261	-	-	-
OPEB benefits	706,941	-	-	-
Future death benefits	14,127	-	-	-
Trust beneficiaries	-	77,421	-	-
Investment pool participants	-	-	1,691,973	-
Individuals, organizations, and other governments	-	-	-	247,320
<b>Total net position</b>	<b><u>\$ 46,668,329</u></b>	<b><u>\$ 77,421</u></b>	<b><u>\$ 1,691,973</u></b>	<b><u>\$ 247,320</u></b>

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

**State of Indiana**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2021**  
(amounts expressed in thousands)

	Custodial Funds			
	Pension and Other Employee Benefit Trust Funds	Private-Purpose Trust Funds	External Investment Pool	Other
<b>Additions:</b>				
Member contributions	\$ 392,508	\$ 191	1,360,363	-
Employer contributions	1,131,229	-	-	-
Contributions from the State of Indiana	1,800,274	-	-	-
Net investment income (loss)	9,490,104	5,093	1,225	2,499
Less investment expense	(272,499)	-	-	-
Current service charges	-	10,850	-	-
Federal reimbursements	5	-	-	-
Donations/escheats	-	125,628	-	-
Reinvestment of distributions	-	-	877	-
Revenue collections for other governments	-	-	-	4,087,022
Loan repayment collections	-	-	-	33,542
Child support collections	-	-	-	836,107
Receipts of individuals in state care	-	-	-	80,201
Other	365	-	-	-
	12,541,986	141,762	1,362,465	5,039,371
<b>Total additions</b>				
<b>Deductions:</b>				
Pension and disability benefits	2,598,596	-	-	-
Retiree health benefits	25,746	-	-	-
Retiree health forfeitures	10,722	-	-	-
Death benefits	3,030	-	-	-
Payments to participants/beneficiaries	-	114,246	1,691	935,448
Refunds of contributions and interest	580,501	-	1,167,246	-
Administrative	43,187	-	-	-
Pension relief distributions	205,821	-	-	-
Distributions to other governments	-	-	-	3,873,245
Other	704	-	-	-
	3,468,307	114,246	1,168,937	4,808,693
<b>Total deductions</b>				
<b>Net increase (decrease) in net position</b>	9,073,679	27,516	193,528	230,678
<b>Net position restricted, July 1, as restated</b>	37,594,650	49,905	1,498,445	16,642
<b>Net position restricted, June 30</b>	<b>\$ 46,668,329</b>	<b>\$ 77,421</b>	<b>\$ 1,691,973</b>	<b>\$ 247,320</b>

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

**State of Indiana**  
**Combining Statement of Net Position**  
**Discretely Presented Component Units**  
**June 30, 2021**  
(amounts expressed in thousands)

	Governmental	Proprietary	Colleges and Universities	Total
<b>Assets</b>				
Current assets:				
Cash, cash equivalents and investments - unrestricted	\$ 17,437	\$ 621,831	\$ 1,676,671	\$ 2,315,939
Cash, cash equivalents and investments - restricted	174,920	862,965	330,907	1,368,792
Securities lending collateral	-	-	60,905	60,905
Receivables (net)	1,719	448,354	666,934	1,117,007
Due from primary government	-	5,000	-	5,000
Due from component unit	-	-	709	709
Inventory	-	231	3,258	3,489
Prepaid expenses	-	4,608	13,005	17,613
Loans	-	155,810	4,497	160,307
Investment in direct financing lease	-	84,634	-	84,634
Other assets	-	762	201,250	202,012
<b>Total current assets</b>	<b>194,076</b>	<b>2,184,195</b>	<b>2,958,136</b>	<b>5,336,407</b>
Noncurrent assets:				
Cash, cash equivalents and investments - unrestricted	-	381,932	8,583,932	8,965,864
Cash, cash equivalents and investments - restricted	-	633,999	4,095,727	4,729,726
Receivables (net)	-	409,589	388,426	798,015
Due from primary government	-	5,000	-	5,000
Loans	92,750	3,181,133	995	3,274,878
Investment in direct financing lease	-	1,666,224	-	1,666,224
Net pension and OPEB assets	-	465	100,472	100,937
Other assets	-	101,585	267,174	368,759
Capital assets:				
Capital assets not being depreciated/amortized	25,500	1,734,409	1,167,833	2,927,742
Capital assets being depreciated/amortized	507	681,123	15,815,387	16,497,017
less accumulated depreciation/amortization	(365)	(280,798)	(7,448,432)	(7,729,595)
<b>Total capital assets, net of depreciation/amortization</b>	<b>25,642</b>	<b>2,134,734</b>	<b>9,534,788</b>	<b>11,695,164</b>
<b>Total noncurrent assets</b>	<b>118,392</b>	<b>8,514,661</b>	<b>22,971,514</b>	<b>31,604,567</b>
<b>Total assets</b>	<b>312,468</b>	<b>10,698,856</b>	<b>25,929,650</b>	<b>36,940,974</b>
<b>Deferred Outflows of Resources</b>				
Accumulated decrease in fair value of hedging derivatives	-	114,297	660	114,957
Debt refunding loss	-	26,155	29,777	55,932
Related to pensions	1,031	4,139	47,454	52,624
Swap termination	-	50,236	-	50,236
Related to OPEB	-	-	157,243	157,243
Asset retirement obligations	-	-	2,483	2,483
<b>Total deferred outflows of resources</b>	<b>1,031</b>	<b>194,827</b>	<b>237,617</b>	<b>433,475</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	8,734	64,228	605,645	678,607
Interest payable	-	65,692	39,790	105,482
Due to primary government	-	22,738	-	22,738
Unearned revenue	83,240	188,488	319,847	591,575
Advances from federal government	-	568	2,000	2,568
Securities lending collateral	-	-	60,905	60,905
Accrued liability for compensated absences	634	-	103,595	104,229
Other liabilities	-	65,479	33,529	99,008
Current portion of long-term liabilities	-	644,896	364,740	1,009,636
<b>Total current liabilities</b>	<b>92,608</b>	<b>1,052,089</b>	<b>1,530,051</b>	<b>2,674,748</b>

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**State of Indiana**  
**Combining Statement of Net Position**  
**Discretely Presented Component Units**  
**June 30, 2021**  
(amounts expressed in thousands)

	Governmental	Proprietary	Colleges and Universities	Total
<b>Noncurrent liabilities:</b>				
Accrued liability for compensated absences	34	116	94,506	94,656
Accrued prize liabilities	-	71,833	-	71,833
Net pension and OPEB liabilities	3,449	14,027	463,586	481,062
Unearned revenue	-	8,423	22,949	31,372
Funds held in trust for others	-	-	121,839	121,839
Advances from federal government	-	31,889	65,788	97,677
Revenue bonds/notes payable	-	5,315,362	3,349,109	8,664,471
Derivative instrument liability	-	114,297	660	114,957
Other noncurrent liabilities	-	50,248	161,152	211,400
<b>Total noncurrent liabilities</b>	<b>3,483</b>	<b>5,606,195</b>	<b>4,279,589</b>	<b>9,889,267</b>
<b>Total liabilities</b>	<b>96,091</b>	<b>6,658,284</b>	<b>5,809,640</b>	<b>12,564,015</b>
<b>Deferred Inflows of Resources</b>				
Advanced payment for service concession agreement	-	3,932,342	-	3,932,342
Service concession arrangement receipts	-	264,957	1,448	266,405
Related to pensions	923	4,499	56,193	61,615
Related to OPEB	-	-	147,415	147,415
Related to irrevocable split interest agreements	-	186	34,136	34,322
<b>Total deferred inflows of resources</b>	<b>923</b>	<b>4,201,984</b>	<b>239,192</b>	<b>4,442,099</b>
<b>Net Position</b>				
Net investment in capital assets	25,642	1,018,313	5,840,821	6,884,776
Restricted - nonexpendable:				
Grants/constitutional restrictions	-	-	3,451	3,451
Permanent funds	-	782	60,665	61,447
Instruction and research	-	-	1,516,483	1,516,483
Student aid	-	-	1,467,916	1,467,916
Capital projects	-	-	8,747	8,747
Clinical/health programs	-	-	60,450	60,450
Other purposes	-	-	602,662	602,662
Restricted - expendable:				
Grants/constitutional restrictions	178,802	1,686,538	26,226	1,891,566
Future debt service	-	234,587	21,035	255,622
Instruction and research	-	-	812,081	812,081
Student aid	-	-	1,183,343	1,183,343
Endowments	-	1,871	72,849	74,720
Capital projects	-	31,552	675,770	707,322
Clinical/health programs	-	-	41,342	41,342
Other purposes	-	-	1,837,684	1,837,684
Unrestricted	12,041	(2,940,228)	5,886,910	2,958,723
<b>Total net position</b>	<b>\$ 216,485</b>	<b>\$ 33,415</b>	<b>\$ 20,118,435</b>	<b>\$ 20,368,335</b>

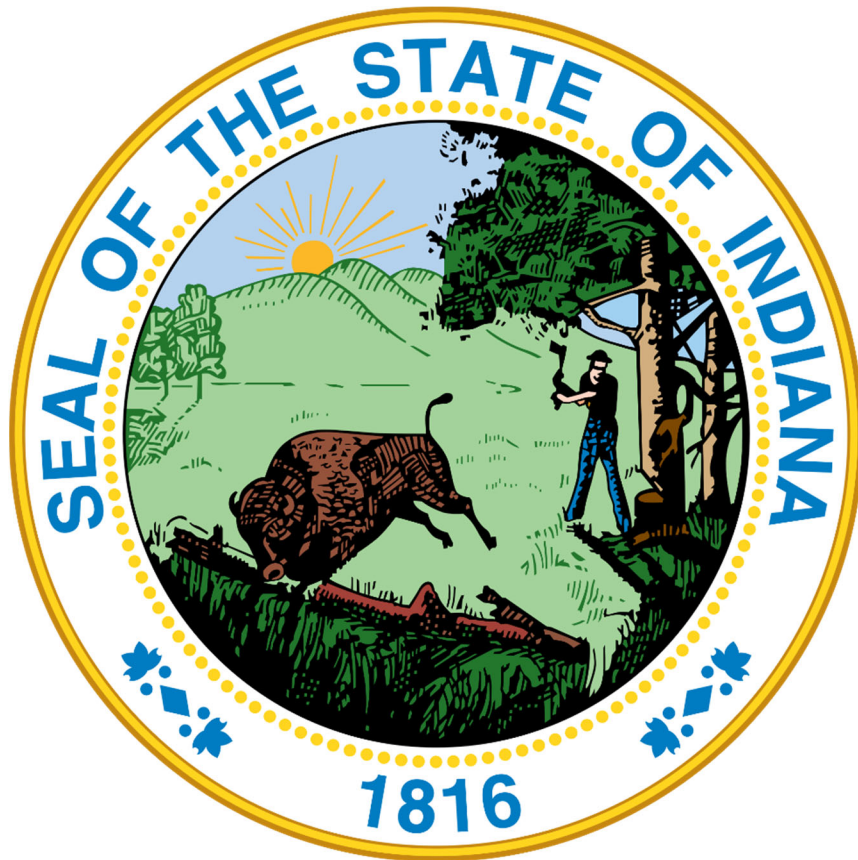
The notes to the financial statements are an integral part of this statement.

**State of Indiana**  
**Combining Statement of Activities**  
**Discretely Presented Component Units**  
**For the Fiscal Year Ended June 30, 2021**  
(amounts expressed in thousands)

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental	Proprietary	Colleges and Universities	Net (Expense) Revenue
Governmental	\$ 281,467	\$ 584	\$ 198,598	\$ -	\$ (82,285)	\$ -	\$ -	\$ (82,285)
Proprietary	3,513,366	2,318,592	473,785	358,352	-	(362,637)	-	(362,637)
Colleges and universities	7,697,786	3,623,979	2,083,685	97,429	-	-	(1,892,693)	(1,892,693)
<b>Total component units</b>	<b>\$ 11,492,619</b>	<b>\$ 5,943,155</b>	<b>\$ 2,756,068</b>	<b>\$ 455,781</b>	<b>(82,285)</b>	<b>(362,637)</b>	<b>(1,892,693)</b>	<b>(2,337,615)</b>
General Revenues:								
Gaming tax								
					680	-	-	680
Total taxes								
					680	-	-	680
Revenue not restricted to specific programs:								
Investment earnings								
					13	48,526	2,658,668	2,707,207
Payments from State of Indiana								
					76,649	27,457	1,621,658	1,725,764
Other								
					-	2,928	783,912	786,840
Total general revenues								
					77,342	78,911	5,064,238	5,220,491
Change in net position								
					(4,943)	(283,726)	3,171,545	2,882,876
Net position - beginning, as restated								
					221,428	317,141	16,946,890	17,485,459
<b>Net position - ending</b>								
					<b>\$ 216,485</b>	<b>\$ 33,415</b>	<b>\$ 20,118,435</b>	<b>\$ 20,368,335</b>

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





**State of Indiana**  
**Combining Statement of Net Position**  
**Discretely Presented Component Units -**  
**Proprietary Funds**  
**June 30, 2021**  
(amounts expressed in thousands)

	Indiana Finance Authority	State Lottery Commission	Non-Major	IFA & ISCBA/IMC Elimination	Total Component Units
<b>Assets</b>					
Current assets:					
Cash, cash equivalents and investments - unrestricted	\$ 106,780	\$ 56,459	\$ 458,592	\$ -	\$ 621,831
Cash, cash equivalents and investments - restricted	509,816	-	353,149	-	862,965
Receivables (net)	68,313	160,464	236,380	(16,803)	448,354
Due from primary government	-	-	5,000	-	5,000
Inventory	-	-	231	-	231
Prepaid expenses	2,197	1,570	841	-	4,608
Loans	157,599	-	11,196	(12,985)	155,810
Investment in direct financing lease	71,649	-	16,785	(3,800)	84,634
Other assets	-	-	762	-	762
<b>Total current assets</b>	<b>916,354</b>	<b>218,493</b>	<b>1,082,936</b>	<b>(33,588)</b>	<b>2,184,195</b>
Noncurrent assets:					
Cash, cash equivalents and investments - unrestricted	-	84,653	297,279	-	381,932
Cash, cash equivalents and investments - restricted	38,083	8,668	587,248	-	633,999
Receivables (net)	-	-	409,589	-	409,589
Due from primary government	-	-	5,000	-	5,000
Loans	3,900,882	-	213,392	(933,141)	3,181,133
Investment in direct financing lease	758,234	-	979,010	(71,020)	1,666,224
Net pension and OPEB assets	-	465	-	-	465
Other assets	92,977	8,422	186	-	101,585
Capital assets:					
Capital assets not being depreciated/amortized	1,616,742	-	117,667	-	1,734,409
Capital assets being depreciated/amortized	236,102	3,114	441,907	-	681,123
less accumulated depreciation/amortization	(47,000)	(2,915)	(230,883)	-	(280,798)
<b>Total capital assets, net of depreciation/amortization</b>	<b>1,805,844</b>	<b>199</b>	<b>328,691</b>	<b>-</b>	<b>2,134,734</b>
<b>Total noncurrent assets</b>	<b>6,596,020</b>	<b>102,407</b>	<b>2,820,395</b>	<b>(1,004,161)</b>	<b>8,514,661</b>
<b>Total assets</b>	<b>7,512,374</b>	<b>320,900</b>	<b>3,903,331</b>	<b>(1,037,749)</b>	<b>10,698,856</b>
<b>Deferred Outflows of Resources</b>					
Accumulated decrease in fair value of hedging derivatives	109,557	-	114,297	(109,557)	114,297
Debt refunding loss	16,629	-	10,170	(644)	26,155
Related to pensions	688	618	2,833	-	4,139
Swap termination	50,236	-	50,236	(50,236)	50,236
<b>Total deferred outflows of resources</b>	<b>177,110</b>	<b>618</b>	<b>177,536</b>	<b>(160,437)</b>	<b>194,827</b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	8,632	36,845	18,751	-	64,228
Interest payable	51,668	-	30,827	(16,803)	65,692
Due to primary government	-	22,738	-	-	22,738
Unearned revenue	145,472	1,852	41,164	-	188,488
Advances from federal government	-	-	568	-	568
Other liabilities	32	709	64,738	-	65,479
Current portion of long-term liabilities	238,327	159,989	263,365	(16,785)	644,896
<b>Total current liabilities</b>	<b>444,131</b>	<b>222,133</b>	<b>419,413</b>	<b>(33,588)</b>	<b>1,052,089</b>

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**State of Indiana**  
**Combining Statement of Net Position**  
**Discretely Presented Component Units -**  
**Proprietary Funds**  
**June 30, 2021**  
(amounts expressed in thousands)

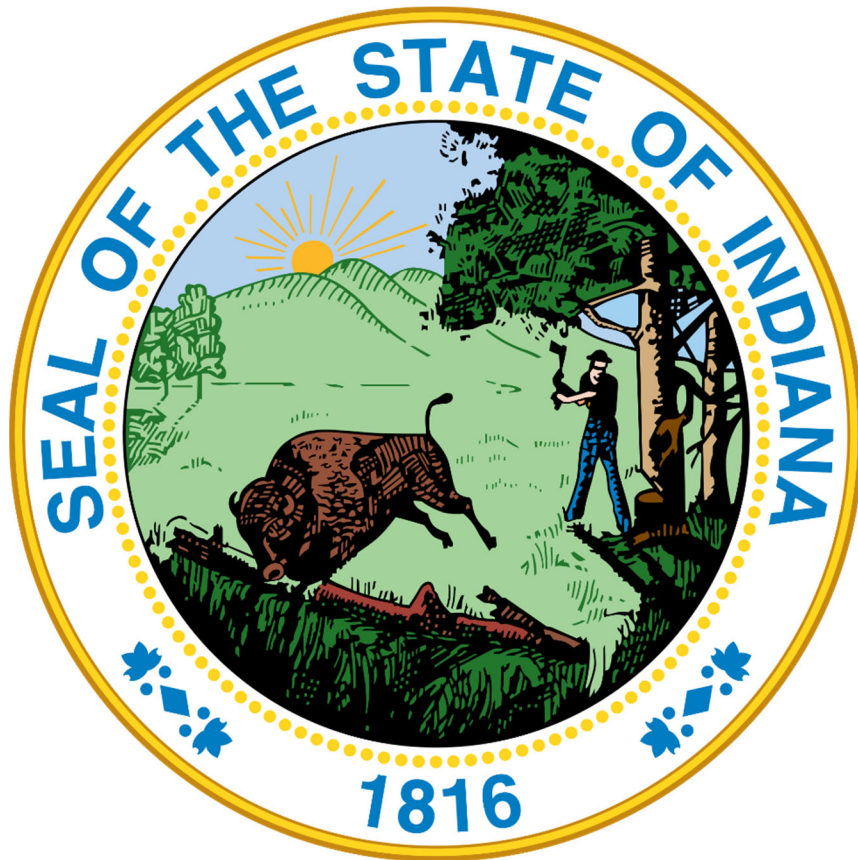
	Indiana Finance Authority	State Lottery Commission	Non-Major	IFA & ISCBA/IMC Elimination	Total Component Units
Noncurrent liabilities:					
Accrued liability for compensated absences	-	-	116	-	116
Accrued prize liabilities	-	71,833	-	-	71,833
Net pension and OPEB liabilities	1,662	1,495	10,870	-	14,027
Unearned revenue	-	8,423	-	-	8,423
Advances from federal government	72	-	31,817	-	31,889
Revenue bonds/notes payable	4,291,522	-	2,078,881	(1,055,041)	5,315,362
Derivative instrument liability	109,557	-	114,297	(109,557)	114,297
Other noncurrent liabilities	-	-	50,248	-	50,248
<b>Total noncurrent liabilities</b>	<b>4,402,813</b>	<b>81,751</b>	<b>2,286,229</b>	<b>(1,164,598)</b>	<b>5,606,195</b>
<b>Total liabilities</b>	<b>4,846,944</b>	<b>303,884</b>	<b>2,705,642</b>	<b>(1,198,186)</b>	<b>6,658,284</b>
<b>Deferred Inflows of Resources</b>					
Advanced payment for service concession agreement	3,920,006	-	12,336	-	3,932,342
Service concession arrangement receipts	264,957	-	-	-	264,957
Related to pensions	372	1,277	2,850	-	4,499
Related to irrevocable split interest agreements	-	-	186	-	186
<b>Total deferred inflows of resources</b>	<b>4,185,335</b>	<b>1,277</b>	<b>15,372</b>	<b>-</b>	<b>4,201,984</b>
<b>NET POSITION</b>					
Net investment in capital assets	751,711	199	266,403	-	1,018,313
Restricted - nonexpendable:					
Permanent funds	-	-	782	-	782
Restricted - expendable:					
Grants/constitutional restrictions	1,553,140	-	133,398	-	1,686,538
Future debt service	107,027	-	127,560	-	234,587
Endowments	-	-	1,871	-	1,871
Capital projects	-	-	31,552	-	31,552
Unrestricted	(3,754,673)	16,158	798,287	-	(2,940,228)
<b>Total net position</b>	<b>\$ (1,342,795)</b>	<b>\$ 16,357</b>	<b>\$ 1,359,853</b>	<b>\$ -</b>	<b>\$ 33,415</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 -**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2021**  
(amounts expressed in thousands)

	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Indiana Finance Authority	State Lottery Commission	Non-Major	IFA & ISCBA Interfund Eliminations	Net (Expense) Revenue
Indiana Finance Authority (IFA)	\$ 1,223,847	\$ 524,621	\$ -	\$ 350,952	\$ (348,274)	\$ -	\$ -	\$ -	\$ (348,274)
State Lottery Commission	1,739,380	1,737,734	-	-	-	(1,646)	-	-	(1,646)
Non-Major Proprietary	605,331	107,241	477,973	7,400	-	-	(12,717)	-	(12,717)
IFA & ISCBA/IMC Interfund Eliminations	(55,192)	(51,004)	(4,188)	-	-	-	-	-	-
<b>Total component units</b>	<b>\$ 3,513,366</b>	<b>\$ 2,318,592</b>	<b>\$ 473,785</b>	<b>\$ 358,352</b>	<b>(348,274)</b>	<b>(1,646)</b>	<b>(12,717)</b>	<b>-</b>	<b>(362,637)</b>
General revenues:									
Investment earnings					1,614	(7,018)	53,930	-	48,526
Payments from State of Indiana					-	-	27,457	-	27,457
Other					-	1,979	949	-	2,928
Total general revenues					1,614	(5,039)	82,336	-	78,911
Change in net position					(346,660)	(6,685)	69,619	-	(283,726)
Net position - beginning, as restated					(996,135)	23,042	1,290,234	-	317,141
<b>Net position - ending</b>					<b>\$ (1,342,795)</b>	<b>\$ 16,357</b>	<b>\$ 1,359,853</b>	<b>\$ -</b>	<b>\$ 33,415</b>

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



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**State of Indiana**  
**Combining Statement of Net Position**  
**Discretely Presented Component Units -**  
**Colleges and Universities**  
**June 30, 2021**  
(amounts expressed in thousands)

	Indiana University	Purdue University	Non-Major Colleges and Universities	Totals
<b>Assets</b>				
Current assets:				
Cash, cash equivalents and investments - unrestricted	\$ 572,253	\$ 465,843	\$ 638,575	\$ 1,676,671
Cash, cash equivalents and investments - restricted	-	207,334	123,573	330,907
Securities lending collateral	60,905	-	-	60,905
Receivables (net)	270,681	213,366	182,887	666,934
Due from component unit	-	-	709	709
Inventory	-	-	3,258	3,258
Prepaid expenses	230	-	12,775	13,005
Loans	-	-	4,497	4,497
Other assets	51,125	32,727	117,398	201,250
<b>Total current assets</b>	<b>955,194</b>	<b>919,270</b>	<b>1,083,672</b>	<b>2,958,136</b>
Noncurrent assets:				
Cash, cash equivalents and investments - unrestricted	5,921,832	1,816,183	845,917	8,583,932
Cash, cash equivalents and investments - restricted	49,249	3,540,436	506,042	4,095,727
Receivables (net)	281,033	102,637	4,756	388,426
Loans	-	-	995	995
OPEB assets	-	-	100,472	100,472
Other assets	44,378	-	222,796	267,174
Capital assets:				
Capital assets not being depreciated/amortized	423,851	363,508	380,474	1,167,833
Capital assets being depreciated/amortized	6,167,400	5,561,773	4,086,214	15,815,387
less accumulated depreciation/amortization	(2,848,603)	(2,836,248)	(1,763,581)	(7,448,432)
<b>Total capital assets, net of depreciation/amortization</b>	<b>3,742,648</b>	<b>3,089,033</b>	<b>2,703,107</b>	<b>9,534,788</b>
<b>Total noncurrent assets</b>	<b>10,039,140</b>	<b>8,548,289</b>	<b>4,384,085</b>	<b>22,971,514</b>
<b>Total assets</b>	<b>10,994,334</b>	<b>9,467,559</b>	<b>5,467,757</b>	<b>25,929,650</b>
<b>Deferred Outflows of Resources</b>				
Accumulated decrease in fair value of hedging derivatives	-	-	660	660
Debt refunding loss	9,420	18,206	2,151	29,777
Related to pensions	15,872	13,306	18,276	47,454
Related to OPEB	54,026	5,507	97,710	157,243
Related to asset retirement obligations	-	2,483	-	2,483
<b>Total deferred outflows of resources</b>	<b>79,318</b>	<b>39,502</b>	<b>118,797</b>	<b>237,617</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	276,678	211,472	117,495	605,645
Interest payable	5,080	23,855	10,855	39,790
Unearned revenue	104,049	185,273	30,525	319,847
Advances from federal government	2,000	-	-	2,000
Securities lending collateral	60,905	-	-	60,905
Accrued liability for compensated absences	56,879	28,972	17,744	103,595
Other liabilities	-	2,715	30,814	33,529
Current portion of long-term liabilities	133,046	130,080	101,614	364,740
<b>Total current liabilities</b>	<b>638,637</b>	<b>582,367</b>	<b>309,047</b>	<b>1,530,051</b>
Noncurrent liabilities:				
Accrued liability for compensated absences	33,544	44,965	15,997	94,506
Net pension and OPEB liabilities	243,307	81,807	138,472	463,586
Unearned revenue	22,949	-	-	22,949
Funds held in trust for others	43,119	78,720	-	121,839
Advances from federal government	55,081	4,896	5,811	65,788
Revenue bonds/notes payable	1,079,675	1,160,531	1,108,903	3,349,109
Derivative instrument liability	-	-	660	660
Other noncurrent liabilities	76,614	49,358	35,180	161,152
<b>Total noncurrent liabilities</b>	<b>1,554,289</b>	<b>1,420,277</b>	<b>1,305,023</b>	<b>4,279,589</b>
<b>Total liabilities</b>	<b>2,192,926</b>	<b>2,002,644</b>	<b>1,614,070</b>	<b>5,809,640</b>

continued on next page

**State of Indiana**  
**Combining Statement of Net Position**  
**Discretely Presented Component Units -**  
**Colleges and Universities**  
**June 30, 2021**  
(amounts expressed in thousands)

	Indiana University	Purdue University	Non-Major Colleges and Universities	Totals
<b>Deferred Inflows of Resources</b>				
Service concession arrangement receipts	-	-	1,448	1,448
Related to pensions	15,918	13,926	26,349	56,193
Related to OPEB	43,700	6,894	96,821	147,415
Related to irrevocable split interest agreements	-	34,136	-	34,136
<b>Total deferred inflows of resources</b>	<b>59,618</b>	<b>54,956</b>	<b>124,618</b>	<b>239,192</b>
<b>Net Position</b>				
Net investment in capital assets	2,544,428	1,728,701	1,567,692	5,840,821
Restricted - nonexpendable:				
Grants/constitutional restrictions	-	-	3,451	3,451
Permanent funds	59,811	-	854	60,665
Instruction and research	962,184	531,755	22,544	1,516,483
Student aid	849,789	480,801	137,326	1,467,916
Capital projects	8,747	-	-	8,747
Clinical/health programs	60,450	-	-	60,450
Other purposes	485,339	57,701	59,622	602,662
Restricted - expendable:				
Grants/constitutional restrictions	-	-	26,226	26,226
Future debt service	16,879	-	4,156	21,035
Instruction and research	277,519	480,669	53,893	812,081
Student aid	372,982	630,093	180,268	1,183,343
Endowments	-	-	72,849	72,849
Capital projects	399,554	150,968	125,248	675,770
Clinical/health programs	41,342	-	-	41,342
Other purposes	575,910	1,057,076	204,698	1,837,684
Unrestricted	2,166,174	2,331,697	1,389,039	5,886,910
<b>Total net position</b>	<b>\$ 8,821,108</b>	<b>\$ 7,449,461</b>	<b>\$ 3,847,866</b>	<b>\$ 20,118,435</b>

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

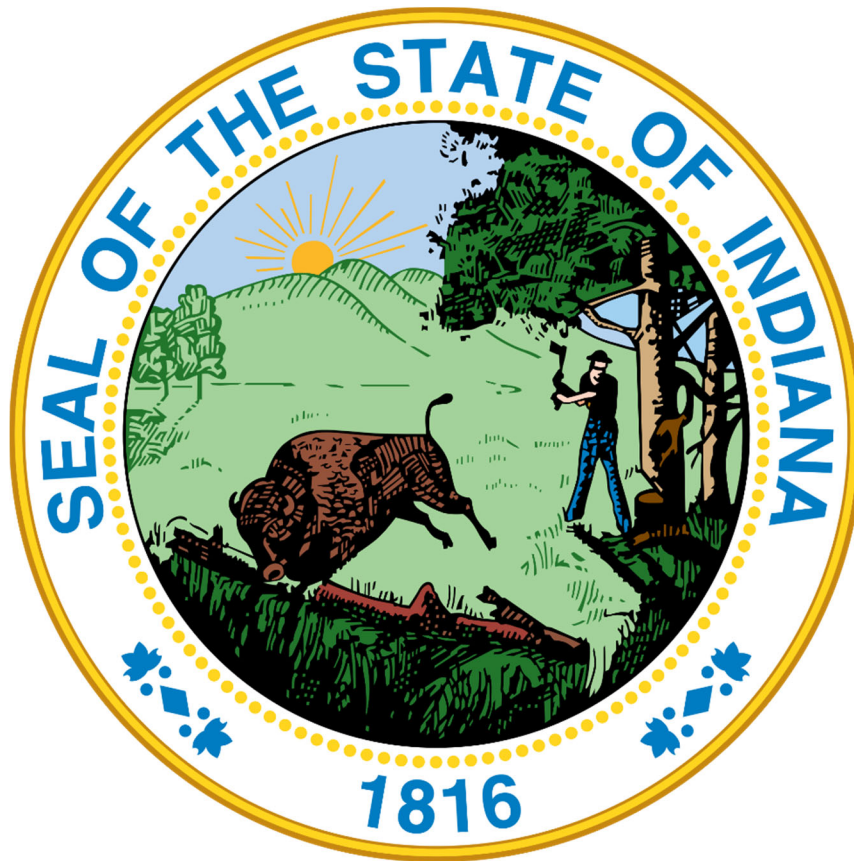
**State of Indiana**  
**Combining Statement of Activities**  
**Discretely Presented Component Units -**  
**Colleges and Universities**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	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	\$ 3,337,767	\$ 1,496,756	\$ 920,947	\$ 31,148	\$ (888,916)	\$ -	\$ -	\$ (888,916)
Purdue University	2,698,296	1,586,262	872,393	15,430	-	(224,211)	-	(224,211)
Non-Major Colleges and Universities	1,661,723	540,961	290,345	50,851	-	-	(779,566)	(779,566)
Total component units	<u>\$ 7,697,786</u>	<u>\$ 3,623,979</u>	<u>\$ 2,083,685</u>	<u>\$ 97,429</u>	<u>(888,916)</u>	<u>(224,211)</u>	<u>(779,566)</u>	<u>(1,892,693)</u>
General revenues:								
Investment earnings					1,346,417	1,149,780	162,471	2,658,668
Payments from State of Indiana					563,929	394,199	663,530	1,621,658
Other					417,897	3,245	362,770	783,912
Total general revenues					<u>2,328,243</u>	<u>1,547,224</u>	<u>1,188,771</u>	<u>5,064,238</u>
Change in net position					1,439,327	1,323,013	409,205	3,171,545
Net position - beginning, as restated					7,381,781	6,126,448	3,438,661	16,946,890
<b>Net position - ending</b>					<u>\$ 8,821,108</u>	<u>\$ 7,449,461</u>	<u>\$ 3,847,866</u>	<u>\$ 20,118,435</u>

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



# NOTES TO THE FINANCIAL STATEMENTS



## STATE OF INDIANA

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June 30, 2021

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**STATE OF INDIANA**  
**Notes to the Financial Statements**  
**June 30, 2021**  
**(schedule amounts are expressed in thousands)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

As required by generally accepted accounting principles, these financial statements present the government (State of Indiana) and its component units. Blended component units, although legally separate entities, are in substance part of the government's operations; data from these units are combined with data of the primary government. Discretely presented component units are reported in one column in the government-wide financial statements. This column contains the governmental fund types, proprietary fund types, and colleges and universities. This is to emphasize that, as well as being legally separate from the government; they also provide services to and benefit local governments and/or the citizens of the State of Indiana. Of the component units, the Indiana Housing and Community Development Authority, Ports of Indiana, Indiana State Fair Commission, Indiana Comprehensive Health Insurance Association, and the Indiana Political Subdivision Risk Management Commission have a December 31, 2020, fiscal year-end.

*Blended Component Units*

The following component units are reported under the blended method as the primary government appoints a voting majority of the board and is able to impose its will. These units, although legally separate from the State, are reported as part of the State because they provide services entirely or almost entirely to the State.

The Bureau of Motor Vehicle Commission (BMVC) was established per Indiana Code 9-14-9 to develop and update Bureau of Motor Vehicles (BMV) policy, establish standards for the operation and maintenance of license branches, and submit budget proposals for the BMVC, BMV, and license branches. The BMVC has significant interrelated operations with the BMV and license branches. The BMV is responsible for the accurate and timely distribution of the fees and taxes (excise and wheel) collected at the license branches for driver licenses, auto and watercraft registrations, and license plates.

The BMVC consists of four individuals appointed by

the governor and the chairperson who is the commissioner of the BMV. No more than three of the members may be of the same political party. The BMVC is reported as a non-major governmental fund.

The Indiana Homeland Security Foundation was established per Indiana Code 10-15-2-1 to assist the Indiana Department of Homeland Security (IDHS) in developing projects that benefit public safety in local communities. The foundation administers the Indiana Homeland Security fund which funds these IDHS projects. The foundation has significant interrelated operations with the IDHS. Foundation funds are aligned with the Indiana Strategy for Homeland Security of the IDHS. The Indiana Homeland Security Foundation is reported as a non-major governmental fund.

The Indiana Natural Resources Foundation was established per Indiana Code 14-12-1 to promote, support, assist, sustain and encourage charitable, educational and scientific programs, projects and policies of the Indiana Department of Natural Resources. The Indiana Natural Resources Foundation is reported as a non-major governmental fund.

The Healthy Hoosiers Foundation was established per Indiana Code 16-19-3-30 to support the purposes and programs of the Indiana State Department of Health, which may include programs intended to reduce infant mortality, increase childhood immunizations, reduce obesity, and reduce smoking rates. The Healthy Hoosiers Foundation is reported as a non-major governmental fund.

The Indiana War Memorials Foundation was established per Indiana Code 10-18-1 for the benefit of, to perform the functions of, and to carry out the purposes of the Indiana War Memorials Commission. The Foundation provides cultural and recreational services. The Indiana War Memorials Foundation is reported as a non-major governmental fund.

The Indiana State Library Foundation was established per Indiana Code 4-23-7.1-42 to support the programs of the State Library and

libraries in the state. The Indiana State Library Foundation is reported as a non-major governmental fund.

The Governor's Residence Commission was established per Indiana Code 4-23-15 to provide the governor of the state of Indiana a suitable and fitting residential site located at the seat of state government; and to make provision to maintain, remodel, expand, finish, refinish, furnish or refurbish, construct or reconstruct such residential site either of the existing mansion and any expansion thereof, or any other acquired site for such governor's mansion, all as may be required from time to time. The Governor's Residence Commission is reported as a non-major governmental fund.

#### *Discretely Presented Component Units*

The following are discretely presented component units of the State of Indiana. The component units that are included in the State's reporting entity because the primary government appoints a voting majority of their governing bodies and is able to impose its will on each organization are: Indiana Economic Development Corporation, Indiana Destination Development Corporation, Indiana Finance Authority, State Lottery Commission of Indiana, Indiana Stadium Convention and Building Authority, Indiana Bond Bank, Indiana Housing and Community Development Authority, Indiana Secondary Market for Education Loans, Inc., White River State Park Development Commission, Ports of Indiana, Indiana Comprehensive Health Insurance Association, Indiana Political Subdivision Risk Management Commission, Indiana State Museum and Historic Sites Corporation, Indiana Motorsports Commission, and each of the seven colleges and universities. The following component units are included in the State's reporting entity because the primary government appoints a voting majority of their governing bodies and is financially accountable for each organization: Indiana Board for Depositories, Indiana State Fair Commission, and the Indiana Public Retirement System.

The Indiana Economic Development Corporation (IEDC) was created per Indiana Code 5-28-3 to improve the quality of life for the citizens of Indiana by encouraging the diversification of Indiana's economy and the orderly economic development and growth of Indiana, the creation of new jobs, the retention of existing jobs, the growth and modernization of existing industry, and the promotion of Indiana. The IEDC leads the state of Indiana's economic development efforts, helping businesses launch, grow, and locate in the state. The IEDC manages many initiatives, including

performance-based tax credits, workforce training grants, innovation and entrepreneurship resources, public infrastructure assistance, and talent attraction and retention efforts. The IEDC Board of Directors is composed of 12 members, consisting of the Governor and 11 individuals appointed by the Governor. At least five members of the board must belong to the same political party as the Governor, and at least three members must belong to another major political party, but none may be members of the general assembly. The IEDC is reported as a non-major discretely presented governmental component unit. The separately issued audited financial statements may be obtained by writing the Indiana Economic Development Corporation, One North Capital Avenue, Suite 700, Indianapolis, IN 46204.

The Indiana Destination Development Corporation (IDDC) was created per Indiana Code 5-33 to assist in the development and promotion of Indiana's tourist resources, facilities, attractions, and activities. The IDDC Board of Directors is composed of 7 members, consisting of the Governor, the Secretary of Commerce and 5 members appointed by the Governor that are from the private sector tourism industry. None of the members may be from the general assembly. The IDDC is reported as a non-major discretely presented governmental component unit. The IDDC does not issue their own separately audited financial statements.

The Indiana Finance Authority (IFA) was created per Indiana Code 5-1.2-3-1 as a body both corporate and politic, and though separate from the State of Indiana (State); the exercise by the IFA of its powers constitutes an essential governmental function. Indiana's constitution restricts State incurrence of debt. As a result, the General Assembly created the IFA and authorized it to issue revenue bonds and other obligations to finance projects for lease to the State.

The IFA finances and refines state hospitals, state office buildings, state garages, correctional facilities, recreational facilities, highways, bridges, airport facilities, and other related facilities for the benefit of the State. The IFA also provides low interest loans to Indiana communities for environmental improvements. It also promotes business and employment opportunities by issuing tax-exempt financing for industrial development projects, rural development projects, childcare financing, and educational facility projects.

The IFA's revenue bonds and notes are special and limited obligations of the IFA, payable from lease rental revenue, bond or note proceeds and

investment income. The IFA's revenue bonds are not general obligations of the IFA nor are they State debt within the meaning of any constitutional provision or limitation. The IFA cannot compel the General Assembly to make appropriations to pay lease rentals. The authority is composed of five members, consisting of the budget director or their designee, who serves as chairman, the Treasurer of State or their designee, and three members appointed by the governor of which no more than two may be from the same political party. The Authority is reported as a major discretely presented proprietary component unit. IFA's separately issued audited financial statements may be obtained by writing the Indiana Finance Authority, One North Capital Avenue, Suite 900, Indianapolis, IN 46204.

The State Lottery Commission of Indiana, created per Indiana Code 4-30-3, is composed of five members appointed by the Governor. Net proceeds from the Lottery are distributed to the State to be used to supplement teachers' retirement, local police and firefighters' pensions, and the Build Indiana Fund. A portion of the Build Indiana Fund is then used to supplement the Motor Vehicle Excise Tax Replacement Fund. The Commission is reported as a major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the State Lottery Commission of Indiana, 1302 North Meridian Street, Suite 100, Indianapolis, IN 46202.

The Indiana Stadium and Convention Building Authority was established per Indiana Code 5-1-17, as an entity of the State to finance, design, construct, and own the new Indiana Stadium in Indianapolis and the expansion of the adjacent Indiana Convention Center. The Building Authority is governed by a seven member board, comprised of four appointments by the Governor, two appointments by the Mayor of the City of Indianapolis and one appointment by the Governor following nomination from one of the counties surrounding Marion County. The Authority is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Indiana Stadium and Convention Building Authority, One North Capital Avenue, Suite 900, Indianapolis, IN 46204.

The Indiana Bond Bank, created per Indiana Code 5-1.5-2, is controlled by a board composed of the Treasurer of State, Director of Public Finance and five appointees of the Governor. The Bond Bank issues debt obligations and invests the proceeds in various projects of State and local governments. The Bond Bank is reported as a non-major

discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Indiana Bond Bank, 10 West Market Street, Suite 2410, Indianapolis, IN 46204.

The Indiana Housing and Community Development Authority was created per Indiana Code 5-20-1-3 for the purpose of financing residential housing for persons and families of low and moderate incomes. The Authority's board consists of the Public Finance Director of the Indiana Finance Authority, the Lieutenant Governor, the State Treasurer and four persons appointed by the Governor. The Lieutenant Governor chairs the board. The Authority is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Indiana Housing and Community Development Authority, 30 South Meridian Street, Suite 1000, Indianapolis, IN 46204.

The Indiana Board for Depositories was established per Indiana Code 5-13-12 to ensure the safekeeping and prompt payment of all public funds deposited in Indiana banks. The Board, consisting of the Governor, Treasurer of State, Auditor of State, Chairman of the Commission for Financial Institutions, State Examiner of the State Board of Accounts and four members appointed by the Governor, provides insurance on public funds in excess of the Federal Deposit Insurance Corporation limit. The Board is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Indiana Board for Depositories, One North Capitol Avenue, Suite 900, Indianapolis, IN 46204 or at <https://www.in.gov/tos/deposit/>.

The Indiana Secondary Market for Education Loans, Inc. (ISM), d/b/a INvestEd, was created per Indiana Code 21-16-5 to purchase education loans in the secondary market, lend money for the origination of education loans, and originate loans to consolidate education debt. The Governor appointed the original Board of Directors. ISM provides in its articles of incorporation that changes in the composition of its directors or in its bylaws are subject to the approval of the Governor. ISM is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Indiana Secondary Market for Education Loans, Inc., d/b/a INvestEd, 11595 North Meridian Street, Suite 200, Carmel, IN 46032.

The White River State Park Development Commission created per Indiana Code 14-13-1-5

has the responsibility to design and implement a plan for the establishment and development of park, exposition, educational, athletic, and recreational projects to be located within one mile from the banks of the Indiana White River in a consolidated first-class city and county, and is authorized to acquire additional land and property. The Commission has 10 voting members which consist of the director or their designee, the executive of the city of Indianapolis or their designee, the president of Indiana University or their designee, and seven members appointed by the governor. The Commission is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Indiana White River State Park Development Commission, 801 West Washington Street, Indianapolis, IN 46204.

The Ports of Indiana is a body both corporate and politic created per Indiana Code 8-10-1-3 to construct, maintain, and operate public ports with terminal facilities and traffic exchange points for all forms of transportation on Lake Michigan and the Ohio and Wabash Rivers. The Ports of Indiana Commission consists of seven members appointed by the governor. The Commission is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Ports of Indiana, 150 West Market Street, Suite 450, Indianapolis, IN 46204.

The State Fair Commission was established per Indiana Code 15-13-2 as the trustee for and on behalf of the people of the State of Indiana to administer the State Fairgrounds as trust property of the State of Indiana. The Commission is responsible for holding the annual Indiana State Fair in August, as well as providing accessible, cost-effective, secure, and modern facilities for the variety of events held at the Fairgrounds and other properties it owns. The Commission consists of eight members; five of which are appointed by the governor, and three are ex officio members. The Commission is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Indiana State Fair Commission, 1202 East 38<sup>th</sup> Street, Indianapolis, IN 46205.

The Indiana Comprehensive Health Insurance Association was created per Indiana Code 27-8-10-2.1 to assure that health insurance is made available throughout the year to each eligible Indiana resident applying to the Association for coverage. The board of directors of the Association consists of nine members whose principal

residence is in Indiana. Four members are appointed by the insurance commissioner from the members of the Association, one of which must be a representative of a health maintenance organization. Two members are appointed by the commissioner and shall be consumers representing policyholders. Other members are the state budget director or designee and the commissioner of the department of insurance or designee. One member appointed by the commissioner must be a representative of health care providers. The Association is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Indiana Comprehensive Health Insurance Association, 9465 Counselors Row, Suite 200, Indianapolis, IN 46240.

The Indiana Political Subdivision Risk Management Commission was created per Indiana Code 27-1-29 to administer the Political Subdivision Risk Management Fund (Basic fund) and the Political Subdivision Catastrophic Liability Fund (Catastrophic fund). These funds aid political subdivisions in protecting themselves against liabilities. The Commission consists of eleven members appointed by the governor. The Commission is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Indiana Political Subdivision Risk Management Commission, c/o Indiana Department of Insurance, 311 West Washington Street, Suite 103, Indianapolis, IN 46204.

The Indiana State Museum and Historic Sites Corporation was created per Indiana Code 4-37 and is responsible for operating and administering the Indiana State Museum and eleven Historic Sites across the State. The eleven Historic Sites include Angel Mounds, Corydon Capitol, Culbertson Mansion, J.F.D. Lanier Mansion, Levi Coffin, Limberlost, New Harmony, T.C. Steele, Gene Stratton-Porter, Vincennes, and the Whitewater Canal. The Corporation is governed by a thirty member board of trustees of which twenty-five are voting members and five are non-voting members. Of the twenty-five voting members, thirteen persons are appointed by the governor and twelve are appointed by the board. The five non-voting members include the chief executive officer, the governor or governor's designee, one member of the House of Representatives, one member of the Senate, and the director of the Department of Natural Resources or the director's designee. The Corporation is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may

be obtained by writing the Indiana State Museum and Historic Sites Corporation, 650 West Washington Street, Indianapolis, IN 46204.

The Indiana Motorsports Commission was established per Indiana Code 5-1-17.5-15 as a separate body corporate and politic, as an instrumentality of the state, to finance and lease real and personal property improvements for the benefit of an owner of a qualified motorsports facility within a motorsports investment district. The commission is governed by a board of directors composed of five directors of which one is the budget director, or the budget director's designee, and four directors appointed by the governor. The commission is reported as a non-major discretely presented proprietary component unit. The separately issued audited financial statements may be obtained by writing the Indiana Motorsports Commission, One North Capital Avenue, Suite 900, Indianapolis, IN 46204.

Each of the seven colleges and universities included in this report was established by individual legislation to provide higher education opportunities to the citizens of Indiana. The authority to administer the operations of each institution is granted to a separate board of trustees for each of the seven institutions. The number and makeup of the board of trustees of each college and university is prescribed by legislation specific for that institution. Four universities have nine member boards; two have ten member boards; and Ivy Tech Community College has a fourteen-member board of trustees. Appointments to the boards of trustees are made by the Governor and by election of the alumni of the respective universities. Indiana University and Purdue University are reported as major discretely presented component units. The separately issued audited financial statements for the colleges and universities may be obtained by writing to: Indiana University, BL143 P Music Practice, 1024 E. 3<sup>rd</sup> St., Bloomington, IN 47405; Purdue University, 2550 Northwestern Ave., Suite 1100, West Lafayette, IN 47906-4182; Ball State University, Administration Bldg., 301, 2000 West University Avenue, Muncie, IN 47306; Indiana State University, Office of the Controller, 200 N. 7<sup>th</sup> Street, Terre Haute, IN 47809-1902; Ivy Tech Community College, Attn: AVP, Controller, 50 West Fall Creek Parkway, North Drive, Indianapolis, IN 46208-5752; University of Southern Indiana, 8600 University Boulevard, Evansville, IN 47712; and Vincennes University, 1002 North 1<sup>st</sup> Street, Vincennes, IN 47591.

#### *Fiduciary in Nature Component Unit*

The Indiana Public Retirement System (INPRS)

was established per Indiana Code 5-10.5-2-1 as an independent body corporate and politic. INPRS is not a department or agency for the State, but is an independent instrumentality exercising essential government functions. The INPRS board is composed of nine trustees appointed by the Governor which includes the director of the budget agency or the director's designee as an ex officio voting member of the board. The board of trustees administers the following plans: Public Employees' Retirement Fund; Teachers' Retirement Fund; Judges' Retirement System; State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan; the 1977 Police Officers' and Firefighters' Pension and Disability Fund; the Legislators' Retirement System Defined Benefit Plan; the Legislators' Retirement System Defined Contribution Plan; the Prosecuting Attorneys' Retirement Fund; the Retirement Medical Benefits Account Defined Contribution plan; the Pension Relief Fund; and one death benefit fund. For more information on the plans see Note V(E) Employee Retirement Systems and Plans. All of these funds have been aggregated for presentation from INPRS' financial statements. INPRS is included as a component unit because the primary government appoints a voting majority of its governing body and has financial accountability. The Indiana Public Retirement System was determined to be significant for note disclosure purposes involving the fiduciary in nature component units. The separately issued audited financial statements may be obtained by writing the Indiana Public Retirement System, One North Capitol Avenue, Suite 001, Indianapolis, IN 46204.

#### *Related Organizations*

The primary government appoints a voting majority of the board of the Indiana Education Savings Authority (IESA) created per Indiana Code 21-9. The IESA serves as the governing board of Indiana's tax-advantaged CollegeChoice 529 Savings Plans which are CollegeChoice Direct, CollegeChoice Advisor, and CollegeChoice CD. The primary government's accountability for IESA does not extend beyond making the appointments to the board. The primary government is not able to impose its will on IESA nor is it financially accountable for IESA. The State had no related party transactions with IESA during fiscal year 2021.

The primary government appoints a voting majority of the board of the Achieving a Better Life Experience Authority (ABLE) created per Indiana Code 12-11-14-09. The authority serves as the governing board of Indiana's tax-advantaged ABLE

Savings Plan, INvestABLE Indiana. The primary government's accountability for ABLE does not extend beyond making the appointments to the board. The primary government is not able to impose its will on ABLE nor is it financially accountable for ABLE. ABLE expended \$217.3 thousand of state appropriations for operating expenses during fiscal year 2021.

The primary government's officials are also responsible for appointing the members of the boards of other organizations, but the primary government's accountability for these organizations does not extend beyond making the appointment.

## **B. Government-Wide and Fund Financial Statements**

The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report information about the overall government. They exclude information about fiduciary activities, including component units, which are fiduciary in nature, such as the public employee retirement systems. They distinguish between the primary government and its discretely presented component units as disclosed in Note 1.A. They also distinguish between governmental activities and business-type activities of the State. Governmental activities rely on taxes and intergovernmental revenues for their support. Business-type activities, on the other hand, rely on fees and charges for services provided for their support.

The statement of activities matches the State's direct functional expense with the functional program revenue to identify the relative financial burden of each of the State's functions. This format identifies the extent to which each function of the government draws from the general revenues of the government or is self-financing through fees and intergovernmental aid. Certain indirect costs are included in the program expense reported for individual functions of government. Program revenues derive directly from the program itself or from parties outside the State's taxpayers, as a whole. They reduce the net cost of the function to be financed from the general revenues. Program revenues include charges for services, program-specific operating grants and contributions, and program-specific capital grants and contributions. Revenues that do not meet the criteria of program revenues are general revenues. These include all taxes; even those levied for a specific purpose and are reported by type of tax. Investment income is considered general revenue in the general fund.

Separate financial statements are presented for the

State's governmental, proprietary, and fiduciary funds. Governmental fund financial statements are the balance sheet and the statement of revenues, expenditures, and changes in fund balances. Major governmental funds are presented in separate columns and non-major funds are aggregated in a separate column. Proprietary and fiduciary funds are reported using the statement of net position and the statement of changes in net position. In addition proprietary funds include a statement of cash flows.

## **C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

### **Measurement Focus and Basis of Accounting**

*The government-wide statements and the proprietary and fiduciary fund statements* use the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities, and deferrals resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Government-mandated nonexchange revenues and voluntary nonexchange revenues, including federal government mandates on the State, certain grants and entitlements, and most donations, are recognized in the period when all applicable eligibility requirements have been met.

**Governmental funds** are used to account for the government's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For the State of Indiana, "available" means collectible within one month of the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for certain compensated absences and related liabilities, and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Individual and corporate income tax, sales tax, cigarette tax, alcoholic beverage tax, motor fuel tax, fines, and penalties are accrued using one month's revenues.

Gaming taxes are accrued based on the gaming day. Vehicle licenses are received daily via electronic funds transfer with a one to three working



day delay, so revenues for the first several working days in July are reviewed for materiality and accrued accordingly.

### Financial Statement Presentation

A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

**Governmental funds** are used to account for the government's general government activities. Governmental funds include the general fund, special revenue funds, capital projects funds, debt service funds and permanent funds.

The *General Fund* is the State's primary operating fund. It is maintained to account for resources obtained and used for those services traditionally provided by State government, which are not required to be accounted for in another fund. The General Fund is a major fund.

The *special revenue* funds account for specific revenue sources that are legally restricted or committed to expenditure for specific purposes except for major capital projects.

The following special revenue funds are presented as major.

- The *Public Welfare-Medicaid Assistance Fund* receives federal grants and State appropriations which are used to administer the Medicaid program. Federal grant revenues, hospital assessment fees, quality assessment fees, Intermediate Care Facility for Individuals with Disabilities fees, and other resources disclosed under interfund transfers in Note IV (B) are reported in this fund.
- The *U.S. Department of Health and Human Services Fund* receives federal grants that are used to carry out health and human services programs. Federal grant revenues, vital record fees, child support annual fees, and other resources disclosed under interfund transfers in Note IV(B) are reported in this fund.
- The *Federal COVID-19 Fund* provides federal grant dollars to cover costs that are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019. The fund

includes the CARES Act, the Coronavirus Relief Fund, and additional funds provided for existing grant programs.

- The *ARPA-Economic Stimulus Fund* contains the federal grant dollars received through the American Rescue Plan Act of 2021, a coronavirus rescue package designed to facilitate the State of Indiana's recovery from the economic and health effects of the COVID-19 pandemic.

The *capital projects funds* account for financial resources that are restricted, committed, or assigned to expenditures for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or fiduciary funds. There are no major capital project funds.

The *permanent funds* are used to account for resources that are legally restricted to the extent that only earnings and not principal may be used for the benefit of the government or its citizens. There are no major permanent funds.

**Proprietary funds** focus on the determination of operating income, changes in net position, financial position and cash flows. Operating revenues and expenses are the revenues and expenses that pertain to the fund's principal operations. Nonoperating revenues and expenses are those revenues and expenses resulting from secondary or auxiliary activities of the fund. Nonoperating items include investment revenue and expense. Proprietary funds include both enterprise funds and internal service funds.

*Enterprise funds* are used to account for those operations that are financed and operated in a manner similar to private business or where it has been decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The State reports the following major enterprise fund:

- The *Unemployment Compensation Fund* collects employer taxes and the federal share of unemployment compensation. Benefits are paid to eligible individuals.

*Internal service funds* account for operations that provide goods and services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. The goods and services provided include fleet management, information technology and

communication, aviation, printing, products of correctional industries, self-insurance, and centralized accounting. Major fund reporting requirements do not apply to internal service funds. Combined totals for all internal service funds are reported as a separate column on the face of the proprietary fund financial statements.

**Fiduciary funds** account for assets held by or on behalf of the government in a trustee capacity or as an agent on behalf of others. They cannot be used to support the State's own programs. Fiduciary funds include pension and other employee benefit trust funds, private-purpose trust funds, and custodial funds.

*Pension and other employee benefit trust funds* are used to report resources held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution pension plans, and other postemployment benefit plans. Pension and other employee benefits trust funds include the Indiana Public Retirement System, State Police Pension Fund, State Employee Retiree Health Benefit Trust Fund – DB, and the State Employee Retiree Health Benefit Trust Fund – DC.

*Private-purpose trust funds* are used to account for trust arrangements in which both the principal and interest may be spent for the benefit of individuals, private organizations or other governments. Private Purpose funds include the Abandoned Property Fund and the Private Purpose Trust Fund.

*Custodial funds* are used to report all fiduciary activities that are not held in one of the three other types of fiduciary funds. They are also used to report the external portion of a pool that is not held in a trust fund. The Treasurer of State, local units of government, and quasi-governmental units in Indiana have the opportunity to invest in a common pool of investments that preserves the principal of the public's funds, remains highly-liquid, and maximizes the return on the investment of public funds known as TrustIndiana. This fund is operated by the state treasurer. Custodial funds include Local Distributions, Child Support, patient and inmate accounts, and the external portion of TrustIndiana, which is presented in a separate column in the fiduciary fund statements.

#### **D. Eliminating Internal Activity**

Interfund activity including those from cash overdrafts in funds, interfund services provided or used, interfund loans and prepaid expenditures of internal service funds are eliminated as internal balances in the government-wide statement of net position. This is to minimize the "grossing-up" effect

on assets and liabilities within the governmental and business-type activities columns of the primary government. As a result, interfund loans and interfund services provided and/or used reported in the governmental funds balance sheet has been eliminated in the government-wide statement of net position.

Eliminations were made in the statement of activities to remove the "doubling-up" effect of internal service fund activity. The effect of similar internal events that are, in effect, allocations of overhead expenses from one function to another or within the same function have also been eliminated, so that the allocated expenses are reported only by the function to which they were allocated. The effect of interfund services provided and used between functions has not been eliminated in the statement of activities since to do so would misstate both the expenses of the purchasing function and the program revenues of the selling function.

#### **E. Assets, Liabilities, and Equity**

##### **1. Deposits, Investments, and Securities Lending**

For purposes of reporting cash flows, cash and cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and near their maturity (generally three months or less from the date of acquisition).

Cash balances of most State funds are commingled in general checking accounts and several special purpose banking accounts. The available cash balance not necessary beyond immediate need is pooled and invested. Interest earned from investments purchased with pooled cash is deposited in the general fund, except as otherwise provided by statute.

Investments and secured lending transactions are stated at fair value. Money market investments and participating interest-earning investment contracts that mature within one year of purchase are reported at cost, which approximates fair value. Fair value is determined by quoted market prices which approximates fair value. Investments that do not have an established market are reported at estimated fair value.

Indiana Code 5-13-9 and 5-13-10.5 authorizes the Treasurer to invest in deposit accounts issued or offered by a designated depository; securities backed by the full faith and credit of the United States Treasury; securities issued by any U.S. government agency; AAA money market mutual

funds with a portfolio limited to direct obligations of the U.S., obligations of any federal agency, and/or repurchase agreements fully collateralized with U.S. government obligations or U.S. agency obligations; highest rated commercial paper; highest rated supranational issues; and repurchase agreements that are fully collateralized, as determined by the current market value computed on the day the agreement is effective, by interest-bearing obligations that are issued, fully insured or guaranteed by the United States or any U.S. government agency.

The Treasurer of State is authorized by statute to accept as collateral safekeeping receipts for securities from: (1) a duly designated depository or (2) a financial institution located either in or out of Indiana, having physical custody of securities, with a combined capital and surplus of at least \$10 million, according to the last statement of condition filed by the financial institution with its governmental supervisory body. The Treasurer may not deposit aggregate funds in deposit accounts in any one designated depository in an amount aggregating at any one time more than 50% of the combined capital, surplus and undivided profits of that depository as determined by the last published statement.

The Indiana Public Retirement System (INPRS) Board of Trustees administers sixteen funds including eight Defined Benefit retirement plans and five Defined Contribution retirement plans, two other postemployment benefit funds, and one custodial fund. Indiana law requires the Board to establish investment guidelines and limits on all types of investments and take other actions necessary to fulfill its duty as fiduciary for all assets under its control. The INPRS Board of Trustees is required to diversify investments in accordance with the prudent investor standards. At June 30, 2021, cash and investments of the funds were held by banks or trust companies under custodial agreements with INPRS. The INPRS Board of Trustees contracts with investment counsel, trust companies or banks to assist INPRS in its investment program. The Investment Policy Statement adopted by the INPRS Board of Trustees and the asset allocation approved by the Board of Trustees contains target allocations and allowable ranges that are expected to meet target rates of return over a long period of time while minimizing risk. The investments of INPRS are subject to the provisions of IC 5-10.3-5-3(a) and IC 5-10.4-3-10(a). See Note IV(A)(3) for more information.

Investments which are authorized for the State Police Retirement fund include: U.S. Treasury and Agency obligations, State and municipal

obligations, domestic corporate bonds/notes, common stock and equity securities, foreign stocks and bonds, mortgage pool investments, and repurchase agreements. The investments of the State Police Retirement fund are subject to the provisions of IC 10-12-2-2. See Note IV(A)(2) for more information.

## 2. *Receivables and Payables*

In the government-wide and proprietary fund financial statements, revenues are recognized on the flow of economic resources measurement focus. Material receivables are recognized as follows. Uncollected taxes due in the following periods are subject to accrual:

- Individual income tax – Individual withholding tax is due from employers by the 20<sup>th</sup> day after the end of the month collected. Estimated payments are due from individuals by the 15<sup>th</sup> of the month immediately following each quarter or the calendar year.
- Corporate income tax - Due quarterly on the 20<sup>th</sup> day of April, June, September, and December with the last payment due on April 15<sup>th</sup> for a calendar year taxpayer.
- Sales tax – Due by the 20<sup>th</sup> day after the end of the month collected.
- Fuel tax – Gasoline tax is due the 20<sup>th</sup> day after the end of the month collected. Special fuel tax, depending on the status of the taxpayer, is due by the 15<sup>th</sup> day after the end of the month collected or the 15<sup>th</sup> day after the end of the quarter collected. Motor carrier surtax is due at the end of the month following the end of the quarter.
- Financial institutions tax – same laws as corporate income taxes (see above) for making payments.
- Alcohol and tobacco taxes – Cigarette distributors must purchase tax stamps within 6 days after they accept delivery of the cigarettes. Cigarette tax is due within 30 days of the issuance of the tax stamp. Alcoholic beverage tax is due by the 20<sup>th</sup> day after the end of the month collected.

In the governmental fund financial statements, revenue is recognized on the flow of current financial resources. Material receivables are subject to accrual for receipts collected in the month of July.

The State of Indiana does not collect property tax, which is collected by local units of government.

Unavailable revenue is the liability for the income taxes receivable net of the allowance for doubtful accounts and the portion of federal grants receivable not available in the current reporting period and is reported under deferred inflows of resources.

### 3. *Interfund Transactions and Balances*

The State has the following types of interfund transactions in the governmental fund and proprietary financial statements:

- Interfund services provided and used (reciprocal interfund activity) – Charges for goods or services rendered by one fund to another are treated as revenues of the recipient fund and expenditures/expenses of the disbursing fund.
- Interfund Transfers (non-reciprocal interfund activity) – Legally authorized transfers whereby the two parties do not receive equivalent cash, goods or services are reported as transfers.

The types of assets and liabilities resulting from these transactions are:

- Interfund loans – These are balances arising from the short-term and long-term portion of interfund transactions.
- Interfund services provided/used – These are balances arising in connection with reciprocal interfund activity or reimbursements. Balances relating to discretely presented component units are presented as 'Due from/to component units'.
- Interfund services provided and interfund loans are eliminated in the government-wide statements because they are provided by one governmental activity on behalf of another or by one business-type activity on behalf of another.

### 4. *Inventories and Prepaid Items*

Inventories for the Inns & Concessions, Institutional Industries and Administrative Services Revolving funds are valued at cost. The costs of governmental fund-type inventories are recorded as expenditures when purchased. The first in/first out (FIFO) method is used for valuation of inventories.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The consumption rather than the purchases method is used for prepaids as expenditures or expenses are recorded for the cost of prepaid items when consumed rather than when purchased.

### 5. *Restricted Net Position*

Certain net positions are classified as restricted net position because their use is completely restricted by bond indentures, contracts, grantors, contributors, laws or regulations of other governments, or through constitutional provisions or enabling legislation. Net position restricted by enabling legislation for governmental activities totals \$1.2 billion, of which \$0.5 billion is permanent funds principal, \$0.5 billion is for the Economic Stabilization Fund as discussed in Note V (D), \$0.1 billion is prepaid expenses and \$0.1 billion for other purposes.

### 6. *Capital Assets*

Capital outlays are reported as expenditures in the governmental funds and as assets in the government-wide statements to the extent the State's \$20,000 capitalization threshold for external financial reporting is met.

The Indiana Department of Transportation (INDOT) uses the modified approach for reporting its infrastructure. The Department of Natural Resources (DNR) uses the depreciation approach for reporting its infrastructure.

Under the modified approach, the State has determined that the condition level for INDOT infrastructure assets to be maintained is:

- A network average International Roughness Index based on the right wheel path (IRI RWP) of no more than 101 and no more than 12.5% of all pavements in the unacceptable range for Interstates, National Highway System (NHS) Non-Interstate roads, and Non-NHS roads,
- An average sufficiency rating of 87% for interstate bridges,
- An average sufficiency rating of 85% for NHS Non-Interstate bridges, and
- An average sufficiency rating of 83% for Non-NHS bridges.

The Bridge Division, Program Engineering, and

Road Inventory Division of INDOT are responsible for determining the appropriate condition level of the infrastructure assets.

No amounts are capitalized in connection with improvements that lengthen the lives of such assets, unless the improvements also increase their service potential.

INDOT projects are capitalized based on capitalization and preservation percentages assigned to three hundred ninety-three (393) work types. For example, the cost for constructing a new bridge would likely be 100% capitalized; whereas, the cost for adding travel lanes to a road would likely be assigned a work type code resulting in capitalization at 50% and preservation at 50%.

The State maintains an inventory of these infrastructure assets and performs periodic condition assessments to establish that the predetermined condition level is being maintained. Road pavement condition assessments are performed annually on all INDOT state routes, including interstates. Condition assessments of all bridges are determined on a bi-annual basis. Sufficiency ratings of all bridges are determined on an annual basis by the Federal Highway Administration based on annual submittal of bridge condition data.

The State makes annual estimates of the amounts that must be expended to preserve and maintain these infrastructure assets at the predetermined condition levels.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation.

Capital assets are depreciated in the proprietary and similar trust funds using the straight-line method on both the fund basis and the government-wide basis. Both the government-wide statements and proprietary and similar trust funds use the following estimated useful lives:

Assets	Months
Buildings and other structures including improvements to buildings and other structures	240-480
Computer software	36
Infrastructure (not using modified approach)	240-720
Furniture, machinery and equipment	12-168
Motor pool vehicles	96-168

The State of Indiana maintains several collections of works of art, historical treasures, and similar assets that are not capitalized. While the collections are maintained by different agencies, each collection is:

- Held for public exhibition, education, or research in furtherance of public service, rather than financial gain.
- Protected, kept unencumbered, cared for, and preserved.
- Subject to an organizational policy that either prohibits sale or requires the proceeds from sales of collection items to be used to acquire other items for collections.

The State’s major collections are:

- The Commission on Public Records, State Archives Collection consists of historical and legal documents that are generated on: paper or paper substitutes; photographic or chemically based media; magnetic or machine readable media; or any other materials, regardless of form or characteristics.
- The State Library has two collections, the Manuscript Collection and the Indiana History Collection. These collections include historical documents and works of art, most of it of Indiana origin.

Other collections include the Historical Bureau’s Indiana Governors’ Portrait Collection, the Department of Administration’s Statehouse Collection, and the Indiana Arts Commission’s Collection. These collections consist primarily of art objects.

**7. Compensated Absences**

Full-time employees of the State of Indiana are permitted to accumulate earned but unused vacation and sick pay benefits. Vacation leave accumulates at the rate of one day per month and sick leave at the rate of one day every two months plus an extra day every four months. The vacation day accrual rate increases at five, ten, and twenty years of employment.

Personal leave days are earned at the rate of one day every four months; any personal leave accumulated in excess of three days automatically becomes part of the sick leave balance. Upon separation of service, in good standing, employees

will be paid for a maximum of thirty (30) unused vacation leave days. In addition, qualifying retiring employees are paid an additional payment up to a maximum of \$5,000, which is made up of unused vacation leave over 30 days, unused personal leave, and unused sick leave.

The legislative and judicial branches may elect to participate in a leave conversion program which allows their employees to convert a portion of accrued but unused vacation and sick leave into the deferred compensation plan. An employee must have at least 300 hours of vacation or sick leave accrued in order to participate in this plan. There is a sliding scale which determines how many hours are converted from those hours the employee has accrued. The hours converted are deposited into the deferred compensation program's 401(a) plan at 60% of the employee's hourly rate. The legislative branch participated in this program in FY 2021 for their employees and the legislative branch has elected to participate in this program for FY 2022 for their employees.

Matured vacation and personal leave and salary-related payments that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are reported as long term liabilities in the government-wide, proprietary, and fiduciary fund financial statements.

## 8. Long-Term Obligations

Long-term debt and other obligations are reported in the government-wide statements and the proprietary funds statements as liabilities in the applicable governmental activities, business-type activities, or proprietary fund.

## 9. Fund Balance

In the fund financial statements, fund balances are categorized as nonspendable, restricted, committed, assigned, or unassigned. A brief description of each category is as follows:

*Nonspendable* – represents amounts that are either not in spendable form, such as prepaid expenditures, and activity that is legally or contractually required to be maintained intact, such as a principal balance in a permanent fund.

*Restricted* – represents amounts restricted to specific purposes because of constraints placed on their use that are either externally imposed such as by grantors or imposed by law through

constitutional provisions or enabling legislation.

*Committed* – represents amounts that can only be used for a specific purpose pursuant to constraints imposed by the government's highest level of decision making authority. The State of Indiana's highest level of decision making authority is the General Assembly. The formal action necessary would be the enactment of a State law that specifically establishes, modifies, or rescinds a fund balance commitment.

*Assigned* – represents amounts that are constrained by the government's intent to be used for specific purposes as expressed by the governing body itself or the official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. The State Budget Agency has the authority per the biennial budget bill to make assignments of fund balances for specific purposes except for those restricted by law. The State Board of Finance comprised of the Governor, Auditor of State and Treasurer of State is empowered to make assignments of funds except for trust funds per I.C. 4-9.1-1-7.

*Unassigned* – represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Only the general fund may report a positive unassigned fund balance; whereas, other governmental funds may need to report a negative unassigned fund balance if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

Funds on the State's accounting system are assigned one of the five fund balance classifications. If a fund has resources that are both restricted and unrestricted, then expenditures are applied first to restricted fund balance and then unrestricted amounts. A fund's unrestricted fund balance would have committed amounts reduced first, assigned amounts second, and unassigned amounts third when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

## F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent

assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The allowance for doubtful accounts for taxes receivable, the estimate of claims payable for the Medicaid fund, the estimate of additions for the Local Distributions fund, and the estimated useful lives of capital assets are among the most sensitive accounting estimates affecting the financial statements.

The additions for the Local Distributions fund, a

custodial fund, are estimated using the most recent actual known local option income tax collections which are for the calendar year two years prior to the current fiscal year. Adjustments to the estimate are made for units of local government that have changed their local income tax rates during the following two calendar years, for actual collections during the six months prior to the end of the current fiscal year, and for interest earned. The economy, any rate changes that are made in the current calendar year after preparation of the financial statements, and any unknown errors can impact the estimation process and cause actual results to differ.

## II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

As described in Note I, Summary of Significant Accounting Policies, differences exist between the government-wide and the governmental fund financial statements. These differences are summarized in the reconciliations that follow the governmental fund financial statements.

### A. Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

In the government-wide financial statements, capital assets are considered economic resources and are capitalized at cost or estimated historical cost at time of acquisition. Where applicable these costs are offset by accumulated depreciation or amortization.

The government-wide statements use the flow of economic resources and accrue receivables that are not available soon enough in the subsequent period to pay for the current period's expenditures. Also under the flow of economic resources, payables that do not require the use of current financial resources are accrued. These receivables and payables are not accrued in the fund financial statements.

Internal service funds are used by management to charge the costs of certain activities to individual funds. In the government-wide financial statements, the assets and liabilities of internal service funds are included in governmental activities in the statement of net position. In the proprietary fund financial statements, internal service fund balances are segregated and reported as their own fund type.

### B. Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

In the government-wide financial statements, the cost for capital outlays, except for governmental infrastructure, is allocated over the assets' useful lives and is reported as depreciation or amortization expense.

The government-wide statements use the flow of economic resources and therefore do not report revenues and expenses dependent on the availability of financial resources, as is reported in the fund financial statements. Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund financial statements. Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the fund financial statements. Net pension liabilities and other postemployment benefits do not require the use of current financial resources and are not reported as expenditures in the fund financial statements.

Internal service funds are used by management to charge the costs of certain activities to individual funds. In the government-wide financial statements, the expenses of internal service funds are included in governmental activities in the statement of activities. In the proprietary fund financial statements, internal service fund balances are segregated and reported as their own fund type.

### III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### A. Deficit Fund Equity

At June 30, 2021, various funds had a deficit fund balance caused by overdrafts from pooled cash and investments and the posting of accruals to the balance sheet. Temporary cash overdrafts are reported as interfund loans from the general fund.

<b>Fund</b>	<b>Overdraft from pooled cash</b>	<b>Accrual Deficits</b>	<b>Fund Balance</b>
<b>Governmental Funds</b>			
US Department of Health & Human Services	\$ (454,698)	\$ 73,994	\$ (380,704)
US Department of Agriculture	(3,544)	(17,458)	(21,002)
US Department of Labor	-	(5,086)	(5,086)
US Department of Education	-	(61,754)	(61,754)

#### B. Fund Balance

The State of Indiana reports its fund balances for governmental funds as nonspendable, restricted, committed, assigned, and unassigned. The detail of the fund balance classifications at June 30, 2021 is as follows:

	<b>General Fund</b>	<b>Public Welfare - Medicaid Assistance Fund</b>	<b>US Department of Health and Human Services</b>	<b>Federal COVID- 19</b>	<b>ARPA - Economic Stimulus Fund</b>	<b>Non-Major Funds</b>
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Permanent fund principal	-	-	-	-	-	502,835
Prepaid expense	92,133	-	-	-	-	16,737
<b>Restricted:</b>						
Administration	544,891	-	-	-	-	-
Natural Resources	-	-	-	-	-	150
Other Purposes	-	-	-	-	-	4,079
<b>Committed:</b>						
Administration	-	-	-	-	-	2,497
Public Health	-	-	-	-	-	277,520
Economic Development	3,474	-	-	-	-	18,331
Environmental	-	-	-	-	-	203
Natural Resources	-	-	-	-	-	14,059
Secondary Education	-	-	-	-	-	592,644
Roads & Bridges	36,126	-	-	-	-	38,027
Other Purposes	-	-	-	-	-	20,525
<b>Assigned:</b>						
Administration	74,696	-	-	-	-	236,510
Corrections	83,105	-	-	-	-	31,300
Police & Protection	39,907	-	-	-	-	361,007
Mental Health	95,325	-	-	-	-	24,614
Public Health	33,496	337,470	-	67,176	-	345,393
Child Services	530,292	-	-	-	-	147,106
Disability & Aging	44,135	-	-	-	-	10,293
Economic Development	2,277	-	-	-	-	52,901
Environmental	21,808	-	-	-	-	152,013
Natural Resources	627	-	-	-	-	265,779
Higher Education	96,302	-	-	-	-	19,417
Secondary Education	775,385	-	-	-	-	22,494
Roads & Bridges	134,753	-	-	-	-	1,862,602
Capital Outlay	368,300	-	-	-	-	118,621
Other Purposes	349,435	-	-	-	-	211,513
<b>Unassigned:</b>	<b>3,428,843</b>	<b>-</b>	<b>(380,704)</b>	<b>-</b>	<b>-</b>	<b>(87,842)</b>
<b>Total</b>	<b>\$ 6,755,310</b>	<b>\$ 337,470</b>	<b>\$ (380,704)</b>	<b>\$ 67,176</b>	<b>\$ -</b>	<b>\$ 5,261,328</b>



#### IV. DETAILED NOTES ON ALL FUNDS

##### A. Deposits, Investments, and Securities Lending

##### 1. Primary Government – Other than Major Moves Construction Fund and Next Level Indiana Trust Fund, Investment Trust Funds, and Pension and Other Employee Benefit Trust Funds.

###### Investment Policy

Indiana Code, Title 5, Article 13, Chapters 9, 10, and 10.5, establishes the investment powers and guidelines regarding the State of Indiana investments. However, the Major Moves Construction Fund and the Next Level Indiana Trust Fund have separate investment authority as established under Indiana Code 8-14-14 and Indiana Code 8-14-15, respectively. The Treasurer of State shall invest these funds in the same manner as the public employees' retirement fund under Indiana Code 5-10.3-5 with the exception that monies may not be invested in equity securities. For more information, please see the INPRS policy in note IV (A) 3. There are no formal deposit investment policies for the investment of these funds other than compliance to State statute. State statute does not establish any parameters or guidelines related to the concentration of investment risk, investment credit risk, nor interest rate risk.

Indiana Code 5-13-9 and Indiana Code 5-13-10.5 authorizes the Treasurer to invest in deposit accounts issued or offered by a designated depository; municipal securities issued by an Indiana

local governmental entity if the issuer has not defaulted on any obligation within the twenty years preceding the date of the purchase; AAA rated money market mutual funds with a portfolio made up of direct obligations of the United States, obligations issued by any federal agency, instrumentality, or federal government sponsored enterprise or repurchase agreements fully collateralized by the same obligations allowed to be owned within the money market mutual fund; commercial paper rated in the highest rating category by one nationally recognized rating service with a stated final maturity of 270 days or less from date of purchase; securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States; obligations issued by United States agencies and instrumentalities, or federal government sponsored enterprises; supranational issuers having the highest investment credit rating by at least two nationally recognized credit rating agencies; repurchase agreements that are fully collateralized, as determined by the current fair value computed on the day the agreement is effective, by interest bearing obligations that are issued, fully insured or guaranteed by the United States or any U.S. government agency; and the State's local government investment pool.

###### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statute does not establish any parameters or guidelines related to interest rate risk.

The following is a summary of the Interest Rate Risk Disclosure as of June 30, 2021:

Investment Type	Fair Value Totals	Investment Maturities (in Years)		
		Less than 1	1 - 5	6 - 10
U.S. Treasuries	\$ 3,863,390	\$ 3,112,645	\$ 750,745	\$ -
U.S. Agencies	1,784,403	954,105	830,298	\$ -
Supranationals	1,741,125	1,696,232	44,893	-
Municipal Bonds	27,683	19,027	5,508	\$ 3,148
Local Govt Investment Pool	393,200	393,200	-	\$ -
Non-U.S. Fixed Income	70,000	15,000	55,000	\$ -
Certificate of Deposits	361,082	361,082	-	\$ -
Money Market Mutual Funds	2,124,000	2,124,000	-	\$ -
<b>Total</b>	<b>\$ 10,364,883</b>	<b>\$ 8,675,291</b>	<b>\$ 1,686,444</b>	<b>\$ 3,148</b>

*Custodial Credit Risk*

Deposits – The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

At June 30, 2021, the balance of the State of Indiana’s deposits was covered in full by federal depository insurance or by the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

Investment Custodial Credit Risk – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty’s trust department or agent, but not in the name of the State of Indiana. The Treasurer of State is authorized by statute (IC 5-13-10.5-5) to accept safekeeping receipts or other reporting for securities from: (1) a duly designated depository as prescribed in this article; or (2) a financial institution located either in or out of Indiana having physical custody of securities with a combined capital and surplus of at least ten million dollars (\$10,000,000) according to the last statement of condition filed by the financial institution with its governmental supervisory body. None of the State’s investments are exposed to custodial credit risk because they are held in the name of the State of Indiana. Additionally, the Treasurer of State requires all custodians to indemnify the State against all out-of-pocket expenses or losses incurred as a result of (i) the custodian’s operational failure, (ii) custodians’ failure to carry out the credit analysis, (iii) custodian’s failure to maintain proper collateral for each loan, or (iv) failure of an approved counterparty to comply with its obligations under the applicable securities lending agreement.

*Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Indiana Code 5-13-9, IC 5-13-10, and IC 5-13-10.5 authorizes the State Treasurer to invest or reinvest in securities fully guaranteed and issued by (1) the United States Treasury, (2) a federal agency, (3) a federal instrumentality, or (4) a federal government sponsored enterprise, as well as, other securities that are AAA rated or insured through the

Public Deposit Insurance Fund or the FDIC. The allowable investments are noted above under the Investment Policy Statement section in more detail. The State Treasurer recognizes credit (quality) risk as a market and strategic risk factor in all investments.

The following table provides information on the credit quality ratings for investments in debt securities as well as investments in external investment pools, and money market funds, as of June 30, 2021. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. The table reflects the greatest risk rating (the credit rating reflecting the greatest degree of risk) as set by three nationally recognized rating organizations (S&P, Moody, and Fitch) for each type of investment, not exempt from disclosure:

<u>Investment Type</u>	<u>Greatest Risk Rating</u>	<u>Fair Value</u>
U.S. Agencies	AAA	\$ 9,931
	AA	1,774,472
Supranationals	AAA	1,741,125
Certificate of Deposits	NR	361,082
Municipal Bonds	NR	27,683
Non-US Fixed Income Bonds	A	70,000
Local Govt Investment Pool	NR	393,200
Money Market Mutual Funds	AAA	2,124,000
Total		<u>\$ 6,501,493</u>

*Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. Indiana Code 5-13-10-3 states that the State Treasurer may not deposit aggregate funds in deposit accounts in any one designated depository in an amount aggregating at any one time more than fifty percent (50%) of the combined capital, surplus, and undivided profits of that depository as determined by its last published statement of condition filed with the State Board for Depositories.

At June 30, 2021, investments in any one issuer, not exempt from disclosure, that represent 5% or more of the total investments (in thousands) were:

IBRD 10.01% \$1,220,089  
FHLB 7.67% \$935,357

*Foreign Currency Risk*

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. As of June 30, 2021, there were no deposits or investments denominated in foreign currencies, thus there was no foreign currency risk.

*Securities Lending*

The Treasurer of State is authorized by Indiana Code 5-13-10.5-13 to lend securities, to broker-dealers and other entities (borrowers), for collateral with a simultaneous agreement to return the collateral for the same securities in the future. Securities may be lent under this section only if the agreement under which the securities are lent is collateralized by: (1) cash; or (2) non-cash collateral; in excess of the total fair value of the loaned securities.

The State's custodial banks manage the securities lending programs and receive cash or securities as collateral. The types of securities lent during the year may include U.S. Treasury and agency obligations, corporate bonds/notes, and foreign bonds. Collateral securities and cash are initially pledged at 102% of the fair value of the securities lent. Cash received as collateral is reported as an asset and a liability on the balance sheet. Securities received as non-cash collateral are not reported on the balance sheet, because the State does not have the ability to pledge or sell them without a borrower default. Generally, there are no restrictions on the amount of assets that can be lent at one time, except for the Indiana Public Retirement System (discretely presented component unit), which allows no more than 40% to be lent at one time.

Cash collateral received is invested by the custodian banks. Cash collateral is generally invested in securities of a longer term with the mismatch of maturities generally 0-35 days. The weighted average maturity gap at June 30, 2021, was 4.5 days.

At year end, the State had no credit risk exposure to any borrowers because the amount the State owes the borrowers exceeds the amounts the borrowers owe the State. The contracts with the State's custodians requires them to indemnify the funds if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the funds for income distributions by the securities' issuers while the securities are on loan.

As of June 30, 2021, the fair values of the underlying securities on loan were:

<b>Security Type</b>	<b>Fair Value</b>
U.S. Treasuries	\$ 2,485,659

The fair values of the collateral received for each investment type were:

<b>Security Type</b>	<b>Fair Value</b>
U.S. Treasuries	\$ 2,512,281

The percentage of collateral received for underlying securities on loan was 101.07%.

The fair values of the cash and non-cash collateral received were:

<b>Collateral Type</b>	<b>Fair Value</b>
Non-cash collateral	\$ 88,674
Cash collateral (liability to borrowers)	2,423,607
<b>Total</b>	<b>\$ 2,512,281</b>

Events of the market crisis of late 2008 negatively impacted the value of the State's securities lending cash collateral reinvestment pool. Since that time, the State, with the agreement of its' custodial bank, has been injecting capital into the pool using securities lending revenues to restore the value of the cash collateral reinvestment pool. As of June 30, 2021, the fair value of the cash collateral reinvestment pool was 98.80% of the fair value of the cash collateral received from the borrowers.

Fair Value of reinvested cash collateral by type:

<b>Collateral Type</b>	<b>Fair Value</b>
Commercial paper	\$ 134,759
Certificates of deposit	448,686
Repurchase agreements	507,616
Asset backed securities	86,500
Floating rate notes	1,217,069
Receivable/(Payable)	(2)
<b>Total</b>	<b>\$ 2,394,628</b>

The quality rating of the reinvested cash collateral investments as described by Standard and Poor's at June 30, 2021, is as follows:

<b>S&amp;P Rating</b>	<b>Fair Value of Cash Collateral</b>	<b>% of Portfolio</b>
AAA	\$ 83,310	3.5
AA	493,592	20.6
A	1,287,769	53.8
CC	3,191	0.1
NR	526,766	22.0
<b>Total</b>	<b>\$ 2,394,628</b>	<b>100.0</b>

### Fair Value Measurement – Primary Government

The primary government categorizes investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy prioritizes valuation inputs used to measure the fair value of the asset or liability into three broad categories. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Levels 1, 2, and 3 (lowest priority level) of the fair value hierarchy are defined as follows:

**Level 1** Inputs using unadjusted quoted prices in active markets or exchanges for identical assets or liabilities.

**Level 2** Significant other observable inputs, which may include, quoted prices for similar assets or liabilities in active markets, quoted prices for identical

or similar assets or liabilities in non-active markets; and inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly.

**Level 3** Valuations for which one or more significant inputs are unobservable and may include situations where there is minimal, if any, market activity for the asset or liability.

US Treasury securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. The U.S. Agency securities and Supranational securities are classified in Level 2 of the fair value hierarchy are valued using other observable inputs other than quoted prices in an active market. The certificate of deposits are valued at cost-based measures and are classified as Level 2. The Non-US Government Bonds and municipal bonds classified in Level 3 have no observable inputs and there is no market activity regarding those investments, so they have been valued using cost-based measures. The local government investment pool is valued using the fair value valuation methodology and is marked to fair value daily using the most recent market bid price as obtained from one or more market makers and is thus classified in Level 2 of the fair value hierarchy. The money market mutual funds are valued at the daily closing price as reported by the funds and are deemed to be actively traded and are classified in Level 1 of the fair value hierarchy.

The following table summarizes the valuation of the investments by the fair value hierarchy levels as of June 30, 2021:

<b>Investment Type</b>	<b>June 30, 2021</b>	<b>Fair Value Measurements Using</b>		
		<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
U.S. Treasuries	\$ 3,863,390	\$ 3,863,390	\$ -	\$ -
U.S. Agencies	1,784,403	-	1,784,403	-
Supranationals	1,741,125	-	1,741,125	-
Municipal Bonds	27,683	-	-	27,683
Non-US Govt Bonds	70,000	-	-	70,000
Certificate of Deposits	361,082	-	361,082	-
Local Government Investment Pool	393,200	-	393,200	-
Money Market Mutual Funds	2,124,000	2,124,000	-	-
<b>Total Fixed Income Securities</b>	<b>\$ 10,364,883</b>	<b>\$ 5,987,390</b>	<b>\$ 4,279,810</b>	<b>\$ 97,683</b>

### Major Moves Construction Fund/Next Level Indiana Trust Fund

#### Investment Policy

Indiana Code, Title 5, Article 13, Chapters 9, 10, and 10.5, establishes the investment powers and guidelines regarding the State of Indiana investments. However, the Major Moves Construction Fund and the Next Level Indiana Trust Fund have separate investment authority as established under Indiana Code 8-14-14, Indiana Code 8-14-14.2, Indiana Code 8-14-15.2 and Indiana Code 8-14-15.1, respectively. The Treasurer of State shall invest the funds in the Major Moves Construction Fund in the same manner as the public employees' retirement fund under Indiana Code 5-10.3-5, except the funds may not be invested in equity securities. The Next Level Indiana Trust Fund allows for investment of not more than 50% of the money in the trust, \$250,000,000, to be invested in investments that: (a) maximize risk appropriate returns, which may include the purchase of equity or debt securities; and (b) make significant investments in Indiana funds and companies. At least 50% of the money in the trust, \$250,000,000 or greater, may be invested by the Treasurer of State in the same manner as the public employees' retirement fund, excluding investment in equity securities. An Investment Policy Statement for the Major Moves Construction Fund for the investment of these funds has been adopted by the Treasurer of State. An Investment Policy Statement for the Next Level

Indiana Trust Fund for the investment of these funds has been adopted by the Next Level Indiana Trust Fund Investment Board. The Investment Policy Statements are written in conformity with the applicable investment statutes and in accordance with prudent investor standards. There is no formal deposit policy other than compliance to State Statute. State statute does not establish any parameters or guidelines related to the concentration of investment risk, investment credit risk, nor interest rate risk. The Investment Policy Statements establish asset allocations and investment structures for both Funds. These asset allocations and investment structures were established with consideration given to each Fund's objectives, time horizons, risk tolerances, performance expectations, and liquidity requirements.

#### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investments. The Fund's policy for controlling its exposure to interest rate fluctuations should be viewed with the appropriate perspective. The Funds' manager's long-term strategy was employed to achieve the fund's objectives, but there was consideration given to the short-term liquidity needs to meet disbursements required by the fund. The asset allocation and investment manager structure was designed to tolerate some interim fluctuations in fair value while maintaining a long-term return objective of 2.35%.

The following table provides the interest rate risk disclosure for the Major Moves/Next Level Indiana Trust Fund as of June 30, 2021:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S Treasuries	\$ 745,249	\$ 610,677	\$ 115,741	\$ 8,737	\$ 10,094
U.S. Agencies	70,113	19,992	50,121	-	-
Government Asset and Mortgage Backed Collateralized Mortgage Obligations	25,048	1,602	2,960	3,631	16,855
Government CMOs	7,443	3,244	1,170	736	2,293
Corp CMOs	7,112	5,140	-	-	1,972
Corporate Bonds	179,570	30,492	111,003	23,580	14,495
Corporate Asset Backed	29,737	12,358	12,985	444	3,950
Private Placements	94,469	34,895	34,437	8,275	16,862
Municipal Bonds	14,782	2,588	10,291	1,636	267
TrustIndiana	10,000	10,000	-	-	-
Non US Government/Corp Bonds	17,641	2,103	7,169	4,452	3,917
Mutual Funds/Commingled Funds	90,576	90,576	-	-	-
<b>Total Fixed Income Securities</b>	<b>\$ 1,291,740</b>	<b>\$ 823,667</b>	<b>\$ 345,877</b>	<b>\$ 51,491</b>	<b>\$ 70,705</b>

*Custodial Credit Risk*

Deposits – The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

At June 30, 2021, the balance of the State of Indiana’s deposits was covered in full by federal depository insurance or by the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

Investment Custodial Credit Risk – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty’s trust department or agent, but not in the name of the State of Indiana. None of the State’s investments are exposed to custodial credit risk because they are held in the name of the State of Indiana. Additionally, the Treasurer of State requires all custodians to indemnify the State against all out-of-pocket expenses or losses incurred as a result of (i) the custodian’s operational failure, (ii) custodians’ failure to carry out the credit analysis, (iii) custodian’s failure to maintain proper collateral for each loan, or (iv) failure of an approved counterparty to comply with its obligations under the applicable securities lending agreement.

*Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

All investment managers must adhere to the following guideline related to the specific limitation on holdings:

The purchase of securities in the maximum amount invested in any single issuer of a non-agency mortgage-backed, asset-backed, or corporate security shall be limited to an initial cost of 2.5% of the fair value of an Investment Manager’s portfolio. This limit shall not apply to U.S. Government securities, or mortgage-back securities that are issued by an agency of the U.S.

Government. Through capital appreciation, no such holding should exceed 3.5% of the fair value of the total holdings of such Investment Manager’s portfolio.

The following table provides information on the credit quality ratings for investments in debt securities, short-term money market funds, bond mutual funds and bond commingled funds, municipal securities, asset-backed, and mortgage-backed securities as of June 30, 2021. The table below reflects the “greatest risk” rating (the credit rating reflecting the greatest degree of risk) as set by three nationally recognized rating organizations (S&P, Moody, and Fitch) for each type of investment, not exempt from disclosure, in the Major Moves/Next Level Indiana Trust Fund.

Investment Type	Greatest Risk	
	Ratings	Fair Value
U.S. Agencies	AAA	44,853
	AA	5,268
	NR	19,992
Government Asset And Mortgage Backed	AA	24,010
	NR	1,038
Collateralized Mortgage Obligations		
Government CMO's	AA	6,638
	BBB	375
Corporate CMO's	BB	430
	AA	148
	A	94
	BBB	766
	B	418
	CCC & Below	4,590
	NR	1,096
Non US Govt/Corp Bonds	AAA	1,396
	AA	1,452
	A	1,588
	BBB	5,071
	BB	4,808
	B	635
	CCC & Below	478
	NR	2,213
Corporate Bonds	AAA	1,491
	AA	3,236
	A	50,655
	BBB	102,479
	BB	17,578
	B	4,043
	CCC & Below	88
Corporate Asset and Mortgage Backed	AAA	12,504
	AA	3,858
	A	1,314
	BBB	564
	BB	319
	B	2,290
	CCC & Below	8,876
	NR	12
Private Placements	AAA	32,412
	AA	13,018
	A	11,647
	BBB	18,682
	BB	5,395
	B	4,786
	CCC & Below	2,185
	NR	6,344
TrustIndiana	NR	10,000
Municipal Bonds	AAA	676
	AA	8,505
	A	5,055
	BBB	422
	CCC & Below	123
	NR	1
Money Market Mutual Funds	NR	90,576
Total		\$ 546,491

### Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer representing 5% or more of the total investments. The only exemptions from disclosures are US Government Debt, US Government Guaranteed Investments, Mutual Funds, or External Investment Pools. For Intermediate and Core Fixed Income Managers, securities in any one issuer should be limited to not more than 5% of the investment manager's portion of the Fund portfolio measured at fair value. For Core Plus Fixed Income Managers, the exposure of each manager's portfolio should be limited to not more than 10% of the manager's portion of the Fund portfolio measured at fair value.

As of June 30, 2021, there were no investments in any one issuer that represent 5% or more of the total investments.

### Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Major Moves/Next Level Trust Fund's foreign currency exposure is focused primarily in fixed income securities. The exposure to foreign currency fluctuation is as follows:

Currency	Fair Value	% of Total Fair Value
Argentina Peso	\$ 226	0.02%
Australian Dollar	1,361	0.10%
Brazil Real	1,737	0.13%
Canadian Dollar	2,086	0.15%
Chinese R Yuan HK	(459)	-0.03%
Chinese Yuan Renminbi	462	0.03%
Colombian Peso	580	0.04%
Euro Currency	(1,475)	-0.11%
Indian Rupee	219	0.02%
Indonesian Rupiah	1,650	0.12%
Japanese Yen	1,380	0.10%
Mexican Peso	2,272	0.17%
Peruvian Sol	(39)	0.00%
Polish Zloty	2	0.00%
Pound Sterling	1,366	0.10%
Russian Ruble	3,145	0.23%
Singapore Dollar	2	0.00%
South African Rand	851	0.06%
Subtotal	15,366	1.12%
U.S. Dollar	1,353,764	98.88%
<b>Total Fair Value</b>	<b>\$ 1,369,130</b>	<b>100.00%</b>

### Securities Lending

The Treasurer of State is authorized by Indiana Code 5-13-10.5-13 to lend securities. Securities may be lent only if the agreement under which the securities are lent is collateralized by (1) cash or (2) interest bearing obligations that are issued by, fully insured

by, or guaranteed by the United States, an agency of the United States, a federal instrumentality, or a federal government sponsored enterprise, in excess of the total fair value of the loaned securities.

At year end, there were no securities on loan and therefore, no credit risk exposure.

### Fair Value Measurement

The Major Moves Construction Fund and Next Level Indiana Trust Fund categorizes investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy prioritizes valuation inputs used to measure the fair value of the asset or liability into three broad categories. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Levels 1, 2, and 3 (lowest priority level) of the fair value hierarchy are defined as follows:

**Level 1** Inputs using unadjusted quoted prices in active markets or exchanges for identical assets or liabilities.

**Level 2** Significant other observable inputs, which may include, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in non-active markets; and inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly.

**Level 3** Valuations for which one or more significant inputs are unobservable and may include situations where there is minimal, if any, market activity for the asset or liability.

US Treasury securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. The U.S. agency securities, municipal bonds, corporate bonds, and other debt securities classified in Level 2 of the fair value hierarchy are valued using other observable inputs other than quoted prices in an active market. The local government investment pool is valued using the fair value valuation methodology and is marked to fair value daily using the most recent fair value bid price as obtained from one or more market makers and is thus classified in Level 2 of the fair value hierarchy. Those money market mutual funds that are valued at the daily closing price as reported by the funds and are deemed to be actively traded and are classified in Level 1 of the fair value hierarchy. The international commingled mutual fund was not priced in an active market and had no

observable inputs thus was classified in Level 3.

The following table summarizes the valuation of the investments by the fair value hierarchy levels as of June 30, 2021:

Investment Type	June 30, 2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasuries	\$ 745,249	\$ 745,249	\$ -	\$ -
U.S. Agencies	70,113	-	70,113	-
Govt Asset and Mortgage Backed Collateralized Mortgage Obligations	25,048	-	25,048	-
Govt CMO's	7,443	-	7,443	-
Corporate CMO's	7,112	-	7,112	-
Corporate Bonds	179,570	-	177,584	1,986
Corporate Asset Backed	29,737	-	29,737	-
Private Placements	94,469	-	94,469	-
Local Government Investment Pool	10,000	-	10,000	-
Non US Govt/Corp Bonds	17,641	-	17,641	-
Municipal Bonds	14,782	-	14,782	-
Mutual/Commingled Funds	90,576	9,927	(3,734)	84,383
<b>Total Fixed Income Securities</b>	<b>\$ 1,291,740</b>	<b>\$ 755,176</b>	<b>\$ 450,195</b>	<b>\$ 86,369</b>

### ***TrustIndiana, Local Government Investment Pool (Custodial Fund)***

#### *Investment Policy*

Indiana Code, Title 5, Article 13, Chapter 9, Section 11 established the local government investment pool (TrustIndiana) within the office and custody of the Treasurer of State. The Treasurer of State shall invest the funds in TrustIndiana in the same manner, in the same type of instruments, and subject to the same limitations provided for the deposit and investment of state funds by the Treasurer of State under Indiana Code 5-13-10.5. State statute does not establish any parameters or guidelines related to the concentration of investment risk, investment credit risk, nor interest rate risk. However, pursuant to IC 5-13-9-11(g)(7), no less than fifty percent of funds available for investment shall be deposited in banks qualified to hold deposits of participating local government entities. Investment criteria have been established to create the principles and procedures by which the funds of TrustIndiana shall be invested and to comply with state statute relating to the

investment and deposit of public funds.

#### *Valuation of Investments*

Securities, other than repurchase agreements, are valued at the most recent fair value bid price as obtained from one or more market makers for such securities. Repurchase agreements are recorded at cost, which approximates fair value. The underlying investments of the Pool are marked-to-fair value on a daily basis.

Security transactions are recorded on a trade-date basis. Realized gains and losses on sales of investments are calculated on an identified cost basis. Interest income, including any amortization of premium or accretion of discount, is recorded on the accrual basis.

#### *Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.



The following is a summary of the Interest Rate Risk Disclosure as of June 30, 2021:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	
<b>Fixed Income Securities</b>			
Commercial Paper	\$ 587,666	\$	587,666
Repurchase Agreements	8,075		8,075
Money Market Mutual Funds	120,067		120,067
<b>Total</b>	<b>\$ 715,808</b>	<b>\$</b>	<b>715,808</b>

#### Custodial Credit Risk

Deposits – The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

At June 30, 2021, the balances of all bank deposits were covered in full by federal depository insurance or by the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

Investment Custodial Credit Risk – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty's trust department or agent, but not in the name of the State of Indiana. None of the State's investments are exposed to custodial credit risk because they are held in the name of the State of Indiana. Additionally, the Treasurer of State requires all custodians to indemnify the State against all out-of-pocket expenses or losses incurred as a result of (i) the custodian's operational failure, (ii) custodian's failure to carry out the credit analysis, (iii) custodian's failure to maintain proper collateral for each loan, or (iv) failure of an approved counterparty to comply with its obligations under the applicable securities lending agreement.

#### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. TrustIndiana limits its investments in any one issuer to the highest rating category issued by one nationally recognized statistical rating organization.

The following table provides information on the credit quality ratings for investments in TrustIndiana as of June 30, 2021. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. The table reflects the greatest risk rating (the credit rating reflecting the greatest degree of risk) as set by three nationally recognized rating organizations for each type of investment, not exempt from disclosure, in TrustIndiana.

Investment Type	Greatest Risk	
	Ratings	Fair Value
Repurchase Agreements	A1	\$ 8,075
Commercial Paper	A1	587,666
Money Market Mutual Funds	AAA	120,067
<b>Total</b>		<b>\$ 715,808</b>

#### Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer representing 5% or more of the total investments. As noted above, TrustIndiana is required to be comprised of no less than 50% of deposits in banks from an approved list maintained by the State of Indiana. In addition, TrustIndiana limits its investments in any one issuer of commercial paper to a maximum of 5% of assets per commercial paper issuer and 10% of assets per ultimate commercial paper issuer. The only exemptions from disclosures are US Government Debt, US Government Guaranteed Investments, Mutual Funds, or External Investment Pools.

At June 30, 2021, there were no investments in any one issuer, not exempt from disclosure that represents 5% or more of the total investments.

*Foreign Currency Risk*

Foreign currency risk is the risk that changes in the exchange rates will adversely affect the fair value of an investment or a deposit. TrustIndiana's investment policy prohibits investment in foreign investments, thus there was no foreign currency risk.

*Securities Lending*

The Treasurer of State is authorized by Indiana Code 5-13-10.5-13 to lend securities. Securities may be lent under an agreement which requires the loaned securities to be collateralized in the form of (1) cash or (2) interest bearing obligations that are issued by, fully insured by, or guaranteed by the United States, an agency of the United States, a federal instrumentality, or a federal government sponsored enterprise, in an amount at least equal to 102% of the current fair value of the loaned securities. The net income earned through securities lending is recorded as additional income to the Pool. As of June 30, 2021, there were no securities on loan and therefore, no credit risk exposure.

*Fair Value Measurement*

TrustIndiana categorizes investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair Value measurements must maximize the use of observable inputs and minimize the use of

unobservable inputs. The hierarchy prioritizes valuation inputs used to measure the fair value of the asset or liability into three broad categories. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Levels 1, 2, and 3 (lowest priority level) of the fair value hierarchy are defined as follows:

**Level 1** Inputs using unadjusted quoted prices in active markets or exchanges for identical assets or liabilities.

**Level 2** Significant other observable inputs, which may include, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in non-active markets; and inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly.

**Level 3** Valuations for which one or more significant inputs are unobservable and may include situations where there is minimal, if any, market activity for the asset or liability.

The money market mutual funds are valued at the daily closing price as reported by the funds and are deemed to be actively traded, thus classified as Level 1 of the fair value hierarchy. The commercial paper and repurchase agreements classified in Level 2 of the fair value hierarchy are valued using other observable inputs other than quoted prices in an active market.

The following table summarizes the valuation of the TrustIndiana's investments by the fair value hierarchy levels as of June 30, 2021:

<b>Investment Type</b>	<b>June 30, 2021</b>	<b>Fair Value Measurements Using</b>	
		<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>
<b>Fixed Income Securities</b>			
Commercial Paper	\$ 587,666	\$ -	\$ 587,666
Repurchase Agreements	8,075	-	8,075
Money Market Mutual Funds	120,067	120,067	-
<b>Total</b>	<b>\$ 715,808</b>	<b>\$ 120,067</b>	<b>\$ 595,741</b>

## 2. Pension and Other Employee Benefit Trust Funds – Primary Government

### State Police Pension Fund

#### Investment Policy

The Indiana State Police Pension Trust was established in 1937 to provide pension, death, survivor, and other benefits to present and former employees of the department and their beneficiaries who meet the statutory requirement for such benefits.

Indiana Code 10-1-2-2(c), established the prudent investor standard as the primary statutory provision governing the investment of the Trust's assets. IC 10-1-2-2 (c) reads as follows:

The trust fund may not be commingled with any other funds and shall be invested only in accordance with Indiana laws for the investment of trust funds, together with such other investments as are specifically designated in the pension trust. Subject to the terms of the pension trust, the Trustee, with the approval of the Department and the Pension Advisory Board, may establish investment guidelines and limits on all types of investments (including, but not limited to, stocks and bonds) and take other action necessary to fulfill its duty as a fiduciary for the trust fund. However, the Trustee shall invest the trust fund assets with the same care, skill, prudence, and diligence, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims. The Trustee shall also diversify such investments in accordance with prudent investment standards.

There is no formal deposit policy other than compliance to State statute. The following was the SPPT's adopted asset allocation policy as of June 30, 2021:

Asset Class	Target Allocation (%)
Broad domestic equity	31.0
Hedge funds	25.0
Core U.S. fixed	22.0
Global ex U.S. equity	11.0
Core real estate	5.0
Short duration govT/credit	4.0
Cash and equivalents	2.0
<b>Total</b>	<b>100.0</b>

#### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. The SPPT does not have a formal policy on credit risk.

The following table provides information on the credit quality ratings for investments in debt securities, short term money market funds, bond mutual/commingled funds, municipal securities, asset-backed, and mortgage-backed securities for the State Police Pension Trust. The table reflects the "greatest risk" rating (the credit rating reflecting the greatest degree of risk) as set by three nationally recognized rating organizations (S&P, Moody, and Fitch) for each investment type, not exempt from disclosure, in State Police Pension Trust.

Investment Type	Greatest Risk	
	Ratings	Fair Value
U.S. Government Mortgage Backed	AA	\$ 357
Collateralized Mortgage Obligations	NR	170
Corporate Bonds	AA	719
	A	1,352
	BBB	9,719
	BB	1,924
	B	1,142
Private Placements	AA	84
	A	263
	BBB	196
Municipal Bonds	AAA	379
	AA	2,294
	A	442
	BBB	310
Commingled Fixed Income / Commingled		
Equity Funds	NR	231,946
<b>Total</b>		<b>\$ 251,297</b>

#### Custodial Credit Risk

Deposits – The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

At June 30, 2021, the balance of the State Police Pension Trust deposits was covered in full by federal depository insurance or by the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

Investments – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and

unregistered and are either held by the counterparty's trust department or agent, but not in the name of the customer. None of the Indiana State Police Pension Trust's investments are exposed to custodial credit risk because they are held in the name of the Indiana State Police Pension Trust. Additionally, the Treasurer of State requires all custodians to indemnify the State against all out-of-pocket expenses or losses incurred as a result of (i) the custodian's operational failure, (ii) custodian's failure to carry out the credit analysis, (iii) custodian's failure to maintain proper collateral for each loan, or (iv) failure of an approved counterparty to comply with its obligations under the applicable securities lending agreement.

#### Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at amortized cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Fair value for the majority of fixed income securities is determined by using quoted fair value prices by independent pricing services. Investments that do not have an established market are reported at net asset value; these include commingled funds, private equity funds and hedge funds. The alternative investments are valued using current estimates of fair value obtained from the general partner or investment manager. Holdings are generally valued by a general partner or investment manager on a quarterly basis. Valuation assumptions are based upon the nature of the investment and the underlying business. Additionally, valuation techniques will vary by investment type and involve a certain degree of judgement.

#### Concentration of Credit Risk

Concentration of credit risk is the risk of loss

The following table provides the interest rate risk disclosure for the Indiana State Police Pension Fund:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	6- 10	More than 10
U.S. Treasuries	\$ 4,846	\$ 540	\$ 3,358	\$ 948	\$ -
U.S. Government Mortgage Backed	357	-	7	55	295
Collateralized Mortgage Obligations	170	-	-	170	-
Corporate Bonds	14,856	180	5,318	9,044	314
Private Placements	543	-	460	83	-
Municipal Bonds	3,425	-	1,774	1,434	217
Commingled Fixed Income Funds	231,946	231,946	-	-	-
<b>Total</b>	<b>\$ 256,143</b>	<b>\$ 232,666</b>	<b>\$ 10,917</b>	<b>\$ 11,734</b>	<b>\$ 826</b>

attributed to the magnitude of a government's investment in a single issuer. The Indiana State Police Trust has 18 different investments managers. Each investment manager is retained by the Trust to implement a specific investment style and strategy and shall adhere to the specific limitations on holdings outlined in each investment manager's securities guidelines. The securities guidelines for each investment manager is negotiated and agreed upon in writing on a case-by-case basis and referenced in Appendix D of the Investment Policy Statement.

At June 30, 2021, investments in one mutual fund and five commingled fixed income/commingled equity funds each represent 5 percent or more of the total investments.

Fidelity 500 Index Fund	52,202	8.47%
Echo Street Goodco Select II	51,700	8.38%
Brandywine US Fixed Income	47,160	7.65%
GQC Partners International	45,552	7.39%
Loomis Sayles Absolute	43,836	7.11%
Columbus Unconstrained Bond	43,698	7.09%

#### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investments. The Fund's policy for controlling its exposure to interest rate fluctuations should be viewed with the appropriate perspective. A long-term strategy was employed to achieve the Fund's objectives, but there was consideration given to the short-term liquidity needs to meet disbursements required by the Fund. The asset allocation and investment manager structure was designed to tolerate some interim fluctuations in fair value while maintaining a long-term return objective to exceed the actuarial assumed interest rate of 6.25%.

### Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 24.43%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amount actually invested.

### Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The State Police Pension Trust's foreign currency exposure is focused primarily in international and global equity holdings. The exposure to foreign currency fluctuation is as follows:

<u>Currency</u>	<u>Fair Value</u>	<u>% of Total Fair Value</u>
Pound Sterling	\$ 250	0.04%
U.S. Dollars	<u>616,325</u>	<u>99.96%</u>
<b>Total Fair Value:</b>	<b><u>\$ 616,575</u></b>	<b><u>100.00%</u></b>

### Securities Lending

The Treasurer of State is authorized by Indiana Code 5-13-10.5-13 to lend securities. Securities may be lent only if the agreement under which the securities are lent is collateralized by (1) cash or (2) non-cash collateral if the State is indemnified by the custodian holding the non-cash collateral, in excess of the total fair value of the loaned securities. The fair value of the required collateral must be in an amount at least equal to 102% of the current fair value of the loaned securities.

As of June 30, 2021, the State Police Pension Trust did not have any securities on loan and therefore, no credit risk exposure.

### Fair Value Measurement

The Trust categorizes investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy prioritizes valuation inputs used to measure the fair value of the asset or liability into three broad categories. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Levels 1, 2 and 3 (lowest priority level) of the fair value hierarchy are defined as follows:

**Level 1** Inputs using unadjusted quoted prices in active markets or exchanges for identical assets or liabilities.

**Level 2** Significant other observable inputs, which may include, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in non-active markets; and inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly.

**Level 3** Valuations for which one or more significant inputs are unobservable and may include situations where there is minimal, if any, market activity for the asset or liability.

If the fair value is measured using inputs from different levels in the fair value hierarchy, the measurement should be categorized based on the lowest priority level input that is significant to the valuation. The Trust's assessment of significance of a particular input to the fair value measurement in its entirety required judgment, and considers factors specific to the investment. Investments measured at fair value using net asset value per share (or equivalent) as a practical expedient to fair value are not classified in the fair value hierarchy; however, separate disclosures for these investments are required.

Fixed income and equity investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for identical investments, to the extent these securities are traded.

Fixed income investments classified in Level 2 of the fair value hierarchy are normally valued based on price data obtained from observed transactions and fair value price quotations from broker dealers and/or pricing vendors. Valuation estimates from service providers' internal models use observable inputs such as interest rates, yield curves, credit/risk spreads and default rates. Matrix pricing techniques value securities based on their relationship to benchmark quoted prices.

Fixed income investments classified in Level 3 (if any) include valuations using significant unobservable inputs, valuations using proprietary information, inputs that cannot be corroborated by observable market data and securities valued with last trade date due to limited trading volume.

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The following table summarizes the valuation of the investments in the Trust by the fair value hierarchy levels as of June 30, 2021:

<u>Investment Type</u>	<u>June 30, 2021</u>	<u>Fair Value Measurements Using</u>	
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>
<b>Fixed Income Investments</b>			
U.S. Treasuries	\$ 4,846	\$ 4,846	\$ -
U.S. Government Mortgage Backed	357	-	357
Collateralized Mortgage Obligations	170	-	170
Corporate Bonds	14,856	-	14,856
Private Placements	543	-	543
Municipal Bonds	3,425	-	3,425
<b>Total Fixed Income Investments</b>	<b>24,197</b>	<b>4,846</b>	<b>19,351</b>
<b>Equity Investments</b>			
Domestic Equity	112,554	112,554	-
International Equity	247	247	-
Mutual Funds	78,529	78,529	-
<b>Total Equity Investments</b>	<b>191,330</b>	<b>191,330</b>	<b>-</b>
<b>Total Investments by Fair Value</b>	<b>215,527</b>	<b>\$ 196,176</b>	<b>\$ 19,351</b>
<b>Investment measured at the Net Asset Value (NAV)</b>			
Commingled Fixed Income / Equity Funds	231,946		
Multi-Strategy Hedge Funds	54,965		
Private Equity	84,632		
<b>Total Investments measured at NAV</b>	<b>371,543</b>		
<b>Total Investments measured by Fair Value</b>	<b>\$ 587,070</b>		

The valuation methods for investments measured at the NAV per share (or its equivalent) are described below:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Commingled Fixed Income / Equity Funds	\$ 231,946	\$ -	Daily	1 day
Private Equity	84,632	16,275	N/A	N/A
Multi-Strategy Hedge Funds	54,965	1,500	Semi-Annually	95 days
<b>Total investments measured at the NAV</b>	<b>\$ 371,543</b>	<b>\$ 17,775</b>		

Commingled Fixed Income/Commingled Equity – There are 5 fixed income or equity funds which are considered to be commingled in nature. Each are valued at the net asset value of the units held at the end of the period based upon fair value of the underlying securities.

this strategy invests across a range of strategies, geographies, and industries. These underlying portfolio company investments cannot be redeemed with the funds, but rather the funds will make distributions of capital to the Trust as the funds sell the underlying portfolio company investments.

Private Equity - Consisting of 16 private equity funds,

Multi-Strategy Hedge Funds – Consisting of 8 hedge

funds that are comprised of investments across hedge fund strategies. Four broad categories are, equity hedge, event driven, macro, and relative value. "Multi" references the multiple underlying sub-strategies within each category.

### **State Employee Retiree Health Benefit Trust Fund-DB**

#### *Investment Policy*

The State Retiree Health Benefit Trust Fund – DB fund is comprised of the State Police Retiree Health Benefit Trust Fund (ISPP), the State Personnel Plan Trust Fund (SPP), and the Conservation and Excise Police Trust Fund (CEPP).

The ISPP consists of sections 401(h) and 115 established pursuant to the Internal Revenue Service that are separate accounts established within the State Police Pension Fund for the purpose of paying benefits for sickness, accident, hospitalization, and medical expenses. The assets in this account may be co-invested for investment purposes only with the other accounts of the Indiana State Police Pension Fund. The investment authority for these funds, is established under Indiana Code IC 5-10-8-6 and 10-12-2-2.

IC 10-12-2-2 reads as follows:

The trust fund may not be commingled with any other funds; and shall be invested only in accordance with state laws for the investment of trust funds, together with such other investments as are specifically designated in the pension trust. Subject to the terms of the pension trust, the Trustee, with the approval of the Department and the Pension Advisory Board, may establish investment guidelines and limits on all types of investments (including, but not limited to, stocks and bonds) and take other action necessary to fulfill its duty as a fiduciary for the trust fund. The Trustee shall invest the trust fund assets with the same care, skill, prudence, and diligence, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims. The Trustee shall also diversify such investments in accordance with prudent investment standards.

IC 5-10-8-6(d)(2) reads as follows:

Notwithstanding IC 5-13, the treasurer of state shall invest the money in these trust funds not currently needed to meet the obligations of the trust fund in the same manner as money may be invested by the Indiana State Police Pension Trust under IC 10-12-2-2. The trustee shall also comply with the prudent

investor rule set forth in IC 30-4-3.5.

An investment Policy Statement for the State Police Retiree Health Benefit Trust Fund has been adopted by the Treasurer of State, the State Police Department, and the State Police Pension Board. The Investment Policy Statements are written in conformity with the applicable investment statutes and in accordance with prudent investment standards. There is no formal deposit policy other than compliance to State statute. State statute does not establish any parameters or guidelines related to the concentration of investment risk, investment credit risk, nor interest rate risk. The Investment Policy Statement establishes target asset allocations and investment structures based on the Fund's objectives with consideration given to risk tolerances, performance expectations, and liquidity requirements.

The SPP and CEPP were established pursuant to HEA 1123 of the 2012 Indiana General Assembly. These trust funds were created to provide for the prefunding of annual required contributions and for covering the OPEB liability of covered individuals.

The SPP Trust Fund is administered by the State Personnel Department. The investment authority for the SPP Trust Fund is established under IC 5-10-8-7(i)(2).

IC 5-10-8-7(i)(2) reads as follows:

Notwithstanding IC 5-13, the treasurer of state shall invest the money in the trust fund not currently needed to meet obligations of the trust funds in the same manner as money may be invested by the public employees' retirement fund under IC 5-10-3-5. However, the trustee may not invest the money in the trust in equity securities. The trustee shall also comply with the prudent investor rule set forth in IC 30-4-3.5.

There is no formal deposit or investment policy for SPP, other than compliance to State statute. State statute does not establish any parameters or guidelines related to the concentration of investment risk, investment credit risk, nor interest rate risk

Indiana Code, Title 5, Article 13, Chapters 9, 10, 10.5, establishes the investment powers and guidelines regarding the State of Indiana investments.

The CEPP is administered by the Department of Natural Resources and the Alcohol and Tobacco Commission. The investment authority for the CEPP Trust Funds is established under IC 5-10-8-6(d)(2),

as defined above. An Investment Policy Statement for the Conservation and Excise Police Trust Funds has been adopted by the Treasurer of State. The Investment Policy Statements are written in conformity with the applicable investment statutes and in accordance with prudent investment standards. There is no formal deposit policy other than compliance to State statute. State statute does not establish any parameters or guidelines related to the concentration of investment risk, investment credit risk, nor interest rate risk. The Investment Policy Statement establishes target asset allocations and investment structures based on the Fund's objectives with consideration given to risk tolerances, performance expectations, and liquidity requirements.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The following is a summary of the Interest Rate Risk Disclosure as of June 30, 2021:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	
U.S. Treasuries	\$ 61,496	\$	61,496
U.S. Agencies	157,246		157,246
Mutual Funds	10,671		10,671
Money Market Mutual Funds	575		575
<b>Total Fixed Income Securities</b>	<b>\$ 229,988</b>	<b>\$</b>	<b>229,988</b>

**Custodial Credit Risk**

Deposits – The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

At June 30, 2021, the balance of any bank deposits was covered in full by federal depository insurance or by the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

Investment Custodial Credit Risk – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty's trust department or agent, but not in the name of the State of Indiana. None of the

State's investments are exposed to custodial credit risk because they are held in the name of the State of Indiana. Additionally, the Treasurer of State requires all custodians to indemnify the State against all out-of-pocket expenses or losses incurred as a result of (i) the custodian's operational failure, (ii) custodian's failure to carry out the credit analysis, (iii) custodian's failure to maintain proper collateral for each loan, or (iv) failure of an approved counterparty to comply with its obligations under the applicable securities lending agreement.

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

The following table provides information on the credit quality ratings for investments, not exempt from disclosure, in the State Retiree Health Benefit Trust Fund - DB:

Investment Type	Greatest Risk	
	Ratings	Fair Value
U.S. Agencies	AA+	\$ 157,246
Money Market Mutual Funds	NR	575
Mutual Funds	NR	10,671
<b>Total</b>		<b>\$ 168,492</b>

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer representing 5% or more of the total investments. The only exemptions from disclosures are US Government Debt, US Government Guaranteed Investments, Mutual Funds, or External Investment Pools.

Investments in any one issuer, not exempt from disclosure, that represent 5% or more of the total investments were:

FHLB 61.01% \$157,247

**Rate of Return** - For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, for the three OPEB plans administered through trusts was:

SPP	ISPP	CEPP
0.1%	0.1%	6.5%



The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

#### Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit.

As of June 30, 2021, there were no deposits or investments denominated in foreign currencies, thus there was no foreign currency risk.

#### Securities Lending

The Treasurer of State is authorized by Indiana Code 5-13-10.5-13 to lend securities. Securities may be lent only if the agreement under which the securities are lent is collateralized by (1) cash or (2) non-cash collateral if the State is indemnified by the custodian holding the non-cash collateral, in excess of the total fair value of the loaned securities.

At year end, there were no securities on loan and therefore, no credit risk exposure.

#### Fair Value Measurement

The State Retiree Health Benefit Trust – DB funds categorizes investments measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy prioritizes valuation inputs used to measure the fair value of the asset or liability into three broad categories. The inputs or methodology

used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Levels 1, 2, and 3 (lowest priority level) of the fair value hierarchy are defined as follows:

**Level 1** Inputs using unadjusted quoted prices in active markets or exchanges for identical assets or liabilities.

**Level 2** Significant other observable inputs, which may include, quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in non-active markets; and inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly.

**Level 3** Valuations for which one or more significant inputs are unobservable and may include situations where there is minimal, if any, market activity for the asset or liability.

U.S. Treasury securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. The U.S Agency securities and Mutual Funds classified in Level 2 of the fair value hierarchy are valued using other observable inputs other than quoted prices in an active market. Other Equity investments have no observable inputs and therefore classified in Level 3 of the fair value hierarchy. Money Market Mutual Funds are valued at the daily closing price as reported by the fund and are deemed to be actively traded and are classified in the Level 1 fair value hierarchy.

The following table summarizes the valuation of the investments by the fair value hierarchy levels as of June 30, 2021:

Investment Type	June 30, 2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Fixed Income Securities</b>				
U.S. Treasuries	\$ 61,496	\$ 61,496	\$ -	\$ -
U.S. Agencies	157,246	-	157,246	-
Mutual Funds	10,671	-	10,671	-
Money Market Mutual Funds	575	575	-	-
<b>Total Fixed Income Securities</b>	<b>229,988</b>	<b>62,071</b>	<b>167,917</b>	<b>-</b>
<b>Equity Investments</b>				
Mutual Funds	17,191	-	17,191	-
Other Equity Investments	3,362	-	-	3,362
<b>Total Equity Investments</b>	<b>20,553</b>	<b>-</b>	<b>17,191</b>	<b>3,362</b>
<b>Total Investments by Fair Value</b>	<b>\$ 250,541</b>	<b>\$ 62,071</b>	<b>\$ 185,108</b>	<b>\$ 3,362</b>

**3. Pension Trust Funds – Fiduciary in Nature Component Unit**

**Indiana Public Retirement System (INPRS)**

*Investment Guidelines and Limitations*

Oversight of INPRS assets is the fiduciary responsibility of the INPRS Board. As stated in IC 5-10.3-5-3 (a) and IC 5-10.4-3-10 (a) “The Board shall invest its assets with the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims.” Accordingly, the INPRS Board must sufficiently diversify the portfolio to minimize the risk of large losses unless, under the circumstances, it is clearly prudent not to do so. Primary risk measures are volatility in the plan’s assets, funded status, and the contribution rates.

Indiana law permits the INPRS Board to establish investment guidelines, limits on all types of investments, and take other actions necessary to fulfill its duty as a fiduciary for all assets under its

control. On June 30, 2021, cash and investments were held by banks or trust companies under custodial agreements with INPRS. The Investment Policy Statement, adopted by the Board, includes target asset allocations and allowable ranges that are expected to meet rates of return over a period while minimizing risk.

The following Defined Benefits global asset classes, target allocations, and target ranges were approved by the INPRS Board based on a formal asset-liability study and shall remain in place until revised by the INPRS Board. An asset-liability study is conducted every five years.

To maximize the probability of achieving the target rate of return over a 30-year time horizon, INPRS’s Board of Trustees approved a new asset allocation on May 7, 2021 that included the increased use of leverage. The explicit leverage enables the Plan to obtain additional investment exposure, which results in an asset allocation that exceeds 100 percent of invested assets. Beginning in fiscal year 2022, the plan’s target allocation for total exposure is 115 percent.

<b>Global Asset Classes</b>	<b>Target Allocation - %</b>	<b>Target Range - %</b>	<b>New Target Allocation - %</b>	<b>New Target Range - %</b>
Public Equity	22	19.5-24.5	20	17.0-23.0
Private Markets	14	10.0-18.0	15	10.0-20.0
Fixed Income - Ex Inflation - Linked	20	17.0-23.0	20	17.0-23.0
Fixed Income - Inflation - Linked	7	4.0-10.0	15	12.0-18.0
Commodities	8	6.0-10.0	10	7.0-13.0
Real Estate	7	3.5-10.5	10	5.0-15.0
Absolute Return	10	6.0-14.0	5	0.0-10.0
Risk Parity	12	7.0-17.0	20	15.0-25.0
Leverage Offset	N/A		-15	

The defined contribution plans are structured to provide members with a choice of diverse investment options that offer a range of risk and return characteristics appropriate for members. Members can self-direct their investment options or leave their contributions invested in the default target date retirement fund. The offered investment options undergo periodic reviews by the INPRS Board. The State Death Benefit Fund and Retirement Medical Benefits Account Plan are 100 percent invested in intermediate term fixed income

investments in a commingled fund. The Local Public Safety Pension Relief Fund is invested 100 percent in high-quality, short-term money market instruments.

*Rate of Return*

The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts invested.

For the year ended June 30, 2021, the annual money-weighted rates of return on defined benefit pension trust fund investments are as follows:

<b>Defined Benefit Pension Trust Funds</b>	<b>Annual Money Weighted Rate of Return</b>
Public Employees' Retirement Fund - DB	25.46%
Teachers' Retirement Fund Pre-1996 - DB	25.67%
Teachers' Retirement Fund 1996 - DB	25.46%
1977 Police Officers' and Firefighters' Pension and Disability Fund	25.47%
Judges' Retirement System	25.46%
State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan	25.48%
Prosecuting Attorneys' Retirement Fund	25.49%
Legislators' Defined Benefit Plan	25.46%

#### *Custodial Credit Risk for Deposits*

Custodial credit risk for deposits is the risk that in the event of a bank failure, INPRS's deposits may not be returned. Deposits are exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are uncollateralized or collateralized with securities held by the pledging financial institution. At June 30, 2021, \$841 million of cash deposits were uninsured and uncollateralized and therefore exposed to credit risk. The following table shows cash deposits and short-term investments as of June 30, 2021.

<b>Cash Deposits</b>	<b>Total</b>
Demand Deposit Account – Bank Balances (Insured by FDIC up to \$250 thousand per financial institution)	\$ 5,702
Held with Custodian Bank (Uncollateralized)	835,794
Short-term Investment Funds held at Bank (Collateralized)	1,448,771
<b>Total</b>	<b>\$ 2,290,267</b>

#### *Custodial Credit Risk for Investments*

Custodial credit risk for investments is a risk if the securities are uninsured, are not registered in the name of INPRS, and are held by either the counterparty or the counterparty's trust department or agent, but not in the name of INPRS. INPRS's custody agreement with the custodian requires the custodian to segregate the securities on the custodian's books and records from the custodian's property. In addition, investment managers are not allowed, under any circumstances, to take

possession, custody, title, or ownership of any managed assets.

#### *Method Used to Value Investments*

Public Equity investments are comprised of domestic and international stocks as well as commingled equity instruments. Equity securities traded on a national or international exchange are valued at the official closing price or last reported sales price of the instrument. International equities are then adjusted to reflect the exchange rate as of June 30, 2021 of the underlying currency. Commingled equities are not traded on a national security exchange and are valued at the net asset value of the units held at June 30, 2021, based on the fair value of the underlying securities.

Private Market investments are valued using current estimates of fair value obtained from the general partner or investment manager. Holdings are generally valued by a general partner or investment manager on a quarterly or semi-annual basis. Investments in private markets are generally considered illiquid long-term investments. Due to the inherent uncertainty that exists in the valuation of alternative investments, the realized value upon sale of an asset may differ significantly from the fair value.

Fixed Income securities are comprised of U.S. Government, U.S. government-sponsored agencies, publicly traded debt and commingled debt instruments. Securities traded on national and international exchanges are valued based on published market prices and quotations. Securities that are not traded on a national security exchange are valued using a matrix pricing approach. Commingled securities are valued at the net asset value of the units held as of June 30, 2021 based on the fair value of the securities.

Commodities, including derivative instruments, are reported at fair value and involve, to varying degrees, elements of market risk to the extent of future market movements in excess of amounts recognized in the Financial Statements. Derivative instruments are considered investments and not hedges for accounting purposes. The fair value of all derivative financial instruments is reported in the Statement of Fiduciary Net Position. The change in the fair value is recorded in the Statement of Changes in Fiduciary Net Position as Net Investment Income (Loss). Gains and losses arising from this activity are recognized in the Statement of Changes in Fiduciary Net Position as incurred.

Real Estate, Absolute Return and Risk Parity investments are valued by the manager or

independent appraiser based on reported net asset values, cash flow analysis, purchases and sales of similar investments, new financings, economic conditions, other practices used within the industry, or other information provided by the underlying investment advisors. Due to the inherent uncertainty in privately held securities, the fair value may differ from the values that would have been used if a ready market for such securities existed, and the differences can be material.

INPRS relies on third party resources to verify the methodology and calculation used for investment valuation and performance metric reported by the custodian.

*Interest Rate Risk*

Interest rate risk is the risk that changes in interest

rates adversely affect the fair value of the investments. The Investment Policy Statement recognizes interest rate risk as a market risk factor. While INPRS does not have a formal stated policy regarding interest rate risk, it is monitored regularly at the Plan level, and within the fixed income asset classes as part of achieving the long-term actuarial rate of return. Duration is a measure of interest rate risk. The longer a fixed-income investment is to maturity, the more susceptible the value of the fixed-income investment is to market interest rate changes. Short-Term Investments excludes cash with custodian of approximately \$835.8 million. Securities with no available duration include term loans, commingled funds, private placements, commit to purchase SWAPS, and new positions where availability of modeling characteristics are pending.

As of June 30, 2021 the duration of the fixed income portfolio is as follows:

<b>Debt Security Type</b>	<b>Fair Vale</b>	<b>% of All Debt Securities</b>	<b>Portfolio Weighted Average Effective Duration (Years)</b>
<b>Short Term Investments</b>			
Short Term Investments	\$ 1,448,771	10.1	0.41
U.S. Treasury Obligations	279,594	2.0	0.17
Non-U.S. Government	10,762	0.1	0.52
Corporate Bonds Less than 1 Year	1,603	--	0.13
Total Short-Term Investments	1,740,730	12.2	
<b>Fixed Income Investments</b>			
U.S. Governments	5,886,197	41.2	14.89
U.S. Agencies	134,471	0.9	8.82
Non-U.S. Government	3,042,517	21.3	7.58
Corporate Bonds	1,498,844	10.5	8.06
Asset-Backed Securities	315,561	2.2	2.59
Duration Not Available	1,667,226	11.7	N/A
Total Fixed Income Investments	12,544,816	87.8	
<b>Total Debt Securities</b>	<b>\$ 14,285,546</b>	<b>100.0</b>	

*Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In accordance with the Investment Policy Statement, when building the most diversified investment portfolio, emphasis is given to risk allocation, not capital allocation. As a result, INPRS regularly monitors success in achieving the targeted risk diversification that is inherent in the approved asset allocation. Credit ratings, obtained from

several industry rating services for Fixed Income Securities and Short-Term Investments are shown in the table below. The most conservative rating of Standard and Poor's, Moody's, and Fitch are utilized in the schedule below. Short-Term Investments excludes cash with custodian of approximately \$835.8 million. Unrated investments primarily consist of money market sweep vehicles, private placement, term loans and asset-backed securities, commercial mortgages, CMO/REMIC's, and commingled debt funds.

<b>Credit Rating</b>	<b>Short-Term Investments</b>	<b>Fixed Income Securities</b>	<b>Total</b>	<b>Percentage of All Debt Securities</b>
AAA	\$ -	\$ 470,349	\$ 470,349	3.3
U.S. Government Guaranteed	-	6,020,473	6,020,473	42.2
AA	279,594	1,211,988	1,491,582	10.4
A	-	467,693	467,693	3.3
BBB	1,603	1,059,376	1,060,979	7.4
BB	-	589,882	589,882	4.1
B	-	431,305	431,305	3.0
Below B	-	331,505	331,505	2.3
Unrated	1,459,533	1,962,245	3,421,778	24.0
<b>Total</b>	<b>\$ 1,740,730</b>	<b>\$ 12,544,816</b>	<b>\$ 14,285,546</b>	<b>100.0</b>

*Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of a plan's investment in a single issuer. As of June 30, 2021, INPRS does not have investments in any single issuer that represent 5 percent or more of the Fiduciary Net Position other than U.S. Government securities which are not subject to the GASB 40 disclosure requirements. To limit business and liquidity risk arising due to the allocation of a large percentage of assets to a single investment manager, the Board has placed an upper limit on the concentration of assets placed with an investment manager as follows:

- No investment manager shall manage more than 15 percent of INPRS assets in actively managed portfolios.

- No investment manager shall manage more than 20 percent of INPRS assets in passively managed portfolios.
- No investment manager will manage more than 25 percent of the INPRS assets in a combination of actively and passively managed portfolios.

*Foreign Currency Risk*

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. INPRS has defined a foreign exchange risk management policy to effectively manage the Fund's performance volatility associated with foreign currency risk.

Foreign investments included in the Fiduciary Net Position as of June 30, 2021 are below. Short-term, fixed income, and equity investments include income accruals. Other investments include foreign holdings of other investments, derivatives, and receivables/payables. The percentage shown in the table is with respect to DB pooled investments. Totals less than \$5 million are included in Other.

Currency	Investment Held in Foreign Currency					
	Short Term	Fixed Income	Equity	Other Investments	Total	% of Total <sup>1</sup>
Australian Dollar	\$ 271	\$ 73,999	\$ 74,040	\$ (75,458)	\$ 72,852	0.2
Brazilian Real	124	47,724	33,127	46,215	127,190	0.3
Canadian Dollar	1,020	106,654	99,746	(118,934)	88,486	0.2
Chilean Peso	6	10,487	3,183	8,611	22,287	-
Chinese R Yuan HK	-	-	-	50,564	50,564	0.1
Chinese Yuan Renminbi	1,646	(37)	91,804	42,937	136,350	0.3
Colombian Peso	719	40,488	-	(13,910)	27,297	0.1
Czech Koruna	(36)	29,480	1,711	17,925	49,080	0.1
Danish Krone	1,832	12,900	49,076	(13,270)	50,538	0.1
Egyptian Pound	10,761	-	-	169	10,930	-
Euro Currency Unit	16,110	867,982	715,704	(837,623)	762,173	1.7
Hong Kong Dollar	416	42	276,788	631	277,877	0.6
Hungarian Forint	146	24,032	-	20,670	44,848	0.1
Indian Rupee	17	(82)	74,997	1,690	76,622	0.2
Indonesian Rupiah	424	74,675	2,272	2,034	79,405	0.2
Japanese Yen	4,695	194,991	578,449	(197,250)	580,885	1.3
Malaysian Ringgit	129	46,724	4,474	20,960	72,287	0.2
Mexican Peso	(639)	51,729	13,238	31,986	96,314	0.2
New Taiwan Dollar	10	-	115,119	(391)	114,738	0.3
Norwegian Krone	186	423	4,125	1,462	6,196	-
Peruvian Sol	445	37,586	-	(20,552)	17,479	-
Philippines Peso	-	373	1	(3,157)	(2,783)	-
Polish Zloty	608	47,570	4,770	24,096	77,044	0.2
Pound Sterling	789	597,061	234,456	(592,739)	239,567	0.5
Romania Leu	-	10,878	-	15,420	26,298	0.1
Russian Ruble (New)	1,198	69,483	45,230	12,158	128,069	0.3
Saudi Arabia Riyal	3	-	17,543	(50)	17,496	-
Singapore Dollar	200	2,786	19,728	(3,228)	19,486	-
South African Rand	221	121,081	32,295	(43,724)	109,873	0.2
South Korean Won	907	298	192,527	1,487	195,219	0.4
Swedish Krona	665	79,258	83,731	(75,318)	88,336	0.2
Swiss Franc	6,480	-	233,000	(1,193)	238,287	0.5
Thailand Baht	82	61,049	4,327	12,220	77,678	0.2
Turkish Lira	-	12,344	6,330	(7,652)	11,022	-
Other	2,424	26,570	6,771	(14,900)	20,865	-
<b>Total</b>	<b>\$ 51,859</b>	<b>\$ 2,648,548</b>	<b>\$ 3,018,562</b>	<b>\$ (1,708,114)</b>	<b>\$ 4,010,855</b>	<b>8.8 %</b>

(1) Total of foreign currency risk, as a percentage of all pooled investments.

### Securities Lending

The INPRS Board has authorized the custodian to enter into a securities lending program agreement under which securities held by the custodian on behalf of INPRS may be loaned. The purpose of such a program is to provide additional revenue. The policy requires the following:

- Securities that are loaned in exchange for cash or securities collateral must be at least 102 percent of the fair value of domestic securities on loan and 105 percent of the fair value of international securities on loan, with a simultaneous agreement to return the collateral for the same securities in the future. In no event shall the acceptable

collateral be less than the total fair value of loaned securities. Securities shall not be loaned in excess of 40 percent of the fair value.

- The custodian and/or securities lending sub-agent is required to provide agreed upon indemnification to INPRS from and against any losses, damages, costs, and expenses which arise from a borrower defaulting on a loan or filing for bankruptcy.
- A maximum of 25% of the cash collateral may be invested with a single counterparty.
- All collateral investments have a maturity of the next business day.

As of June 30, 2021, there was no security lending credit risk exposure as the collateral pledged of \$605 million, exceeded the fair value of securities on loan, as shown below. All reinvested cash collateral investments consist of repurchase agreements which are not rated by any of the rating agencies.

<b>Security Type</b>	<b>Fair Value of Securities on Loan</b>
U.S. Governments	\$ 170,891
Corporate Bonds	22,332
International Bonds	12,081
Domestic Equities	271,397
International Equities	107,369
<b>Total</b>	<b>\$ 584,070</b>

### Repurchase Agreements

A repurchase agreement is an agreement in which cash is transferred to a broker-dealer or financial institution in return for transfer of security to the custodian and promise to repay cash plus interest. These repurchase agreements are assets whereby security collateral is held by the custodian. An obligation under a reverse repurchase agreement is the same as a repurchase agreement, but from the perspective of the buyer rather than a seller. Obligations under reverse repurchase agreements are liabilities whereby security collateral is held at the broker-dealer or financial institution's custodian.

INPRS's Investment Policy Statement allows prudent use of securities lending, repurchase, and reverse repurchase agreements. Repurchase agreements that may create explicit leverage in the portfolio are prohibited; however, repurchase transactions (including triparty repurchase transactions) collateralized with U.S. Government securities are permitted. Repurchase transactions are required to be collateralized at 102 percent at time of purchase and marked to fair value on each business day.

Investments under Repurchase Agreements (exclusive of Securities Lending) as of June 30, 2021 are as follows. At June 30, 2021, there was no reverse repurchase risk as the cash collateral value posted was less than the fair value of the liability held.

<b>Repurchase Agreements by Collateral Type</b>	<b>Cash Collateral Received</b>	<b>Fair Value</b>
U.S. Treasury	\$ 340,388	\$ 340,388

<b>Obligations Under Reverse Repurchase Agreements by Collateral Type</b>	<b>Cash Collateral Posted</b>	<b>Fair Value</b>
U.S. Treasury	\$ 463,610	\$ 473,553

### Fair Value Measurement

GASB Statement No. 72, requires investments measured at fair value to be categorized under a fair value hierarchy. The categorization of INPRS's investments within the hierarchy is based on the valuation transparency of the instrument and should not be perceived as the risk of the particular investment. The three-tier hierarchy is summarized as follows:

**Level 1** – Unadjusted quoted prices for identical instruments in active markets.

**Level 2** – Quoted prices in active markets; quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs are observable.

**Level 3** – Valuations reflect practices where significant inputs are unobservable.

U.S. Treasury Obligations generally include investments in money market securities that are reported at either fair value or at cost plus accrued interest, which approximates fair value.

U.S. Government, U.S. corporate obligations, Equity and Derivative securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt and Derivative securities classified in Level 2 are valued using either a bid evaluation or a matrix based pricing technique. Bid evaluations are typically based on market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Index linked debt securities are valued by multiplying the external market price by the applicable day's index ratio. Level 2 debt securities have non-proprietary information that is readily available to market participants, from multiple independent sources, which are known to be actively involved in the market. Equity and equity derivatives classified in Level 2 are securities whose values are derived daily from associated traded securities.

Investments classified as Level 3 are valued using best available sources such as property appraisals, discounted cash flow models and public market comparisons of similar assets where applicable. The

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values are supplied by advisors or general partners who hold those or similar assets in investment vehicles they oversee. These pricing sources may or may not be indicative of realizable exit values attainable for the assets.

The remaining investments not categorized under

the fair value hierarchy are measured at the Net Asset Value (NAV). The NAV for these investments is provided by the investment manager and may be sold at an amount different than NAV. To manage risk relating to Absolute Return investments, assets are placed in limited liability vehicles to protect INPRS from losing more than its invested capital.

The following table summarizes INPRS's investment assets and liabilities measured at fair value as of June 30, 2021, presented in the fair value hierarchy. Also shown are investments at amortized cost, and NAV to allow reconciliation to the Total Pooled Investments in the Statement of Fiduciary Net Position.

Investment Type (1)	June 30, 2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level</b>				
Short Term Investments (2)				
BNY - Mellon Cash Reserves	\$ 75,494	\$ -	\$ 75,494	\$ -
Corporate Bonds	9,117	-	9,117	-
U.S. Treasury Obligations	279,594	279,594	-	-
Non-U.S. Governments	3,248	-	3,248	-
<b>Total Short Term Investments</b>	<b>367,453</b>	<b>279,594</b>	<b>87,859</b>	<b>-</b>
Fixed Income Investments				
U.S. Governments	5,886,451	5,886,197	254	-
Non-U.S. Governments	3,581,738	637	3,512,406	68,695
U.S. Agencies	116,893	-	116,893	-
Corporate Bonds	1,201,436	-	873,768	327,668
Asset-Backed Securities	257,196	-	257,196	-
<b>Total Fixed Income Investments</b>	<b>11,043,714</b>	<b>5,886,834</b>	<b>4,760,517</b>	<b>396,363</b>
Equity Investments				
Domestic Equities	5,796,092	5,792,302	3,790	-
International Equities	3,764,722	3,759,571	2,591	2,560
<b>Total Equity Investments</b>	<b>9,560,814</b>	<b>9,551,873</b>	<b>6,381</b>	<b>2,560</b>
<b>Total Investments by Fair Value Level</b>	<b>20,971,981</b>	<b>\$ 15,718,301</b>	<b>\$ 4,854,757</b>	<b>\$ 398,923</b>
<b>Investments Measured at the Net Asset Value (NAV)</b>				
Commingled Short Term Funds	235,089			
Commingled Fixed Income Funds	1,501,103			
Commingled Equity Funds	2,573,610			
Private Markets	6,041,424			
Absolute Return	3,567,656			
Real Estate	2,347,684			
Risk Parity	5,734,417			
<b>Total Investments Measured at the Net Asset Value (NAV)</b>	<b>22,000,983</b>			
<b>Investment Derivatives</b>				
Total Futures	85,382	\$ 85,382	\$ -	\$ -
Total Options	4,850	-	4,850	-
Total Swaps	13,705	-	13,705	-
<b>Total Investment Derivatives</b>	<b>103,937</b>	<b>\$ 85,382</b>	<b>\$ 18,555</b>	<b>\$ -</b>
<b>Investments Not Subject to Fair Value Leveling</b>				
Cash at Brokers	835,794			
Repurchase Agreements	340,388			
Short-Term Investments	1,138,188			
Pooled Synthetic GIC's at Contract Value	2,322,567			
Securities Lending Collateral	199,190			
<b>Total Investments Not Subject to Fair Value Leveling</b>	<b>4,836,127</b>			
<b>Total Investments (less Securities Lending Collateral)</b>	<b>\$ 47,913,028</b>			
(1) The amounts disclosed above will differ from the Asset Allocation Summary. The investment type combines assets according to the security type assigned to each investment by the Custodian. The Asset Allocation Summary groups assets according to the investment objective of each investment manager.				
(2) Short Term Investments include highly liquid assets, both pooled and non-pooled that are an integral part of the pension investments.				



The valuation method for investments measured at the net asset value (NAV) per share or equivalent, at June 30, 2021, is presented as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Commingled Short Term Funds (1)	\$ 235,089	\$ -	Daily	1 day
Commingled Fixed Income Funds (1)	1,501,103	-	Daily	1 day
Commingled Equity Funds (1)	2,573,610	-	Daily	1 day
Private Markets (2)	6,041,424	3,422,691	Not Eligible	N/A
Real Estate Funds (3)	2,347,684	592,032	Quarterly	30-90 days
Absolute Return (4)	3,567,656	169,707	Monthly, Quarterly, Semi-Annually	30-120 days
Risk Parity (5)	5,734,417	-	Daily, Weekly, Monthly	3-5 days
<b>Total</b>	<b>\$ 22,000,983</b>	<b>\$ 4,184,430</b>		

(1) *Commingled Short Term, Fixed Income and Equity Funds* - There are four short-term funds, 16 fixed income funds and three equity funds, which are considered to be commingled in nature. These investments are valued at the net asset value of the units held at June 30, 2021, based upon the fair value of the underlying securities.

(2) *Private Markets* - There are 283 funds that invest across a range of strategies, geographies, and industries within private equity and private credit. The underlying portfolio investments cannot be redeemed with each fund, but rather the fund will make distributions of capital as the fund liquidates the underlying portfolio investments over the typical 10-year term in the case of private equity, and the typical 7-year term in the case of private credit.

(3) *Real Estate Funds* - There are 46 funds invested primarily in U.S. commercial real estate, of which 37 funds are classified as illiquid, or approximately 40 percent of the value of the real estate fund investments. These funds have underlying portfolio investments that cannot be redeemed with the funds, but rather these funds will make distributions of capital as the funds liquidate their underlying portfolio investments over the average 10-year life of the funds. There are nine real estate funds that have been classified as liquid due to the open-ended structure of the fund. Open-ended funds generally offer periodic distributions of net cash flow, which can be reinvested, as well as quarterly redemption windows.

(4) *Absolute Return* - The portfolio consists of 30 fund holdings that cover a broad spectrum of investment strategies and investment horizons which result in distinct fund redemption terms to prevent asset-liability mismatches. These funds attempt to generate returns in excess of the plan's target actuarial rate of return over a full market cycle

with minimal beta to the plan's primary long-only market exposures (equities, credit, rates, and commodities). Fund redemption periods range from weeks (alternative beta) to years (drawdown vehicles), but as a whole, on a weighted-average basis, the portfolio maintains a liquidity profile of less than one year. The valuation process for the majority of absolute return funds are done monthly.

(5) *Risk Parity* - This portfolio, which consists of three funds is constructed to accrue various asset class risk premiums, including equity, without long-term reliance on any single asset class. The structure of these investments provides a reasonable level of liquidity and investments may be redeemed in accordance to the terms set forth by each investment management agreement. Investments are considered to be liquid, market-priced instruments, and 100 percent of the NAV is independently calculated by the fund administrators. Fair values are reported as NAV per share.

It is probable that illiquid investments will be sold at an amount different from the NAV of the ownership interest in partners' capital. Therefore, the fair values of the investments in this type have been estimated using recent observable transaction information for similar investments and non-binding bids received from potential buyers of the investments (one quarter in arrears plus current quarter cash flows).

#### *Derivative Financial Instruments - Activity*

A derivative is a contract between two or more parties whose value is based on an agreed-upon underlying financial asset (similar to a security) or set of assets (similar to an index). Common underlying instruments include bonds, commodities, currencies, interest rates, market indexes, and stocks. The following derivative instruments are included in Investments:

**Futures**

A futures contract is an agreement between two parties to buy and sell a financial instrument at a set price on a future date.

**Options**

Options are agreements that give the owner of the option the right, but not obligation, to buy (in the case of a call) or to sell (in the case of a put) a specific

amount of an asset for a specific price on or before a specified expiration date.

**Swaps**

Swaps are derivative instruments in which one party exchanges a stream of fixed cash flows for floating cash flows. A notional amount of principal is required to compute the actual cash amounts and is determined at contract inception.

The following table summarizes INPRS' derivative instruments outstanding as of June 30, 2021:

Investment Derivatives	Change in		
	Fair Value	Fair Value	Notional
<b>Futures</b>			
Index Futures - Long	\$ (430)	\$ (430)	\$ 69,180
Commodity Futures - Long	83,623	83,623	3,233,775
Fixed Income Futures - Long	4,152	4,152	709,444
Fixed Income Futures - Short	(1,956)	(1,956)	(307,174)
Currency Futures - Long	(6)	(6)	6,853
Total Futures	85,383	85,383	3,712,078
<b>Options</b>			
Currency Spot Options Bought	(39)	523	43,989
Currency Spot Options Written	(150)	(599)	(43,344)
Interest Rate Options Bought	(306)	462	64,900
Interest Rate Options Written	(11)	(908)	(90,200)
Credit Default Index Swaptions Written	146	(83)	(181,300)
Market Index - Options and Hybrids	425	4,927	2,402
Total Options	65	4,322	(203,553)
<b>Swaps</b>			
Variance Swaps	-	-	56
Interest Rate Swaps - Pay Fixed Receive Variable	7,423	11,281	510,063
Interest Rate Swaps - Pay Variable Receive Fixed	(3,094)	(5,098)	472,492
Inflation Swaps - Pay Fixed Receive Variable	(22)	266	4,600
Zero Coupon Swaps - Pay Fixed Receive Variable	316	1,269	195,933
Zero Coupon Swaps - Pay Variable Receive Fixed	(2,462)	(2,516)	394,631
Total Return Swaps	(14)	(14)	1,621
Credit Default Swaps Single Name - Buy Protection	(161)	183	23,140
Credit Default Swaps Single Name - Sell Protection	1,720	632	140,685
Credit Default Swaps Index - Buy Protection	92	(843)	24,313
Credit Default Swaps Index - Sell Protection	1,094	9,072	380,083
Total Swaps	4,892	14,232	2,147,617
<b>Total Derivatives</b>	<b>\$ 90,340</b>	<b>\$ 103,937</b>	<b>\$ 5,656,142</b>

The table below summarizes the swap maturity profile of derivative instruments as of June 30, 2021.

Swap Type	Swap Maturity Profile at June 30, 2020					Total
	< 1 yr	1 - 5 yrs	5 - 10 yrs	10 - 20 yrs	20 + yrs	
Interest Rate Swaps - Pay Fixed Receive Variable	\$ 18	\$ 479	\$ 1,124	\$ 6,690	\$ 2,970	\$ 11,281
Interest Rate Swaps - Pay Variable Receive Fixed	-	(2,506)	(511)	(68)	(2,013)	(5,098)
Inflation Swaps - Pay Fixed Receive Variable	-	-	-	266	-	266
Zero Coupon Swaps - Pay Fixed Receive Variable	572	362	(2)	-	337	1,269
Zero Coupon Swaps - Pay Variable Receive Fixed	(926)	(1,570)	(134)	114	-	(2,516)
Credit Default Swaps Single Name - Buy Protection	(97)	280	-	-	-	183
Credit Default Swaps Single Name - Sell Protection	105	815	(288)	-	-	632
Total Return Swaps	(14)	-	-	-	-	(14)
Credit Default Swaps Index - Buy Protection	(139)	(704)	-	-	-	(843)
Credit Default Swaps Index - Sell Protection	(41)	8,622	466	-	25	9,072
<b>Total Swap Fair Value</b>	<b>\$ (522)</b>	<b>\$ 5,778</b>	<b>\$ 655</b>	<b>\$ 7,002</b>	<b>\$ 1,319</b>	<b>\$ 14,232</b>

### Derivative Financial Instruments – Risk Management

INPRS's Investment Policy Statement allows derivatives transactions by investment managers who possess recognized expertise in derivative overlay strategies to offset, or hedge, unintended market exposures in underlying funds that remain in a lock-up period. Direct purchases of physical commodities is prohibited; however, swaps and instruments that constitute a security or authorized derivatives are permitted.

INPRS effectively manages credit risk relating to derivative instruments by following these guidelines:

- To avoid counterparty risk, derivative transactions are executed through the use of listed options and futures traded on registered exchanges, whenever possible. Non-exchange traded options, forwards, or swaps are executed only if the counterparty is rated "A" or better by at least one of the Nationally Recognized Statistical Rating Organizations ("NSRSOs").
- Exchange-traded commodity futures, options, and other instruments are traded on any exchange regulated by the Commodities Futures Trading Commission ("CFTC") of the United States and/or the Financial Services Authority ("FSA") of the United Kingdom.
- For non-exchange traded derivatives, counterparty creditworthiness is at a minimum of "A3" as defined by Moody's Investor Service, "A-" by Standard & Poor's, and/or "A-" by Fitch. Unrated counterparties are not selected unless such counterparty is a wholly-owned affiliate of a parent organization that guarantees payment and

meets the above counterparty creditworthiness standards.

- Derivative instruments are standardized and exchange-traded (e.g., futures) and/or privately-negotiated and over-the counter (e.g., swap agreements). Underlying risk exposures may be to cash commodities and/or commodity derivatives. Risk exposures for exchange-traded instruments shall lie with exchange clearinghouses and with approved counterparties for non-exchange traded transactions.
- The fair value of commodities collateral is maintained at 100 percent or greater of the net option-adjusted notional value of any commodities overlay exposure at the consummation of any new commodities overlay position. If the collateral fair value falls below the net option-adjusted value of the overlay, the investment manager(s) adjust their portfolio at the earliest feasible opportunity to bring the collateral value up to the notional value of the overlay.

### Derivative Financial Instruments – Counterparty Credit Risk

Counterparty credit risk exists on all open over-the-counter positions. INPRS investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, posting collateral exposure, and monitoring procedures, in addition to adherence to the standard International Swaps and Derivatives Association and Credit Support Annex agreements.

As of June 30, 2021, the aggregate fair value of investment derivatives in an asset position subject to counterparty credit risk was approximately \$19.9 million, of which \$16.7 million was uncollateralized.

The table below summarizes the counterparty positions as of June 30, 2021:

Swaps Counterparty	S&P Rating	Fair Value			Collateral	
		Receivable/Unrealized	Payable/Unrealized	Fair Value	Posted	Received
		Gain	Loss			
Bank of America	A-	\$ 2,081	\$ (1,666)	\$ 189	\$ 200	\$ (1,580)
Banque Nationale De Paris	A+	65	(53)	146	620	(3,750)
Barclays	BBB	416	(213)	(101)	955	(705)
Chicago Mercantile Exchange	AA-	1,889	(6,422)	(4,244)	677	-
Citigroup, Inc.	BBB+	457	(290)	(137)	70	(3,540)
Deutsche Bank	BBB+	-	(149)	(78)	120	(120)
Goldman Sachs	BBB+	388	(183)	97	1,178	(2,420)
HSBC Securities Inc	A-	14	-	-	1,900	(1,820)
Intercontinental Exchange, Inc.	BBB+	3,778	(1,870)	7,296	1,093	-
JPMorgan Chase Bank	A-	14	(53)	(24)	160	(580)
London Clearing House	A	10,534	(3,929)	9,363	-	-
Morgan Stanley	BBB+	250	(165)	1,725	3,048	(2,050)
<b>Total</b>		<b>\$ 19,886</b>	<b>\$ (14,993)</b>	<b>\$ 14,232</b>	<b>\$ 10,021</b>	<b>\$ (16,565)</b>

*Derivative Financial Instruments – Foreign Currency Risk*

Foreign currency forward contracts and futures contracts are exposed to foreign currency risk. At June 30, 2021, INPRS's investments included a foreign currency contract receivable balance of \$6.8 billion and an offsetting foreign currency contract payable of \$6.8 billion. In addition, the net loss for the year ended June 30, 2021, due to foreign currency transactions was \$238.1 million.

*Derivative Financial Instruments – Synthetic Guaranteed Investment Contracts (GICs)*

The Defined Contribution Stable Value Fund consists of fully benefit-responsive synthetic

guaranteed investment contracts (GICs). The Stable Value Fund is an investment option that seeks to provide safety of principal and a stable credited rate of interest, while generating competitive returns over time compared to other comparable investments. As of June 30, 2021, the Stable Value Fund portfolio of well diversified high-quality investment grade fixed income securities had a fair value of \$2.1 billion, which was \$270.1 million less than the fair value protected by the wrap contract.

*Derivative Financial Instruments – Interest Risk*

INPRS has exposure to interest rate risk due to investments in interest rate swaps, inflation swaps and forward mortgage-backed securities (TBAs).

Derivative instruments as of June 30, 2021, subject to interest rate risk are:

Reference Currency	Pays	Receives	Fair Value	Notional
<b>Interest Rate Swap - Pay Fixed Receive Variable:</b>				
U.S. Dollar	0.50% to 2.00%	3M USD LIBOR BBA	\$ 9,044	\$ 132,110
South Korean Won	1.25% to 1.50%	2M KRW KWDC COD	344	79,367
Polish Zloty	0.25% to 1.75%	6M PLN WIBOR	(113)	62,210
Euro Currency Unit	-0.5% to 0.25%	6M EURIBOR REUTERS	1,356	61,856
Hungarian Forint	1.5% to 2.70%	6M HUB BUBOR REUTERS	127	43,193
Chilean Peso	2.55%	CLP CLICP BLOOMBERG	166	28,377
Czech Koruna	1.5% to 1.75%	6M CZK PRIBOR PRBO	167	27,927
Mexican Peso	5.60% to 6.86%	28D MXN TIIE BANXICO	287	20,945
Israeli Shekel	1.25%	3M ILS TELBOR REFERENCE BANKS	4	14,171
Chinese Yuan Renminbi	2.75% to 2.90%	7D CHINA FIXING REPO RATES	11	13,361
Brazil Real	8.50%	1D BRL CDI	(77)	12,914
Malaysian Ringgit	2.25% to 3.00%	3M MYR-KLIBOR-BNM	33	9,476
Singapore Dollar	1.75%	6M SGD SOR REUTERS	(38)	2,083
Japanese Yen	0.30%	6M JPY LIBOR BBA	(30)	2,072
Thailand Baht	1.25%	6M THB THBFIX REUTERS	-	1
<b>Total</b>			<b>\$ 11,281</b>	<b>\$ 510,063</b>
<b>Interest Rate Swap - Pay Variable Receive Fixed:</b>				
Chinese Yuan Renminbi	7D CHINA FIXING REPO RATES	2.50% to 2.90%	\$ (223)	\$ 131,028
Thailand Baht	6M THB THBFIX REUTERS	0.75% to 1.00%	(308)	67,971
Canadian Dollar	CAD-BA-CDOR 3M	1.00% to 1.29%	(943)	58,379
Mexican Peso	28D MXN TIIE BANXICO	4.84% to 6.30%	(461)	52,212
U.S. Dollar	3M USD LIBOR BBA	0.64% to 1.66%	(2,169)	42,030
Euro Currency Unit	6M EURIBOR REUTERS	-0.05%	(34)	27,145
Brazil Real	1D BRL CDI	3.36% to 7.37%	18	21,130
Indian Rupee	INR FBIL MIBOR OIS COM	5.50%	(82)	19,605
South African Rand	3M ZAR JIBAR SAFEX	5.60% to 6.86%	(205)	17,520
Chilean Peso	CLP CLICP BLOOMBERG	1.59% to 4.20%	(465)	11,984
Polish Zloty	6M PLN WIBOR	0.75% to 1.46%	(222)	11,140
South Korean Won	3M KRW KWDC COD	1.75%	(46)	8,744
Hong Kong Dollar	HKD HIBOR BLOOMBERG 3M	1.50%	42	3,604
<b>Total</b>			<b>\$ (5,098)</b>	<b>\$ 472,492</b>

**B. Interfund Transaction****Interfund Loans**

As explained in Note III(A), temporary cash

overdrafts in various funds are reported as interfund loans from the General Fund. As of June 30, 2021, the following funds had temporary cash overdrafts covered by loans from the General Fund: U.S. Department of Health and Human Services Fund,

\$454.7 million and U.S. Department of Agriculture, \$3.5 million. There is also reported an \$8.0 million loan from the Motor Vehicle Highway Fund to the State Highway Fund, which is not expected to be repaid within the next fiscal year. Also, reported is an

interfund loan from the Fund 6000 Programs Fund to Other Special Revenue Funds for \$4.0 million and a \$1.1 million interfund loan between funds within Other Special Revenue Funds for license fees.

The following is a summary of the Interfund Loans as of June 30, 2021:

<b>Governmental Funds</b>	<b>Loans To Governmental Funds</b>	<b>Loans From Governmental Funds</b>
General Fund	\$ 458,241	\$ -
US Department of Health and Human Services	-	454,698
Nonmajor Governmental Funds	13,151	16,694
<b>Total</b>	<b>\$ 471,392</b>	<b>\$ 471,392</b>

**Interfund Services Provided/Used**

Interfund Services Provided of \$11.1 million represents amounts owed by various governmental

funds to the Institutional Industries Fund and the Administrative Services Revolving Funds, both internal service funds, for goods and services rendered.

The following is a schedule of Interfund Services Provided/Used as of June 30, 2021:

<b>Governmental Funds</b>	<b>Interfund Services Provided To Governmental Funds</b>	<b>Interfund Services Used By Governmental Funds</b>
General Fund	\$ -	\$ 5,887
Public Welfare - Medicaid Assistance	-	3
U.S. Department of Health & Human Services	-	1,641
Federal COVID-19	-	41
Nonmajor Governmental Funds	-	3,493
Total Governmental Funds	-	11,065
<b>Proprietary Funds</b>		
Internal Service Funds	11,065	-
Total Proprietary Funds	11,065	-
<b>Total</b>	<b>\$ 11,065</b>	<b>\$ 11,065</b>

**Due From/Due To Component Units**

The \$10.0 million represents funds the General Fund borrowed in June 2004, interest free, from the Indiana Board for Depositories, a discretely presented component unit. Per Public Law 93-2013,

Section 4, repayments to the Indiana Board for Depositories are to be made in annual increments of \$5.0 million each July beginning July 2013. The interfund balance of \$22.7 million represents the accrued distribution amount from the State Lottery Commission to the Lottery Surplus Fund.

The following is the schedule of Due From/Due To component units, as of June 30, 2021:

	Due From Primary Government	Due To Component Units	Due From Component Units	Due To Primary Government
<b>Governmental Funds</b>				
General Fund	\$ -	\$ 10,000	\$ -	\$ -
Nonmajor Governmental Funds	-	-	22,738	-
Total Governmental Funds	-	10,000	22,738	-
<b>Component Units</b>				
Board for Depositories	10,000	-	-	-
State Lottery Commission	-	-	-	22,738
Total Component Units	10,000	-	-	22,738
<b>Total</b>	<b>\$ 10,000</b>	<b>\$ 10,000</b>	<b>\$ 22,738</b>	<b>\$ 22,738</b>

## Interfund Transfers

### Major Governmental Funds

Transfers constitute the movement of money from the fund that receives the resources to the fund that utilizes them. These numerous transfers generally result from legislation passed by the Indiana General Assembly that directs how the transfers are made. In the case of the General Fund, many appropriations are made in the General Fund and then transferred during the year to the funds where these appropriations are used. Also in the case of the General Fund, various taxes and other revenues are collected in other funds and transferred to the General Fund. Following are the principal purposes of the State's interfund transfers:

**General Fund** – \$257.4 million was transferred in from the Medicaid Assistance Fund for unused State match for Medicaid, hospital assessment fees, quality assessment fees, and indirect costs. \$292.0 million was transferred in from the State Gaming Fund which was wagering taxes. \$315.7 was transferred in from the Lottery Surplus fund as part of the excise tax cut replacement distribution. \$212.4 million was received from the Fund 6000 Programs Fund for General Fund portion of financial institutions tax, Indiana Veterans' Home administration; General Fund portion of alcoholic beverages permit fees, and various other programs. \$80.7 million was transferred in from the U.S. Department of Health and Human Services Fund for unused state match funds and indirect costs.

The following were transfers out from the General Fund: The Public Welfare Medicaid Assistance Fund received \$2.5 billion in transfers for Medicaid current obligations and for Medicaid administration. \$349.5 million was transferred to the U.S. Department of Health and Human Services Fund from the General Fund largely for state match related to federal grants.

**Medicaid Assistance Fund** – The Medicaid Assistance Fund received a transfer of \$2.5 billion from the General Fund to support the state Medicaid program. \$356.9 million was transferred in from the Healthy Indiana Plan trust fund to support the Healthy Indiana Plan.

Transfers out included \$257.4 million to the General Fund for unused State match for Medicaid, hospital assessment fees, quality assessment fees, and indirect costs.

**U.S. Department of Health and Human Services Fund** – \$349.5 million was transferred to the U.S. Department of Health and Human Services Fund from the General Fund largely for state match related to federal grants. \$48.6 million was transferred to the U.S. Department of Health and Human Services Fund from the Tobacco Master Settlement Fund primarily to support The Family and Social Services Administration Medicaid administration.

The U.S. Department of Health and Human Services Fund transferred \$80.7 million to the General Fund for unused state match funds and indirect costs.

## Proprietary Funds

### Non-Major Enterprise Funds

**The Inns and Concessions Fund** – This fund had transfers out of \$.6 million, representing cash contributions to the Department of Natural Resources (DNR) which are to be used for repayments of bonds made by the Indiana Finance Authority.

## Internal Service Funds

\$4.0 million in excess net income was transferred out of the Institutional Industries fund into the General Fund per statute.

A summary of interfund transfers for the year ended June 30, 2021 is as follows:

	Transfers in	Transfers out	Net transfers
<b>Governmental Funds</b>			
General Fund	\$ 1,315,297	\$ (3,229,307)	\$ (1,914,010)
Public Welfare-Medicaid Assistance Fund	2,877,283	(257,434)	2,619,849
US Department of Health and Human Services Fund	413,429	(84,711)	328,718
Federal COVID-19	-	(11)	(11)
Nonmajor Governmental Funds	2,689,019	(3,718,987)	(1,029,968)
<b>Proprietary Funds</b>			
Nonmajor Enterprise Funds	-	(555)	(555)
Internal Service Funds	-	(4,023)	(4,023)
<b>Total</b>	<b>\$ 7,295,028</b>	<b>\$ (7,295,028)</b>	<b>\$ -</b>

### C. Receivables

#### Primary Government – Governmental Activities

Taxes Receivable/Tax Refunds Payable as of June 30, 2021, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities			Total Primary Government
	General Fund	Special Revenue Funds	Capital Projects Funds	
Income taxes	\$ 1,519,949	\$ -	-	\$ 1,519,949
Sales taxes	1,084,844	16,781	-	1,101,625
Fuel taxes	19	180,408	-	180,427
Gaming taxes	1,853	19,876	-	21,729
Alcohol and tobacco taxes	48,907	30,774	2,049	81,730
Insurance	96	-	-	96
Financial institutions taxes	-	30,471	-	30,471
Other taxes	10,647	854	-	11,501
Total taxes receivable	2,666,315	279,164	2,049	2,947,528
Less allowance for uncollectible accounts	(885,921)	(61,660)	(7)	(947,588)
<b>Net taxes receivable</b>	<b>\$ 1,780,394</b>	<b>\$ 217,504</b>	<b>\$ 2,042</b>	<b>\$ 1,999,940</b>
<b>Tax refunds payable</b>	<b>\$ 37,502</b>	<b>\$ 5,895</b>	<b>\$ -</b>	<b>\$ 43,397</b>

#### Primary Government – Business-Type Activities

The accounts receivable amount reported on the financial statements of the Unemployment Compensation fund is comprised of funds due from Indiana employers (employer receivables) and from overpayments made to Unemployment Insurance recipients (claimant receivables). Accounts receivable as of June 30, 2021 is as follows:

	Business - Type Activities	
	Unemployment Compensation	
Employer	\$	43,260
Claimant		262,953
<b>Total receivable</b>	<b>\$</b>	<b>306,213</b>

A major portion of the accounts receivable, \$25.5 million of employer receivables and \$207.4 million of claimant receivables for a total of \$232.9 million, will not be collected within one year.

**D. Capital Assets**

Capital asset activity for the year ended June 30, 2021, was as follows. Reclassifications represent assets transferred to the state from the Indiana Finance Authority, a discretely presented component unit. Projects previously in construction in progress were determined to not be capitalizable after changes in accounting estimates. This has caused the decrease in construction in progress to be greater than the increase in capital assets.

**Primary Government – Governmental Activities**

	Balance, July 1, As restated	Reclassifications	Increases	Decreases	Balance, June 30
<b>Governmental Activities:</b>					
Capital assets, not being depreciated/amortized:					
Land	\$ 2,532,593	\$ 5,036	\$ 79,007	\$ (478)	\$ 2,616,158
Infrastructure	12,829,407	-	73,679	(33,857)	12,869,229
Construction in progress	1,114,887	-	682,067	(732,495)	1,064,459
Total capital assets, not being depreciated/amortized	<u>16,476,887</u>	<u>5,036</u>	<u>834,753</u>	<u>(766,830)</u>	<u>16,549,846</u>
Capital assets, being depreciated/amortized:					
Buildings and improvements	2,411,440	521,575	12,508	(5,924)	2,939,599
Furniture, machinery, and equipment	705,767	-	53,523	(48,726)	710,564
Computer software	319,871	-	591,742	(4,179)	907,434
Infrastructure	34,287	-	-	(99)	34,188
Total capital assets, being depreciated/amortized	<u>3,471,365</u>	<u>521,575</u>	<u>657,773</u>	<u>(58,928)</u>	<u>4,591,785</u>
Less accumulated depreciation/amortization for:					
Buildings and improvements	(1,538,389)	(258,005)	(63,530)	4,933	(1,854,991)
Furniture, machinery, and equipment	(474,287)	-	(45,306)	47,008	(472,585)
Computer software	(262,623)	-	(40,968)	1,767	(301,824)
Infrastructure	(28,827)	-	(490)	100	(29,217)
Total accumulated depreciation/amortization	<u>(2,304,126)</u>	<u>(258,005)</u>	<u>(150,294)</u>	<u>53,808</u>	<u>(2,658,617)</u>
Total capital assets being depreciated/amortized, net	<u>1,167,239</u>	<u>263,570</u>	<u>507,479</u>	<u>(5,120)</u>	<u>1,933,168</u>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 17,644,126</u></b>	<b><u>\$ 268,606</u></b>	<b><u>\$ 1,342,232</u></b>	<b><u>\$ (771,950)</u></b>	<b><u>\$ 18,483,014</u></b>

**Primary Government – Business-Type Activities**

	Balance, July 1	Increases	Decreases	Balance, June 30
<b>Business-Type Activities:</b>				
Capital assets, being depreciated:				
Buildings and improvements	\$ 566	-	-	566
Furniture, machinery, and equipment	486	60	(37)	509
Total capital assets, being depreciated	<u>1,052</u>	<u>60</u>	<u>(37)</u>	<u>1,075</u>
Less accumulated depreciation for:				
Buildings and improvements	(296)	(38)	-	(334)
Furniture, machinery, and equipment	(374)	(39)	15	(398)
Total accumulated depreciation	<u>(670)</u>	<u>(77)</u>	<u>15</u>	<u>(732)</u>
Total capital assets being depreciated, net	<u>382</u>	<u>(17)</u>	<u>(22)</u>	<u>343</u>
<b>Business-type activities capital assets, net</b>	<b><u>\$ 382</u></b>	<b><u>\$ (17)</u></b>	<b><u>\$ (22)</u></b>	<b><u>\$ 343</u></b>



Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

<b>Governmental activities:</b>	
General government	\$ 28,680
Public safety	41,833
Health	2,654
Welfare	21,723
Conservation, culture and development	19,289
Education	4,014
Transportation	32,101
<b>Total depreciation/amortization expense - governmental activities</b>	<b>\$ 150,294</b>
<b>Business-type activities:</b>	
Inns and Concessions	\$ 77
<b>Total depreciation expense - business-type activities</b>	<b>\$ 77</b>

#### E. Leases

The future minimum lease obligations, the net present value of these minimum lease payments as of June 30, 2021 and the assets acquired through capital leases are as follows:

<b>Future minimum lease payments</b>				
<b>Year ending June 30,</b>	<b>Operating Leases</b>	<b>Capital Leases</b>		
		<b>Governmental Activities</b>		<b>Future Minimum Lease Payments</b>
		<b>Principal</b>	<b>Interest</b>	
2022	\$ 28	\$ 68,947	\$ 35,415	\$ 104,362
2023	25	73,241	31,784	105,025
2024	23	76,682	28,057	104,739
2025	19	78,217	24,189	102,406
2026	15	82,238	20,149	102,387
2027-2031	23	286,076	49,518	335,594
2032-2036	-	58,786	12,484	71,270
2037-2041	-	13,560	678	14,238
Total minimum lease payments (excluding executory costs)	133	737,747	202,274	940,021
Add:				
Remaining premium	-	24,648	-	24,648
<b>Total minimum lease payments</b>	<b>\$ 133</b>	<b>\$ 762,395</b>	<b>\$ 202,274</b>	<b>\$ 964,669</b>
<b>Assets acquired through capital lease</b>				
Building		\$ 5,364		
Machinery and equipment		14,034		
Infrastructure		748,023		
less accumulated depreciation		(6,082)		
		<b>\$ 761,339</b>		

*Operating Leases*

The State leases building and office facilities and other equipment under operating leases. Total payments for such leases with aggregate payments of \$20,000 or more were \$31.1 million for the year ended June 30, 2021. A table of future minimum lease payments (excluding executory costs) is presented above.

*Capital Leases Liabilities*

The State has entered into various lease agreements with aggregate payments of \$20,000 or more to finance the acquisition of buildings, land and equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date in the government-wide statements.

**F. Long-Term Obligations**

Changes in long-term obligations for the primary government for the year ended June 30, 2021 were as follows:

<b>Changes in Long-Term Obligations</b>	<b>Balance, July 1, as Restated</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance, June 30</b>	<b>Amounts Due Within One Year</b>	<b>Amounts Due Thereafter</b>
<b>Governmental activities:</b>						
Compensated absences	\$ 193,385	\$ 101,222	\$ (87,585)	\$ 207,022	\$ 76,490	\$ 130,532
Net pension liability	11,792,876	1,015,220	(1,415,893)	11,392,203	-	11,392,203
Net OPEB liability	132,962	30,406	(109,190)	54,178	-	54,178
Pollution remediation	33,579	3,001	(1,083)	35,497	3,693	31,804
OPEB DC liability	57,197	-	(13,156)	44,041	-	44,041
Asset retirement obligations	-	7,775	-	7,775	-	7,775
Capital leases	832,347	844	(70,796)	762,395	68,947	693,448
	<b>\$ 13,042,346</b>	<b>\$ 1,158,468</b>	<b>\$ (1,697,703)</b>	<b>\$ 12,503,111</b>	<b>\$ 149,130</b>	<b>\$ 12,353,981</b>
<b>Business-type activities:</b>						
Compensated absences	\$ 764	\$ 294	\$ (260)	\$ 798	\$ 263	\$ 535
Claims liability	23,079	557	(912)	22,724	1,069	21,655
	<b>\$ 23,843</b>	<b>\$ 851</b>	<b>\$ (1,172)</b>	<b>\$ 23,522</b>	<b>\$ 1,332</b>	<b>\$ 22,190</b>

Long term obligations of governmental activities include capital lease obligations of governmental funds as presented in Note IV(E), net pension liabilities as presented in Note V(E) (employee retirement systems and plan), other postemployment benefits as presented in Note V(F), pollution remediation as presented in Note V(G), asset retirement obligations as presented in Note V(H), and compensated absence obligations. The General Fund typically has been used to liquidate any other long-term liabilities.

Long-term obligations of the business-type activities consist of claims liability of the Indiana Residual Malpractice Insurance Authority and compensated absences of the Inns and Concessions Fund.

**G. Prior Period Adjustments and Reclassification**

For the fiscal year ended June 30, 2021, certain changes have been made to the financial statements to more appropriately reflect financial activity of the State of Indiana. These prior period adjustments and restatements are reflected in the beginning net position in the government-wide statement of activities.

In the fund financial statements for the General Fund and the government-wide statements, there was a decrease in fund balance of \$2.4 million due to the reclassification of funds to the newly created Indiana Destination Development Corporation and a decrease of \$.4 million from revenues that were recorded incorrectly in the prior year.

In the fund statements for the Special Revenue funds, and the government-wide statements, net position decreased \$1.9 million due to the reclassification of funds to the newly created Indiana Destination Development Corporation

In the fund statements for the Special Revenue funds, and the government-wide statements, net position decreased by \$24.5 million relating to the overstatement of receivables and \$18.8 million due to the incorrect reporting of funds held in trust in the prior year. Net position increased \$2.5 million as a result of reporting funds that were previously omitted.

For the government-wide statements, there is a decrease of \$2.3 million in net position for capital assets. This was the result of not capitalizing capital assets by June 30, 2020 that were acquired prior to this date and for corrections to acquisition cost by

state agencies. Net position decreased \$4.1 million for software projects and \$8.3 million for public works projects that were incorrectly recorded to construction in progress in the prior year. In addition, the government-wide statements had a decrease in net position of \$7.7 million resulting from costs incurred prior to June 30, 2020 that should not have been capitalized for INDOT infrastructure assets.

For the discrete component units, net position increased \$602.6 million for Indiana University due to the reporting of new component units and

increased \$4.3 million for the reclassification of funds to the newly created Indiana Destination Development Corporation. Net position increased \$7.3 million for Ivy Tech State College for errors in prior year elimination entries. In addition, net position increased \$2.6 million in the combined Colleges and Universities due to the implementation of GASB 84.

For the fiduciary funds, net position increased \$16.6 million due to the Implementation of GASB 84.

The following schedule reconciles June 30, 2020 net position as previously reported, to beginning net position, as restated:

	<b>Governmental Activities</b>	<b>Fiduciary Funds</b>	<b>Discretely Presented Component Units</b>
<b>June 30, 2020, fund balance/net position as reported</b>	\$ 16,057,945	\$ 39,143,000	\$ 16,868,595
Change in accounting principle	-	16,642	2,621
Correction of errors	(63,631)	-	7,311
Reclassifications of funds	(4,293)	-	606,932
<b>Balance July 1, 2020 as restated</b>	<b>\$ 15,990,021</b>	<b>\$ 39,159,642</b>	<b>\$ 17,485,459</b>

## V. OTHER INFORMATION

### A. Risk Management

The State of Indiana is exposed to various risks of loss. This includes damage to property owned by the agencies; personal injury or property damage liabilities incurred by a state officer, agent, or employee; errors, omissions, and theft by employees; certain employee health benefits; employee death benefits; and unemployment and worker's compensation costs for State employees.

The State records an expenditure for any loss as the liability is incurred or replacement items are purchased. The State purchases commercial insurance coverage for certain DNR Inn properties. The State also purchases immaterial amounts of commercial insurance related to errors, omissions, and theft by employees. Settlements related to commercial insurance have not exceeded coverage in the past three fiscal years.

The State does have risk financing activity for the State employees' disability, certain State employees' health benefits, Conservation and Excise Officers' health benefits, and certain health, disability and

death benefits for State Police officers. These are reported in four individual Internal Service Funds.

The State employees' disability program is financed partially by State employees through payroll withholdings and by the funds from which employees are paid. The employees' health benefits, the Conservation and Excise health benefits, and the State Police traditional health plan are funded by the employees who have selected certain health care benefit packages and the funds from which those employees are paid. An insurance carrier provides claims administration services for the health insurance programs.

Located below is the table of claim liabilities. The liabilities are not maintained in the accounting records of the State. The claim liabilities for the health insurance programs and the State Disability fund were estimated based on the historical experience rate of claims paid that were for service dates incurred during a prior fiscal year. The unrestricted net position in these funds is reserved for future catastrophic losses.

	State Police Health Insurance Fund	State Employee Disability Fund	State Employees' Health Insurance Fund	Conservation and Excise Officers Health Insurance Fund	Total
<b><u>2021</u></b>					
Unpaid Claims, July 1	\$ 3,934	\$ 4,194	\$ 40,327	\$ 740	<b>\$ 49,195</b>
Incurred Claims and Changes in Estimate	26,980	16,922	344,908	4,521	<b>393,331</b>
Claims Paid	<u>(27,411)</u>	<u>(17,535)</u>	<u>(346,622)</u>	<u>(4,462)</u>	<b><u>(396,030)</u></b>
<b>Unpaid Claims, June 30</b>	<b><u>\$ 3,503</u></b>	<b><u>\$ 3,581</u></b>	<b><u>\$ 38,613</u></b>	<b><u>\$ 799</u></b>	<b><u>\$ 46,496</u></b>
<b><u>2020</u></b>					
Unpaid Claims, July 1	\$ 3,634	\$ 4,018	\$ 44,051	\$ 829	<b>\$ 52,532</b>
Incurred Claims and Changes in Estimate	25,137	15,690	337,711	3,125	<b>381,663</b>
Claims Paid	<u>(24,837)</u>	<u>(15,514)</u>	<u>(341,435)</u>	<u>(3,214)</u>	<b><u>(385,000)</u></b>
<b>Unpaid Claims, June 30</b>	<b><u>\$ 3,934</u></b>	<b><u>\$ 4,194</u></b>	<b><u>\$ 40,327</u></b>	<b><u>\$ 740</u></b>	<b><u>\$ 49,195</u></b>

## B. Contingencies and Commitments

### *Litigation*

The State does not establish reserves for judgments or other legal or equitable claims against the State. Judgments and other such claims must be paid from the State's unappropriated balances and reserves, if any.

With respect to tort claims only, the State's liability is limited to: (A) \$300,000 for a cause of action that accrues before January 2006; (B) \$500,000 for a cause of action that accrues between 2006 and 2008; or (C) \$700,000 for a cause of action that accrues on or after January 2008, for injury to or death of one person in any one occurrence and \$5 million for injury to or death of all persons in that occurrence.

The Indiana Attorney General's office estimates a total payment for liabilities and litigation expenses of \$10.0 million to be made from the Tort Claim Fund during the next fiscal year. During the fiscal year ending June 30, 2021, the State paid \$8.9 million for settlements, judgments, claims and litigation expenses from the Tort Claim Fund.

The following is a summary of certain significant litigation and claims currently pending against the State involving amounts exceeding \$5 million individually or in the aggregate. This summary is not exhaustive, either as to the description of the specific litigation or claims described, or as to all of the litigation or claims currently pending or threatened against the State.

The Indiana Attorney General's office is currently handling the following cases that could result in significant liabilities to the State:

In 2017, Plaintiff filed a complaint against the Indiana Department of Environmental Management, the Indiana State Department of Health, and the State of Indiana. There are over 100 individual plaintiffs alleging negligence and negligent infliction of emotional distress against the State Defendants and the City of East Chicago, the East Chicago Housing Authority, and the East Chicago Department of Public and Environmental Health, seeking damages for alleged physical and emotional harms caused by their alleged exposure to lead, arsenic, and other contamination while residents at the West Calumet Housing Complex and/or while students at Carrie Gosch Elementary School in East Chicago, Indiana since the late 1990's. On February 12, 2018, outside counsel entered an appearance on behalf of the State Defendants along with a motion to extend time

to respond. On March 5, 2018, an answer on behalf of the State Defendants was filed along with a motion to dismiss the Indiana State Department of Health. This motion was later found to be moot. Outside counsel filed a motion staying discovery pending the outcome of a motion for judgment on the pleadings. That motion was granted. The Motion for Judgment on the Pleadings was filed July 9, 2018. Plaintiff filed a response to the Motion for Judgment on the Pleadings on August 18, 2018. A Reply in Support of the Motion for Judgment was filed and a hearing held. The Motion for Judgment on the Pleadings was denied November 9, 2018. The Order denying the Motion to Dismiss required additional discovery. Initial discovery deadlines were set. The State's Motion to Certify for Interlocutory Appeal was filed on December 10, 2018. A Notice of Appeal was filed April 25, 2019. The parties completed briefing of the matter on appeal. On June 10, 2020, the Indiana Court of Appeals upheld the Trial Court's denial of the Defendants' Motion for Judgment on the Pleadings and remanded the matter for continued proceedings. Parties are conferring about discovery. A case management plan was entered on February 9, 2021. Discovery is ongoing.

In 2017, Plaintiffs, including a representative of the deceased's estate, filed a wrongful death suit in state court regarding a police action shooting by an Indiana State Trooper. A motion to dismiss was filed by the Defendants on July 25, 2017. The Motion to Dismiss was denied on January 31, 2018. A Motion to certify order for interlocutory appeal filed on March 5, 2018 and was granted on April 23, 2018. The Indiana Court of Appeals denied interlocutory appeal on July 16, 2018. Defendants filed their Answer on July 30, 2018. Defendants filed their Motion for Summary Judgment July 17, 2020; a hearing was held on October 15, 2020. The Defendants' Motion for Summary Judgment was denied on January 27, 2021. The Defendants' filed their Motion for interlocutory appeal on February 26, 2021. Plaintiffs filed their Response on March 3, 2021. Plaintiffs filed their reply on March 10, 2021. A hearing on the motion was held on June 9, 2021. The court granted the Defendants' motion and certified the case for interlocutory appeal on June 25, 2021. The Court of Appeals accepted the interlocutory appeal on August 26, 2021. The case is stayed pending resolution of the interlocutory appeal.

In 2018, Plaintiff's estate filed a Complaint against Indiana the Department of Correction alleging failure to protect, conspiracy, and failure to intervene pursuant to 42 U.S.C. Section 1983 and also negligent or willful and wanton conduct, negligent infliction of emotional distress, and wrongful death. The Plaintiff, a prisoner, died after setting a fire in his

cell that he likely set himself. Plaintiff's estate is requesting compensatory and punitive damages and attorney's fees and costs. Defendants filed a Motion for Summary Judgment on March 29, 2021. Plaintiff filed its response on May 25, 2021. Defendants filed their reply and the Motion is fully briefed and awaiting ruling. Discovery is ongoing. No trial date is set.

In 2019, Plaintiffs filed a complaint individually, and on behalf of their two minor children, alleging that three employees of the Indiana Department of Child Services violated their constitutional rights when they removed their minor children from their home in 2017 without a court order. The removals were spurred when a foster child placed with the Plaintiffs was taken to the hospital for medical care. Defendants filed a partial motion to dismiss on October 10, 2019. The motion was fully briefed but later denied as moot since the arguments largely mirrored those made in the later-filed dispositive motions. Discovery has been ongoing. Parties filed dispositive motions on October 15, 2020. Briefing is complete. Defendants answered on December 4, 2020. Status conferences were held on January 26, 2021, and April 23, 2021. A tentative settlement was reached subject to statutory approvals; dismissal documents are due on January 9, 2022.

*Other Litigation*

The State on behalf of the following state agencies is currently involved in the following cases that could result in significant liability to the State:

Indiana Bureau of Motor Vehicles (BMV)

In June 2017, plaintiffs and the State of Indiana entered into a settlement agreement for the March and October 2013 class action lawsuits brought against the Bureau of Motor Vehicles (BMV). The court approved this settlement agreement in August 2017. The settlement agreement was amended in August 2018 to place remaining customer claims under the March 2013 case on customer BMV accounts to be claimed as credits. Credits not claimed by August 2021 will be transferred to the Attorney General's Unclaimed Property Fund. \$2.4 million was payable to claimants under the March 2013 case as of June 30, 2021, which has been accrued as an expense and payable in the government-wide financial statements for remaining claims to be paid.

*Other Loss Contingencies*

The U.S. Office of Inspector General (USOIG) has issued multiple audit reports on Indiana's Medicaid Assistance Program. The State has worked with the

Centers for Medicare and Medicaid Services (CMS) to resolve the findings. As of June 30, 2021, there were \$37.1 million in findings which the Family and Social Services Administration (FSSA) believes to be probable for having to be repaid and therefore, has been accrued as an expense and payable in the government-wide financial statements. An additional \$23.0 million is reasonably possible to need to be repaid. FSSA management is continuing to work with CMS on a settlement of these findings.

*Construction Commitments*

As of June 30, 2021, the Indiana Department of Transportation had outstanding construction commitments totaling \$1.6 billion for road and bridge projects. It is anticipated that these projects will be financed with approximately 22% traditional state funds, 8% toll road lease amendment proceeds funds, 4% local funds, 63% federal funds, and 3% major moves funds.

The Indiana Department of Administration, Public Works Division, had remaining construction commitments totaling \$47.5 million for building and improvement projects of the State's agencies as of June 30, 2021. These projects are to be funded through State appropriations, the State Highway Department Fund, capital projects funds, and federal funds.

The State had \$118.7 million in total commitments for software in development as of June 30, 2021. These commitments are to be funded through the General Fund, federal funds, and state dedicated funds.

*Encumbrances*

Significant encumbrances by major funds and non-major funds in the aggregate as of June 30, 2021 were as follows:

<b>Governmental Funds</b>	<b>Encumbrances</b>
General Fund	\$ 819,171
Public Welfare - Medicaid Assistance	16,299
US Department of Health & Human Services	745,810
Federal COVID-19	405,030
Non-Major Governmental Funds	3,248,610
<b>Total</b>	<b>\$ 5,234,920</b>

**C. Other Revenue**

Other revenue represents revenue received which cannot accurately be included with any of the other revenue sources. In most cases, the amount of "other revenue" received by a fund is insignificant in comparison with total revenues received.

## D. Economic Stabilization Fund

Indiana Code (IC) 4-10-18 establishes the Counter-Cyclical Revenue and Economic Stabilization Fund ("Rainy Day Fund") within the state's General Fund to assist in stabilizing revenue during periods of economic recession. The fund receives funding through calculated transfers as prescribed by Indiana Code.

The State Budget Director is required to annually calculate State of Indiana Adjusted Personal Income (API) and its growth rate over the previous year. API growth rates exceeding 2% trigger an appropriation from the General Fund into the Rainy Day Fund. API growth rates less than 2% trigger an appropriation from the Rainy Day Fund to the General Fund. Additionally, any balance in the Rainy Day Fund at the end of the fiscal year exceeding 7% of total General Fund revenues for the same period is transferred from the Rainy Day Fund to the General Fund.

In fiscal year 2021, the API growth rate did not trigger a transfer into or out of the Rainy Day Fund. Also, the Rainy Day Fund did not exceed 7% of total General Fund revenues for fiscal year 2021.

Loans can be made from the Rainy Day Fund to local units of government for specific purposes. The Rainy Day Fund cash and investment balance at the end of fiscal year 2021 was \$544.9 million. There were no outstanding loans as of fiscal year end.

## E. Employee Retirement Systems and Plans

The State of Indiana sponsors eleven public employee retirement systems (PERS) that are included in the State's financial statements. They are reported and administered as described in Note I (A).

### Summary of Significant Accounting Policies (Pensions)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to or deductions from fiduciary net position have been determined on the same basis as they are reported for all of the plans by their respective trustees. The Indiana Public Retirement System is the trustee for all of the plans except for the State Police Retirement Fund and the State Police Supplemental Trust Fund which is administered by the Treasurer of the State of Indiana as Trustee under a Pension Trust Agreement with the Indiana Department of State Police. Benefit

payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*The State sponsors the following defined benefit single-employer plans:*

### State Police Retirement Fund (Presented as a pension and other employee benefit trust fund)

*Plan description.* The State Police Retirement Fund (SPRF) is a defined benefit, single-employer PERS, and is administered by the Treasurer of the State of Indiana as Trustee under a Pension Trust Agreement with the Indiana Department of State Police. Indiana Code 10-12-2-2 grants authority to the Department to establish and operate an actuarially sound pension plan governed by a pension trust. It also authorizes the Department to make annual contributions as necessary to prevent any deterioration in the actuarial status of the trust. The State Police Retirement Fund issues a publicly available financial report that can be obtained by writing the State Police Retirement Fund, c/o Treasurer of State, 200 W. Washington Street, Room 242 State House, Indianapolis, IN 46204.

The SPRF includes the Pre-1987 Benefit System and the 1987 Benefit System. The term "Pre-1987 Benefit System" shall refer to the plan and the benefits provided to employee beneficiaries who are first employed as employees by the Department before July 1, 1987, and who did not elect to be covered by the 1987 Benefit System in accordance with the provisions of Section 31 of the Trust Agreement. Any benefits provided to former employees who qualified for such benefits under the terms of the Trust Agreement as in effect prior to July 1, 1987, shall also be deemed part of the Pre-1987 Benefit System. The term "1987 Benefit System" shall refer to the plan and the benefits provided to employee beneficiaries who are first employed as employees by the Department on or after July 1, 1987, and to those employee beneficiaries who were first employed before July 1, 1987, provided they elected to be covered by the 1987 Benefit System in accordance with the provisions of Section 31 of the Trust Agreement.

### *Retirement benefits provided.*

Pre-1987 Plan: The Pre-1987 Plan provides that the basic monthly pension amount may not exceed by more than \$20 an amount equal to one-half of the member's average monthly wages (not including overtime) received during the highest paid consecutive 12 months prior to retirement. However,

this amount may not exceed the monthly salary of a sixth-year trooper.

In addition to the basic retirement benefit described above, a plan member with over 20 years of service will receive the following incremental increases:

2% of the basic amount for each of the next 2 years over 20 years;
3% of the basic amount for each of the next 2 years over 22 years;
4% of the basic amount for each of the next 2 years over 24 years;
5% of the basic amount for each of the next 2 years over 26 years;
6% of the basic amount for each of the next 2 years over 28 years;
7% of the basic amount for each of the next 2 years over 30 years;
8% of the basic amount for each of the next 2 years over 32 years.

However, the total of these additional amounts may not exceed 70% of the basic pension amount, will receive the following incremental increases:

5% of basic amount for each of the next 3 years over 25 years;
6% of basic amount for each of the next 2 years over 28 years;
7% of basic amount for each of the next 2 years over 30 years;
8% of basic amount for each of the next 2 years over 32 years.

However, the total of these additional amounts may not exceed 70% of the basic pension amount, according to IC 10-12-4-7(e).

*Disability and survivor benefits provided.* The regular disability benefit for a disabled member may not exceed the maximum basic pension amount. If the member's disability was incurred in the line of duty, the member is entitled to an additional \$40 per month for each dependent parent and dependent child under age 18.

If a member is permanently and totally disabled by a catastrophic personal injury that: (1) is sustained in the line of duty after January 1, 2001; and (2) permanently prevents the member from performing any gainful work; the member is entitled to a disability benefit equal to the member's salary at the commencement of the disability in lieu of the regular disability benefit. The member is also entitled to increases in the disability benefit equal to the salary increases that the member would have received had the member remained in active service.

A member who meets the conditions listed in IC 5-10-13 has a presumption that a total or partial disability or death resulting from a health condition caused by AIDS, anthrax, hepatitis, HIV, meningococcal meningitis, smallpox, or tuberculosis is a disability or death incurred in the line of duty. In addition, a member who meets the conditions listed in IC 5-10-15 has a presumption that a total or partial disability resulting from an exposure-related cancer, or heart or lung disease is a disability incurred in the line of duty. These presumptions may be rebutted by

according to IC 10-12-3-7 (c).

1987 Plan The 1987 Plan provides that the basic monthly pension amount may not exceed one-half of the member's average monthly salary received during the member's highest-paid three years before retirement. Members retiring from July 1, 1987, through June 30, 1988, may not receive a basic monthly benefit greater than 50% of the maximum salary of a first sergeant. Members retiring from July 1, 1988, through June 30, 1989, may not receive a basic monthly benefit greater than 50% of the maximum salary of a captain.

In addition to the basic retirement benefit described above, a Plan member with over 25 years of service competent evidence. A meeting or hearing held to rebut a presumption may be held as an executive session under IC 5-14-1.5-6.1(b) (1). A presumption affects only the determination as to whether a disability or death was incurred in the line of duty and does not change the requirements for determining eligibility for disability benefits.

A member's survivor is entitled to a supplemental death benefit of not more than \$14,500 for employee beneficiaries who die before July 1, 2013. For employee beneficiaries who die after June 30, 2013, the amount of supplemental death benefits may not exceed \$20,000. The maximum monthly pension payable to surviving spouses or a dependent mother and father of a member killed in the line of duty may not exceed the current basic monthly pension amount paid to retirees or, upon a retiree's death, one-half of the deceased officer's monthly benefit.

A dependent child entitled to survivor benefits may receive a maximum of 30% of the basic monthly pension currently being paid to retirees. Total benefits paid to all of a member's surviving dependent children may not exceed the basic monthly pension currently being paid to retirees.

*Employees covered by benefit terms.* As of June 30, 2021, the following employees were covered by the benefit terms of the SPRF:

	Pre-1987 Plan	1987 Plan
Inactive employees or beneficiaries currently receiving benefits	722	849
Inactive employees entitled to but not yet receiving benefits	3	177
Active employees	12	1,196
<b>Total</b>	<b>737</b>	<b>2,222</b>

*Contributions.* Members of the Pre-1987 Plan contribute 5% of the member's wages (not including



overtime and limited to sixth-year trooper pay). Members of the 1987 Plan contribute 6% of the member’s wages (not including overtime). A member who receives a disability pension does not make contributions to the member’s fund.

Periodic employer contributions to the pension plan are determined on an actuarial basis using the entry age normal cost actuarial method. Normal cost is funded on a current basis. The unfunded actuarial accrued liability is being funded over a thirty-year closed period which commenced July 1, 2010. Periodic contributions for both normal cost and the amortization of the unfunded actuarial accrued liability are based on the level dollar of payroll method. The funding policy for normal cost and unfunded actuarial accrued liability should provide sufficient resources to pay employee pension benefits on a timely basis. For the year ended June 30, 2021, the State’s contribution rate was 25.4 percent of covered payroll.

**Deferred Retirement Option Program:** The Deferred Retirement Option (DROP) for the State Police Retirement Fund was established in 2001 pursuant to the Pension Trust Agreement and is governed by the Department of the State Police and the Treasurer of the State of Indiana (Trustee). Members of the Pre-1987 and 1987 plans that are eligible to retire may elect to accumulate a DROP benefit while continuing to work. At the time of their election, the member executes an irrevocable election to retire on a DROP retirement date and remain in active service, but the member does not contribute to the fund during the DROP period. For the Pre-87 Plan, when an employee has completed 20 years of service or more, he/she may irrevocably elect to enter the DROP for a period ending the earlier of (1) 60 consecutive months, (2) completion of 34 years of service, or (3) attainment of age 65. An employee on disability cannot enter the DROP. From the date the employee enters the DROP, he/she will not be credited with any additional years of service. The employees DROP accrual will be equal to the basic monthly retirement benefit. At the end of the DROP period, the employee must separate from employment and retire. Upon separation, the employee will receive their accumulated DROP benefit in the form of a lump sum payment, a rollover to another retirement program, or a combination of both. For the 1987 Plan, all DROP requirements are the same as the Pre-87 plan, except that the employee must have completed 25 years of service or more. The DROP and future retirement monthly benefit is calculated as of the member’s DROP entry date. At the time of retirement, the member must choose among the available options for distribution of the accumulated benefit under the DROP. As of

June 30, 2021, the amount held by the plan pursuant to the DROP is \$2.3 million.

**Net Pension Liability**

The SPRF’s net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The components of the net pension liability of the SPRF at June 30, 2020 were as follows:

Total pension liability	\$ 677,189
Plan fiduciary net position	(498,710)
<b>SPRF’s net pension liability</b>	<b>\$ 178,479</b>
Plan fiduciary net position as a percentage of the total pension liability	73.6%

**Actuarial assumptions.** The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Pre-1987 Plan	1987 Plan
Interest rate/investment return	6.75%	6.75%
Interest on member balances	3.00%	3.00%
Future salary increases, which includes inflation and cost of living increases	3.50%	9% age 26 & younger; reduced 0.5% through age 35; 4% age 36 and older

Mortality rates for employees were based on the SOA Pub-2010 Safety Employees Mortality Tables with 3 year set forward for males and no set forward for females. Mortality rates for healthy retirees were based on the SOA Pub-2010 Safety Retirees Mortality Tables with 3 year set forward for males and not set forward for females. Mortality rates for beneficiaries were based on the SOA Pub-2010 Safety Contingent Survivor Mortality Tables with no set forward for males and 2 year set forward for females. Mortality rates for disabled retirees were based on the SOA Pub-2010 Disabled Retirees Mortality tables with no set forward for males or females. All mortality used MP-2019 Mortality Improvement Scale (with annual updates).

The most recent comprehensive experience study was completed in 2019 and was based on member experience through June 30, 2019. The demographic assumptions were updated as needed for the June 30, 2020 actuarial valuation based on the results of the study.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates of expected future rates of return (expected returns, net of pension plan investment expense) were developed

for each major asset class. These estimated returns were combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Development of the long-term investment return is shown below.

Asset Class	Target Allocation (%)	Long-Term Expected Real Rate of Return (%)
Broad domestic equity	31.0	7.2
Global ex U.S. equity	11.0	7.3
Short duration fixed income	4.0	2.7
Core U.S. fixed	22.0	2.8
Hedge funds - alternatives	25.0	5.0
Real Estate	5.0	6.3
Cash and equivalents	2.0	2.3
<b>Total</b>	<b>100.0</b>	

*Discount rate.* The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at 6/30/19</b>	\$ 686,224	\$ 491,293	\$ 194,931
<b>Changes for the year:</b>			
Service cost	19,641	-	19,641
Interest	46,071	-	46,071
Differences between expected and actual experience	(12,530)	-	(12,530)
Changes of assumptions or other inputs	(23,483)	-	(23,483)
Contributions - employer	-	34,095	(34,095)
Contributions - employee	-	5,338	(5,338)
Net investment income	-	7,110	(7,110)
Benefit payments, including refunds of employee contributions	(38,734)	(38,734)	-
Administrative expense	-	(392)	392
<b>Net changes</b>	<b>(9,035)</b>	<b>7,417</b>	<b>(16,452)</b>
<b>Balances at 6/30/20</b>	<b>\$ 677,189</b>	<b>\$ 498,710</b>	<b>\$ 178,479</b>

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the SPRF, calculated using the discount rate of 6.75%, as well as what the SPRF's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net pension liability	259,243	178,479	110,435

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued stand-alone financial report of the State Police Retirement

Fund. This report may be obtained by writing the State Police Retirement Fund, c/o Treasurer of State, 200 W. Washington Street, Room 242 State House, Indianapolis, IN 46204.

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2021, the State recognized pension expense of \$43.0 million for the SPRF. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,070	\$ 19,171
Changes of assumptions or other inputs	3,932	22,240
Net difference between projected and actual earnings on pension plan investments	29,143	-
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	36,748	-
<b>Total</b>	<b>\$ 82,893</b>	<b>\$ 41,411</b>

Deferred outflows of resources in the amount of \$36.7 million related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/ (Deferred Inflows of Resources)
2022	5,039
2023	6,418
2024	(76)
2025	(4,994)
2026	(1,653)

State Police Supplemental Trust Fund (Presented as a pension and other employee benefit trust fund)

*Plan description.* The State Police Supplemental Trust (SPST) is a defined benefit, single-employer pension plan and is administered by the Treasurer of the State of Indiana as Trustee under a Pension Trust Agreement with the Indiana Department of State Police. Indiana Code 10-12-2-4 and 10-12-2-5 grant authority to the Department of the State Police to establish and operate a fund for death and disability benefits.

The SPST includes the Pre-1987 Benefit System and the 1987 Benefit System. The term "Pre-1987 Benefit System" shall refer to the plan and benefits provided employee beneficiaries who are first

employed as employees by the Department before July 1, 1987, and who did not elect to be covered by the 1987 Benefit System in accordance with provision of Section 31 of the State Police Retirement Fund (SPRF). Any benefits provided to former employees who qualified for such benefits under the terms of the Trust Agreement as in effect prior to July 1, 1987, shall also be deemed part of the Pre-1987 Benefit System. The term "1987 Benefit System" shall refer to the plan and the benefits provided to employee beneficiaries who are first employed as employees by the Department on or after July 1, 1987 and to those employee beneficiaries who were first employed before July 1, 1987, provided they elect to be covered by the 1987 Benefit System in accordance with the provision of Section 31 of the SPRF Trust Agreement.

In relation to the SPRF, the membership of the SPST is generally made up of active members and disabled members of the SPRF with the following exceptions:

- The SPST does not include active SPRF members who elected a DROP
- The SPST does not include inactive SPRF members who are currently receiving SPRF retirement benefits.

*Retirement benefits provided.*

Line of Duty Death Benefits. For the Pre-1987 plan, the benefit valued was 50 percent of current salary (but in no event greater than the sixth-year trooper rate), plus \$20. Benefits are assumed to increase with the sixth-year trooper rate. Dependent children are paid 30 percent of the beneficiary's benefit until they reach age 18 or 23 if enrolled in school full time. For the 1987 plan, the benefit valued was 50 percent of the average of the highest 36 consecutive months of salary. Dependent children are paid 30 percent of the beneficiary's benefit until they reach age 18 or 23 if enrolled in school full time.

Line of Duty Disability Benefits. For the Pre-1987 Plan, the benefit valued was 50 percent of current salary (but in no event greater than the sixth-year trooper pay), plus \$20. Benefits are assumed to increase with the sixth-year trooper rate and are payable until the participant has earned 34 years of service. The plan also pays medical expenses. Benefits are increased by \$40 for each dependent child under 18. For the 1987 Plan, the benefit valued was 50 percent of the average of the highest 36 consecutive months of salary. Benefits are assumed to increase with assumed salary increases and are payable for a minimum of two years and until the

participant has earned 25 years of service. The plan also pays medical expenses. Benefits are increased by \$40 for each dependent child under 18.

Non-Line of Duty Disability Benefits. For the Pre-1987 Plan, the benefit valued was 50 percent of current salary (but in no event greater than the sixth-year trooper pay), plus \$20. Benefits are assumed to increase with the sixth-year trooper rate and are payable until the participant has earned 34 years of service, but not for a period longer than the accrued service at date of disability. For the 1987 Plan, the benefit valued was 50 percent of the average of the highest 36 consecutive months of salary. Benefits are assumed to increase with assumed salary increases and are payable for a minimum of two years and until the participant has earned 25 years of service.

Catastrophic Injury Disability Benefits. For the Pre-1987 Plan, the benefit valued was 100 percent of current salary. Benefits are assumed to increase with salary increases and are payable until the participant has earned 34 years of service. The plan also pays medical expenses. Benefits are increased by \$40 for each dependent child until they reach the age of 18 or 23 if enrolled in school full time. For the 1987 Plan, the benefit valued was 100 percent of current salary. Benefits are assumed to increase with salary increases and are payable until the participant has earned 25 years of service. The Plan also pays medical expenses. Benefits are increased by \$40 for each dependent child until they reach the age of 18 or 23 if enrolled in school full time.

*Employees covered by benefit terms.* As of June 30, 2021, the following employees were covered by the benefit terms of the SPST:

	Pre-1987 Plan	1987 Plan
Inactive employees or beneficiaries currently receiving benefits	13	43
Active employees	12	1,167
<b>Total</b>	<b>25</b>	<b>1,210</b>

*Contributions.* The SPST is one hundred percent funded by the State of Indiana using annual appropriations on a pay-as-you-go basis to cover current period expenses. The plan is not pre-funded. The amount paid for pensions as the benefits came due during fiscal year 2021 was \$4.2 million.

**Total Pension Liability**

The SPST Plan's total pension liability was measured as of June 30, 2020.

*Actuarial assumptions.* The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Pre-1987 Plan	1987 Plan
Interest rate/investment return	2.66%	2.66%
Future salary increases, which includes inflation and cost of living increases	3.50%	9% age 26 & younger; reduced 0.5% through age 35; 4% age 36 and older
Inflation	2.25%	2.25%

There are no Disability incidence rates assumed for participants in the Pre-1987 plan. Disability incidence rates for participants in the 1987 plan are assumed to be 150% of the 1964 OASDI table. 2% of disabilities are assumed to be catastrophic.

Mortality rates for active and terminated vested participants were based on the SOA PubS-2010 Safety Employees Mortality Tables with 3 year set forward for males and no set forward for females. Mortality rates for retirees were based on the SOA PubS-2010 Safety Retirees with 3 year set forward for males and no set forward for females. Mortality rates for beneficiaries were based on SOA PubS-2010 Safety Contingent Survivors with no set forward for males and 2 year set forward for females. Mortality rates for retirements due to disability were based on SOA PubS-2010 General Disabled Retirees with no set forward for males and no set forward for females. All mortality tables are using MP-2019 Mortality Improvement Scale.

The most recent comprehensive experience study was completed in 2019 and was based on member experience through June 30, 2019. The demographic assumptions were updated as needed for the June 30, 2020 actuarial valuation based on the results of the study.

*Discount rate.* The discount rate used to measure the total pension liability was 2.66%. This rate was chosen in accordance with GASB #67 and #68, which requires that the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The 2.66% is the June 30, 2020 value of the S&P Municipal Bond 20 Year High Grade Rate Index.

New assumptions were needed to properly value the medical insurance premiums for active participant disabilities that occurred in the line of duty. The disability incidence rate table above was used at all ages. Disabled participants are assumed to remain disabled until they reach eligibility for the disabled

retirement benefit, age 55 in most instances. The assumed claims cost is based on the average premium reimbursement per covered life in the past two years. This amount, \$855/month, was then age-graded for years before age 40, \$770/month, and

years after age 40, \$941/month. Finally, the claims cost is trended forward for future expected premiums using the post-retirement medical trend assumption of 8% at 2021, graded down 0.5% per year until reaching the ultimate rate of 4.5% at 2028.

**Changes in the Total Pension Liability**

	<u>Increase (Decrease)</u> <u>Total Pension</u> <u>Liability (a)</u>
<b>Balances at 6/30/19</b>	\$ 16,247
<b>Changes for the year:</b>	
Service cost	4,230
Interest	511
Differences between expected and actual experience	7,530
Changes of assumptions or other inputs	(956)
Benefit payments, including refunds	
of employee contributions	(3,997)
<b>Net changes</b>	<u>7,318</u>
<b>Balances at 6/30/20</b>	<u>\$ 23,565</u>

*Sensitivity of the total pension liability to changes in the discount rate.* The following presents the total pension liability of the SPST, calculated using the discount rate of 2.66%, as well as what the SPST's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.66%) or 1-percentage-point higher (3.66%) than the current rate:

	<u>1% Decrease (1.66%)</u>	<u>Current Rate (2.66%)</u>	<u>1% Increase (3.66%)</u>
Total pension liability	25,720	23,565	21,814

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2021, the State recognized pension expense of \$5.4 million for the SPST. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 6,882	\$ 2,423
Changes of assumptions or other inputs	2,631	1,350
<b>Total</b>	<u>\$ 9,513</u>	<u>\$ 3,773</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal year ended June 30:</u>	<u>Deferred Outflows of Resources/(Deferred Inflows of Resources)</u>
2022	610
2023	610
2024	610
2025	610
2026	610
Thereafter	2,690

State Excise Police, Gaming Agent, Gaming Control Officer and Conservation Enforcement Officers' Retirement Plan (Presented as part of INPRS – a fiduciary in nature component unit)

*Plan description.* The State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan (EG&C Plan) is a single-employer (the State of Indiana) defined benefit plan established to provide retirement, disability, and survivor benefits to certain employees of the (1) Indiana Department of Natural Resources, (2) Indiana Alcohol and Tobacco Commission and (3) any Indiana State excise police officer, Indiana State conservation enforcement officer, gaming agent or any gaming control officer who is engaged

exclusively in the performance of law enforcement duties. The EG&C Plan is administered by the INPRS Board of Trustees in accordance with IC 5-10-5.5 and other Indiana pension law.

*Retirement benefits provided.* A member is eligible for full retirement benefits if the member is: 1) age 65 if employed by age 50 with 15 years of creditable service, 2) age 65 if employed after age 50 with 10 years of service, or 3) age 55 if age and creditable service total at least 85 (“Rule of 85”), or 4) age 50 with 25 years of service. Participants are eligible for early retirement benefit at age 45 if the participant has 15 years of creditable service but the benefit is reduced by .25 percent for each month the participant is younger than age 60. Retirement at age 65 is mandatory. The annual benefit is equal to 25 percent times the average annual salary. The average annual salary equals the average annual salary of the five highest years in the 10 years immediately preceding an officer’s retirement date. Percentage is increased by 1.66 percent for each completed year of creditable service after 10 years. Total percentage may not exceed 75 percent. Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the INPRS board. For the year ended June 30, 2021, postretirement benefits of \$99 thousand were issued to members as a 13<sup>th</sup> check.

*Disability and survivor benefits provided.* If a participant becomes disabled in the line of duty, the benefit is the member’s salary times the degree of impairment without a reduction for early commencement. If not in the line of duty, the member’s salary used to calculate the benefit is reduced 50 percent. A minimum benefit may apply.

Eligible survivors of an active member who dies in the line of duty receives 100 percent of the member’s benefit. Survivors of active member who die not in the line of duty or inactive members with more than 15 years of service who dies receive 50 percent of the member’s benefit. The minimum benefit is calculated as if the member had at least 25 years of service and age 50. For inactive members with less than 15 years of creditable service, the benefit consists of contributions plus interest. While receiving a benefit, a spouse or parent (for their lifetime), or dependents(s) (until age 18) receives 50 percent of the member’s benefit. If the spouse is more than five years younger than the member, the benefit is actuarially adjusted.

*Deferred Retirement Option Plan.* In accordance with IC 5-10-5.5-22, members eligible to retire with an unreduced benefit may elect to earn a DROP benefit while continuing to work. Members execute an

irrevocable election to retire on a DROP retirement date and remain in active service while contributing to the fund until that date. The DROP retirement date must be not less than 12 months and not more than 36 months after their DROP entry date, and cannot be after the member reaches mandatory retirement age. The DROP and future retirement monthly benefit are calculated as of the members’ DROP entry date. At retirement, members must choose among the available options for distribution of the accumulated benefit under the DROP. As of June 30, 2021, the amount held by the fund under the DROP is \$0.6 million.

*Employees covered by benefit terms.* As of June 30, 2021, the EG&C plan membership consisted of:

Retired members, beneficiaries, and disabled members receiving benefits	252
Inactive vested members entitled to but not yet receiving benefits	5
Inactive non-vested members entitled to a distribution of contributions	134
Active members: vested and non-vested	439
<b>Total</b>	<b>830</b>
Based on census data as of June 30, 2020 used for the June 30, 2021 actuarial valuation.	

*Contributions.* Contributions are determined by the INPRS Board based on an actuarial valuation. Employers contribute 20.75 percent, with 0.61 percent from July 2020 to December 2020 and 0.85 percent from January 2021 to June 2021 funding a supplemental reserve account for postretirement benefits administered by the INPRS Board. Members are required to contribute 4 percent of annual salary. Employers may pay all or part of the member contribution for the member.

*Financial report.* INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing [questions@inprs.in.gov](mailto:questions@inprs.in.gov), or by visiting [www.in.gov/inprs](http://www.in.gov/inprs).

**Net Pension Liability**

The EG&C Plan’s net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions.* The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Interest rate/investment return	6.75%
Interest on member balances	3.50%
Future salary increases	2.75% to 5.00%, based on service
Inflation	2.25%
Cost of living increases	2019-2021 - 13th check, Beginning Jan. 1, 2022 - 0.40% Beginning Jan. 1, 2034 - 0.50% Beginning Jan. 1, 2039 - 0.60%

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The most recent comprehensive experience study was completed in February 2020 and was based on member experience between June 30, 2014 and June 30, 2019. The demographic assumptions were updated as needed for the June 30, 2020 actuarial valuation.

The long-term return expectation for this INPRS defined benefit retirement plan was determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. In order to determine the expected long-term nominal rate of return, the asset class geometric real returns are projected for a 30-year time horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real rates of return for the portfolio. A range of possible expected long-term rates of return is created by adding the forecasted inflation to the expected long-term real rates of return and adding an expected contribution to the return due to manager selection. This range ultimately

supports the long-term expected rate of return assumption of 6.75% selected by the Board as the discount rate. The assumption is a long-term assumption and is not expected to change with small fluctuations in the underlying inputs, but may change with a fundamental shift in the underlying market factors or significant asset allocation change. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-Term Expected Real Rate of Return (%)
Public equity	22.0	4.4
Private equity	14.0	7.6
Fixed income - ex inflation - linked	20.0	1.9
Fixed income - inflation - linked	7.0	0.5
Commodities	8.0	1.6
Real estate	7.0	5.8
Absolute return	10.0	2.9
Risk parity	12.0	5.5
<b>Total</b>	<b>100.0</b>	

*Discount rate.* Total pension liability was calculated using the discount rate of 6.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and, where applicable, from members, would at the minimum be made at the actuarially determined required rates, computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State of Indiana would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the 6.75% long-term assumed investment rate of return. Based on these assumptions, the EG&C defined benefit pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the plan.

## Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at 6/30/19</b>	\$ 152,207	\$ 142,115	\$ 10,092
<b>Changes for the year:</b>			
Service cost	3,983	-	3,983
Interest	10,294	-	10,294
Changes in benefit terms	814	-	814
Differences between expected and actual experience	6,031	-	6,031
Changes of assumptions or other inputs	(1,984)	-	(1,984)
Contributions - employer	-	6,742	(6,742)
Contributions - employee	-	1,299	(1,299)
Net investment income	-	3,677	(3,677)
Benefit payments, including refunds of employee contributions	(7,367)	(7,367)	-
Administrative expense	-	(107)	107
<b>Net changes</b>	<u>11,771</u>	<u>4,244</u>	<u>7,527</u>
<b>Balances at 6/30/20</b>	<u><b>\$ 163,978</b></u>	<u><b>\$ 146,359</b></u>	<u><b>\$ 17,619</b></u>

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the EG&C Plan, calculated using the discount rate of 6.75%, as well as what the EG&C Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Net pension liability	39,715	17,619	(624)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued stand-alone financial report of the Indiana Public Retirement System. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing [questions@inprs.in.gov](mailto:questions@inprs.in.gov), or by visiting [www.in.gov/inprs](http://www.in.gov/inprs).

### Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the State recognized pension expense of \$6.2 million for the EG&C Plan. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to pensions for the EG&C Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,432	\$ 374
Changes of assumptions or other inputs	317	6,547
Net difference between projected and actual earnings on pension plan investments	2,762	-
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	7,083	-
<b>Total</b>	<u><b>\$ 19,594</b></u>	<u><b>\$ 6,921</b></u>

Deferred outflows of resources in the amount of \$7.0 million related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/(Deferred Inflows of Resources)
2022	554
2023	366
2024	1,360
2025	2,752
2026	558
Thereafter	-



Prosecuting Attorneys' Retirement Fund (Presented as part of INPRS – a fiduciary in nature component unit)

*Plan description.* The Prosecuting Attorneys' Retirement Fund (PARF) is a single-employer (the State of Indiana) defined benefit plan established to provide retirement, disability, and survivor benefits to prosecuting attorneys. Members serve as a: (1) prosecuting attorney or a chief deputy prosecuting attorney; or (2) deputy prosecuting attorney, (3) executive director, or (4) assistant executive director of the Indiana Prosecuting Attorneys Council. The PARF plan is administered by the INPRS Board of Trustees in accordance with IC 33-39-7 and other Indiana pension law. PARF members are also members of the PERF Hybrid Plan. According to statute, benefits payable from PARF are reduced by any benefits payable from the PERF DB fund.

*Retirement benefits provided.* A participant is entitled to a full retirement benefit if the participant is: (1) age 65 with at least 8 years of creditable service; or (2) age 55 if age and creditable service total at least 85. A participant is eligible for early retirement benefits at age 62 and 8 years of creditable service with a reduction in the full benefit by 0.25 percent for each month less than age 65. Annual benefit equals highest 12 consecutive months of salary (state-paid portion only) before separation from services times percentage for years of service. 24 percent at eight years of service; increased by three percent per year for years nine through 11; 50 percent at year 12; increased by one percent per year for years 13 through 22 with a maximum of 60 percent, and reduced for any PERF DB benefit. There is no postretirement benefit adjustment provided under this plan.

*Disability and survivor benefits provided.* A qualified member with 22+ years of creditable service receives full benefit. Less than 22 years of creditable service receives the full benefit reduced by one percent for each year under 22. Benefit to be no lower than 50 percent.

While in active service, a spouse or dependent children receives the greater of \$12,000 annually or 50 percent of benefit for the later of age 62 or the age the day before death. If death occurs while the participant is receiving a benefit, a spouse (for their lifetime), or dependent children (until age 18 unless disabled) receives the greater of \$12,000 annually or 50 percent of the member's benefit.

*Employees covered by benefit terms.* As of June 30, 2021, the PARF membership consisted of:

Retired members, beneficiaries, and disabled members receiving benefits	185
Inactive vested members entitled to but not yet receiving benefits	104
Inactive non-vested members entitled to a distribution of contributions	141
Active members: vested and non-vested	198
<b>Total</b>	<b>628</b>

Based on census data as of June 30, 2020 used for the June 30, 2021 actuarial valuation.

*Contributions.* Employer contributions are determined by the INPRS Board based on an actuarial valuation and appropriations are received from the state's general fund. For fiscal year 2021, the appropriation from the state's general fund totaled \$4.4 million and the Actuarially Determined Contribution (ADC) was \$5.0 million.

Members are required to contribute six percent of the state-paid portion of salary for a maximum period of 22 years of creditable service. In addition, members are required to contribute three percent as participants of the PERF DC plan. Employers may pay all or part of the member contributions for the member.

*Financial report.* INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing [questions@inprs.in.gov](mailto:questions@inprs.in.gov), or by visiting [www.in.gov/inprs](http://www.in.gov/inprs).

**Net Pension Liability**

The PARF's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions.* The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Interest rate/investment return	6.75%
Interest on member balances	3.50%
Future salary increases	2.75%
Inflation	2.25%
Cost of living increases	N/A

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The most recent comprehensive experience study was completed in February 2020 and was based on member experience between June 30, 2014 and June 30, 2019. The demographic assumptions were updated as needed for the June 30, 2020 actuarial valuation.

The long-term return expectation for this INPRS defined benefit retirement plan was determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. In order to determine the expected long-term nominal rate of return, the asset class geometric real returns are projected for a 30-year time horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real rates of return for the portfolio. A range of possible expected long-term rates of return is created by adding the forecasted inflation to the expected long-term real rates of return and adding an expected contribution to the return due to manager selection. This range ultimately supports the long-term expected rate of return assumption of 6.75% selected by the Board as the discount rate. The assumption is a long-term assumption and is not expected to change with small fluctuations in the underlying inputs, but may change with a fundamental shift in the underlying market factors or significant asset allocation change. The

target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-Term Expected Real Rate of Return (%)
Public equity	22.0	4.4
Private equity	14.0	7.6
Fixed income - ex inflation - linked	20.0	1.9
Fixed income - inflation - linked	7.0	0.5
Commodities	8.0	1.6
Real estate	7.0	5.8
Absolute return	10.0	2.9
Risk parity	12.0	5.5
<b>Total</b>	<b>100.0</b>	

**Discount rate.** Total pension liability was calculated using the discount rate of 6.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and, where applicable, from members, would at the minimum be made at the actuarially determined required rates, computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State of Indiana would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the 6.75% long-term assumed investment rate of return. Based on these assumptions, the PARF defined benefit pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the plan.

### Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at 6/30/19</b>	\$ 110,081	\$ 65,523	\$ 44,558
<b>Changes for the year:</b>			
Service cost	2,067	-	2,067
Interest	7,402	-	7,402
Differences between expected and actual experience	(2,515)	-	(2,515)
Changes of assumptions or other inputs	(5,012)	-	(5,012)
Contributions - employer	-	4,232	(4,232)
Contributions - employee	-	1,439	(1,439)
Net investment income	-	1,730	(1,730)
Benefit payments, including refunds of employee contributions	(4,974)	(4,974)	-
Administrative expense	-	(74)	74
<b>Net changes</b>	<b>(3,032)</b>	<b>2,353</b>	<b>(5,385)</b>
<b>Balances at 6/30/20</b>	<b>\$ 107,049</b>	<b>\$ 67,876</b>	<b>\$ 39,173</b>

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the PARF, calculated using the discount rate of 6.75%, as well as what the PARF's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
Net pension liability	52,125	39,173	28,459

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued stand-alone financial report of the Indiana Public Retirement System. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing [questions@inprs.in.gov](mailto:questions@inprs.in.gov), or by visiting [www.in.gov/inprs](http://www.in.gov/inprs).

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2021, the State recognized pension expense of \$1.8 million for the PARF. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to pensions for the PARF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,306
Changes of assumptions or other inputs	-	2,602
Net difference between projected and actual earnings on pension plan investments	1,237	-
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	4,402	-
<b>Total</b>	<b>\$ 5,639</b>	<b>\$ 3,908</b>

Deferred outflows of resources in the amount of \$4.4 million related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/(Deferred Inflows of Resources)
2022	(3,571)
2023	(112)
2024	469
2025	543

Legislators' Retirement System – Legislators' Defined Benefit Plan (Presented as part of INPRS – a fiduciary in nature component unit)

*Plan description.* The Legislators' Retirement System is governed by the INPRS Board of Trustees. The Legislators' Defined Benefit Plan (LE DB) is a single-employer (the State of Indiana) defined benefit plan, providing retirement, disability, and survivor benefits to members of the General Assembly who were serving on April 30, 1989, and filed an election under IC 2-3.5-3-1(b). The fund is closed to new entrants. Administration of the fund is generally in accordance with IC 2-3.5 and other Indiana pension law.

*Retirement benefits provided.* A participant is entitled to an unreduced monthly retirement benefit (1) at age 65 with at least 10 years of creditable service; (2) at age 60 with at least 15 years of creditable service, or (3) at age 55 if age and creditable service total at least 85. A participant is entitled to early retirement at age 55 and 10 years of creditable service (reduce full benefit by 0.1 percent per month between ages 60 and 65, and by 5/12 percent per month between ages 55 and 60). Early retirement benefits are applicable when the member is no longer serving in the General Assembly and is not receiving, nor entitled to receive, compensation from the state for work in any capacity.

The annual retirement benefit equals the lesser of: \$40 multiplied by 12 months multiplied by years of service before November 8, 1989, or the highest consecutive three-year average annual salary.

Postretirement adjustments are granted by the Indiana General Assembly on an ad hoc basis pursuant to IC 5-10.2-12-4, IC 2-3.5-4-13 and administered by the INPRS Board. No postretirement adjustment occurred in the year ended June 30, 2021.

*Disability and survivor benefits provided.* Any active member that qualifies for social security disability with at least five years of creditable service may receive an unreduced benefit for the duration of their disability. If death occurs while in active service, a spouse or dependent children receives 50 percent of

the benefit for the later of age 55 or age the day before the member's death. If death occurs while receiving a benefit, a spouse (for their lifetime), or dependents (until age 18 unless disabled) receives 50 percent of the member's benefit.

*Employees covered by benefit terms.* As of June 30, 2021, the LEDB Plan membership consisted of:

Retired members, beneficiaries, and disabled members receiving benefits	77
Inactive vested members entitled to but not yet receiving benefits	6
Active members: vested and non-vested	7
<b>Total</b>	<b>90</b>

Based on census data as of June 30, 2020 used for the June 30, 2021 actuarial valuation.

*Contributions.* Employer contributions are actuarially determined and derive from the state's General Fund, a portion of which will be allocated to fund a supplemental reserve account for postretirement benefits administered by the INPRS Board. For the year ended June 30, 2021, the State of Indiana appropriated \$0.2 million for employer contributions. The Actuarially Determined Contribution (ADC) for LEDB was \$0.2 million.

*Financial report.* INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing [questions@inprs.in.gov](mailto:questions@inprs.in.gov), or by visiting [www.in.gov/inprs](http://www.in.gov/inprs).

**Net Pension Liability**

The LEDB Plan's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions.* The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Interest rate/investment return	6.75%
Future salary increases	2.75%
Inflation	2.25%
Cost of living increases	No COLA through FY2022 Beginning Jan. 1, 2022 - 0.40% Beginning Jan. 1, 2034 - 0.50% Beginning Jan. 1, 2039 - 0.60%

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The most recent comprehensive experience study was completed in February 2020 and was based on member experience between June 30, 2014 and June 30, 2019. The demographic assumptions were updated as needed for the June 30, 2020 actuarial valuation.

The long-term return expectation for this INPRS defined benefit retirement plan was determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. In order to determine the expected long-term nominal rate of return, the asset class geometric real returns are projected for a 30-year time horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real rates of return for the portfolio. A range of possible expected long-term rates of return is created by adding the forecasted inflation to the expected long-term real rates of return and adding an expected contribution to the return due to manager selection. This range ultimately supports the long-term expected rate of return assumption of 6.75% selected by the Board as the discount rate. The assumption is a long-term assumption and is not expected to change with small fluctuations in the underlying inputs, but may change with a fundamental shift in the underlying market factors or significant asset allocation change. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-Term Expected Real Rate of Return (%)
Public equity	22.0	4.4
Private equity	14.0	7.6
Fixed income - ex inflation - linked	20.0	1.9
Fixed income - inflation - linked	7.0	0.5
Commodities	8.0	1.6
Real estate	7.0	5.8
Absolute return	10.0	2.9
Risk parity	12.0	5.5
<b>Total</b>	<b>100.0</b>	

*Discount rate.* Total pension liability was calculated using the discount rate of 6.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and, where applicable, from members, would at the minimum be made at the actuarially determined required rates, computed in accordance

with the current funding policy adopted by the INPRS Board, and contributions required by the State of Indiana would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the 6.75% long-term assumed investment rate of return. Based on these assumptions, the LEDB defined benefit pension

plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the plan.

### Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at 6/30/19</b>	\$ 3,362	\$ 3,026	\$ 336
<b>Changes for the year:</b>			
Service cost	-	-	-
Interest	215	-	215
Differences between expected and actual experience	(14)	-	(14)
Changes of assumptions or other inputs	(87)	-	(87)
Contributions - employer	-	208	(208)
Net investment income	-	77	(77)
Benefit payments, including refunds of employee contributions	(349)	(349)	-
Administrative expense	-	(38)	38
<b>Net changes</b>	<b>(235)</b>	<b>(102)</b>	<b>(133)</b>
<b>Balances at 6/30/20</b>	<b>\$ 3,127</b>	<b>\$ 2,924</b>	<b>\$ 203</b>

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the LEDB Plan, calculated using the discount rate of 6.75%, as well as what the LEDB Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net pension liability	405	203	24

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued stand-alone financial report of the Indiana Public Retirement System. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing [questions@inprs.in.gov](mailto:questions@inprs.in.gov), or by visiting [www.in.gov/inprs](http://www.in.gov/inprs).

### Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the LEDB Plan

recognized pension income of \$10.4 thousand. At June 30, 2021, the LEDB Plan reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 52	-
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	238	-
<b>Total</b>	<b>\$ 290</b>	<b>\$ -</b>

Deferred outflows of resources in the amount of \$238 thousand related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/(Deferred Inflows of Resources)
2022	1
2023	6
2024	21
2025	24

Judges' Retirement System (Presented as part of INPRS – a fiduciary in nature component unit)

*Plan description.* The Judges' Retirement System (JRS) is a single-employer (State of Indiana) defined benefit plan providing retirement, disability, and survivor benefits to members. Membership consists of individuals who served, are serving, or shall serve as a regular judge, magistrate, or justice of the (1) Supreme Court of the state of Indiana, (2) Court of Appeals, (3) Indiana Tax Court, (4) Circuit Court of a Judicial Circuit, or (5) county courts including: Superior, Criminal, Probate, Juvenile, Municipal, and County. Administration of the fund is generally in accordance with IC 33-38 and other Indiana pension law. JRS is governed through the INPRS Board of Trustees.

*Retirement benefits provided.* A member is entitled to a full benefit 1) at age 65 with at least eight years of creditable service, or 2) at age 55 if age and creditable service total at least 85. A member is entitled to an early retirement benefit at age 62 and at least eight years of creditable service but the full benefit is reduced by 0.1 percent for each month less than age 65.

The annual retirement benefit equals individual salary, or salary of office at retirement multiplied by percentage for years of service: 24 percent at eight years of service; increased by three percent per year for years nine through 11; 50 percent at year 12; increased by one percent per year for years 13 through 22 with a maximum of 60 percent.

Postretirement benefit increases for members (not survivors or disabled members) are equal to the change in the salary of the office at retirement. For the year ended June 30, 2021, a postretirement benefit adjustment of 3.3 percent occurred and was administered by the INPRS Board.

*Disability and survivor benefits provided.* A qualified member with 22+ years of creditable services receivables an unreduced disability benefit. Members with less than 22 years of creditable service receive the full benefit reduced by one percent for each year under 22 years of creditable service with the benefit to be no lower than 50 percent. If death occurs while in active service with 8+ years of service, or while receiving a benefit, a spouse or dependent children (for their lifetime) receive the greater of \$12,000 annually or 50 percent of benefit entitled at the date of death.

*Employees covered by benefit terms.* As of June 30, 2021, the Judges' Retirement System membership consisted of:

Retired members, beneficiaries, and disabled members receiving benefits	394
Inactive vested members entitled to but not yet receiving benefits	24
Inactive non-vested members entitled to a distribution of contributions	34
Active members: vested and non-vested	<u>465</u>
<b>Total</b>	<b><u>917</u></b>
Based on census data as of June 30, 2020 used for the June 30, 2021 actuarial valuation.	

*Contributions.* Employer contributions are determined by the INPRS Board based on an actuarial valuation and are received from the state general fund and certain court and docket fees. For the year ended June 30, 2021, the fund received \$18.6 million in employer contributions, with appropriations of \$11.5 million and \$7.1 million in docket and court fees. The Actuarially Determined Contribution (ADC) was \$22.1 million.

Members are required to contribute six percent of the member's salary for a maximum period of 22 years of creditable service. Employers may pay all or part of the member contribution for the member.

*Financial report.* INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing [questions@inprs.in.gov](mailto:questions@inprs.in.gov), or by visiting [www.in.gov/inprs](http://www.in.gov/inprs).

**Net Pension Liability**

The JRS' net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions.* The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Interest rate/investment return	6.75%
Interest on member balances	3.50%
Future salary increases	2.75%
Inflation	2.25%
Cost of living increases	2.75%

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The most recent comprehensive experience study was completed in February 2020 and was based on member experience between June 30, 2014 and June 30, 2019. The demographic assumptions were updated as needed for the June 30, 2020 actuarial valuation.

The long-term return expectation for this INPRS defined benefit retirement plan was determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. In order to determine the expected long-term nominal rate of return, the asset class geometric real returns are projected for a 30-year time horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real rates of return for the portfolio. A range of possible expected long-term

rates of return is created by adding the forecasted inflation to the expected long-term real rates of return and adding an expected contribution to the return due to manager selection. This range ultimately supports the long-term expected rate of return assumption of 6.75% selected by the Board as the discount rate. The assumption is a long-term assumption and is not expected to change with small fluctuations in the underlying inputs, but may change with a fundamental shift in the underlying market factors or significant asset allocation change. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-Term Expected Real Rate of Return (%)
Public equity	22.0	4.4
Private equity	14.0	7.6
Fixed income - ex inflation - linked	20.0	1.9
Fixed income - inflation - linked	7.0	0.5
Commodities	8.0	1.6
Real estate	7.0	5.8
Absolute return	10.0	2.9
Risk parity	12.0	5.5
<b>Total</b>	<b>100.0</b>	

*Discount rate.* Total pension liability was calculated using the discount rate of 6.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and, where applicable, from members, would at the minimum be made at the actuarially determined required rates, computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State of Indiana would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the 6.75% long-term assumed investment rate of return. Based on these assumptions, the JRS defined benefit pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the plan.

## Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
<b>Balances at 6/30/19</b>	\$ 586,499	\$ 545,331	\$ 41,168
<b>Changes for the year:</b>			
Service cost	19,567	-	19,567
Interest	40,006	-	40,006
Differences between expected and actual experience	(1,968)	-	(1,968)
Changes of assumptions or other inputs	(24,815)	-	(24,815)
Contributions - employer	-	18,166	(18,166)
Contributions - employee	57	3,549	(3,492)
Net investment income	-	14,020	(14,020)
Benefit payments, including refunds of employee contributions	(26,836)	(26,836)	-
Administrative expense	-	(109)	109
<b>Net changes</b>	<u>6,011</u>	<u>8,790</u>	<u>(2,779)</u>
<b>Balances at 6/30/20</b>	<u>\$ 592,510</u>	<u>\$ 554,121</u>	<u>\$ 38,389</u>

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the JRS, calculated using the discount rate of 6.75%, as well as what the JRS' net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
Net pension liability	106,797	38,389	(19,206)

## Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the JRS recognized pension expense of \$19.5 million. At June 30, 2021, the JRS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,452	\$ 1,855
Changes of assumptions or other inputs	-	19,003
Net difference between projected and actual earnings on pension plan investments	10,389	-
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	18,621	-
<b>Total</b>	<u>\$ 32,462</u>	<u>\$ 20,858</u>

Deferred outflows of resources in the amount of \$18.6 million related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/(Deferred Inflows of Resources)
2022	(3,665)
2023	(3,855)
2024	(2,326)
2025	2,829

*The State sponsors the following cost-sharing multiple-employer plans:*

Public Employees' Defined Benefit Account  
(Presented as part of INPRS – a fiduciary in nature component unit)

*Plan description.* PERF DB is a cost-sharing, multiple-employer defined benefit fund providing retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan and those political subdivisions (counties, cities, townships, and other governmental units) that elect to participate in the retirement fund. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.3, IC 5-10.5, 35 IAC 1.2, and other Indiana pension law. PERF DB is a component of the Public Employees Hybrid plan (PERF Hybrid).



PERF Hybrid consists of two components: PERF DB, the monthly employer-funded defined benefit component, along with the Public Employees Hybrid Members Defined Contribution Account (PERF DC), a member-funded account. First time new employees hired by the State or a participating political subdivision who offers a choice have a one-time election to join either the PERF Hybrid plan or PERF My Choice: Retirement Savings Plan for Public Employees (PERF MC DC). A new hire that is an existing member of PERF Hybrid and was not given the option for the PERF MC DC plan is given the option to elect PERF MC DC or remain in PERF Hybrid.

Members who have service in both PERF DB and either the Teachers Retirement Fund (TRF Pre-'96 DB or TRF '96 DB) have the option of choosing from which of these funds they would like to retire.

*Retirement benefits provided.* A member is entitled to a full retirement benefit 1) at age 65 with at least 10 years of creditable service (eight years for certain elected officials), 2) at age 60 with at least 15 years of creditable service, 3) at age 55 if age and creditable service total at least 85, 4) at age 55 with 20 years of creditable service and active as an elected official in the PERF-covered position, or 5) at age 70 with 20 years of creditable service and still active in the PERF-covered position. A member is entitled to an early retirement benefit at age 50 and a minimum of 15 years of creditable service. The benefit is reduced to 44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59.

The lifetime annual benefit equals years of creditable service multiplied by the average highest five-year annual salary multiplied by 1.1 percent (minimum of \$180 per month). Average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than \$2,000 received from the employer in severance.

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the INPRS Board. For the year ended June 30, 2021, postretirement benefits of \$31.2 million were issued to members as a 13<sup>th</sup> check.

*Disability and survivor benefits provided.* An active member qualifying for Social Security disability with

five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of \$180 per month). If a member dies after June 30, 2018, a spouse or dependent beneficiary of a member with a minimum of 10 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death. If a member dies while receiving a benefit, a beneficiary receives the benefit associated with the member's selected form of payment: Five Year Certain & Life, Joint with 100 percent Survivor Benefits, Joint with Two-Thirds Survivor Benefits, or Joint with One-Half Survivor Benefits.

Employees covered by benefit terms. As of June 30, 2021, there were 1,225 participating political subdivisions in addition to the State. As of June 30, 2021, PERF membership consisted of:

Retired members, beneficiaries, and disabled members receiving benefits	94,851
Inactive vested members entitled to but not yet receiving benefits	33,931
Active members: vested and non-vested	<u>125,386</u>
<b>Total</b>	<b><u>254,168</u></b>
Based on census data as of June 30, 2020 used for the June 30, 2021 actuarial valuation.	

*Contributions.* Contributions are determined by the INPRS Board based on an actuarial valuation. Employers contribute 11.2 percent of covered payroll, with 0.44 percent funding a supplemental reserve account for postretirement benefit increases. Contributions from employers with PERF MC DC plan members who offered PERF Hybrid prior to July 1, 2016 fund PERF DB's unfunded liability at 8.0 percent of covered payroll for the State and 7.2 percent for political subdivisions as of June 30, 2021. No member contributions are required.

*Financial report.* INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing [questions@inprs.in.gov](mailto:questions@inprs.in.gov), or by visiting [www.in.gov/inprs](http://www.in.gov/inprs).

*Actuarial assumptions.* The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Interest rate/investment return	6.75%
Future salary increases	2.75% - 8.75%, based on service
Inflation	2.25%
Cost of living increases	2019-2021 - 13th check, Beginning Jan. 1, 2022 - 0.40% Beginning Jan. 1, 2034 - 0.50% Beginning Jan. 1, 2039 - 0.60%

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The most recent comprehensive experience study was completed in February 2020 and was based on member experience between June 30, 2014 and June 30, 2019. The demographic assumptions were updated as needed for the June 30, 2020 actuarial valuation.

The long-term return expectation for this INPRS defined benefit retirement plan was determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. In order to determine the expected long-term nominal rate of return, the asset class geometric real returns are projected for a 30-year time horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real rates of return for the portfolio. A range of possible expected long-term rates of return is created by adding the forecasted inflation to the expected long-term real rates of return and adding an expected contribution to the return

due to manager selection. This range ultimately supports the long-term expected rate of return assumption of 6.75% selected by the Board as the discount rate. The assumption is a long-term assumption and is not expected to change with small fluctuations in the underlying inputs, but may change with a fundamental shift in the underlying market factors or significant asset allocation change. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-Term Expected Real Rate of Return (%)
Public equity	22.0	4.4
Private equity	14.0	7.6
Fixed income - ex inflation - linked	20.0	1.9
Fixed income - inflation - linked	7.0	0.5
Commodities	8.0	1.6
Real estate	7.0	5.8
Absolute return	10.0	2.9
Risk parity	12.0	5.5
<b>Total</b>	<b>100.0</b>	

*Discount rate.* Total pension liability was calculated using the discount rate of 6.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and, where applicable, from members, would at the minimum be made at the actuarially determined required rates, computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State of Indiana would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the 6.75% long-term assumed investment rate of return. Based on these assumptions, the PERF defined benefit pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the plan.

*Sensitivity of the State’s proportionate share of the net pension liability to changes in the discount rate.* The following presents the State’s proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the State’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
State's proportionate share of the net pension liability	1,283,030	786,971	371,481

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued stand-alone financial report of the Indiana Public Retirement System. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing [questions@inprs.in.gov](mailto:questions@inprs.in.gov), or by visiting [www.in.gov/inprs](http://www.in.gov/inprs).

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2021, the State reported a liability of \$787.0 million for its proportionate share of the net pension liability. The PERF net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's proportion of the net pension liability was based on a projection of the State's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the State's proportion was 26.06 percent, which was an increase of 0.16 percentage points from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the State recognized pension expense of \$69.4 million. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,943	\$ 10,566
Changes of assumptions or other inputs	-	163,972
Net difference between projected and actual earnings on pension plan investments	67,352	-
Changes in the employer proportion and differences between the employer's contributions and the employer's proportionate share of contributions	14,310	1,461
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	181,825	-
<b>Total</b>	<b>\$ 277,430</b>	<b>\$ 175,999</b>

Deferred outflows of resources in the amount of \$181.8 million related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in

pension expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/(Deferred Inflows of Resources)
2022	(73,750)
2023	(24,394)
2024	(10,860)
2025	28,610

Teachers' 1996 Defined Benefit Account (Presented as part of INPRS – a fiduciary in nature component unit)

*Plan description.* TRF '96 DB is a cost-sharing, multiple-employer defined benefit fund providing retirement, disability, and survivor benefits. Membership in TRF '96 DB is required for all legally qualified and regularly employed licensed teachers who serve in the public schools of Indiana, teachers employed by the State at state institutions, and certain INPRS personnel. Faculty members and professional employees at Ball State University and Vincennes University have the option of selecting membership in the Fund or an alternate university plan not administered by INPRS. Membership in TRF '96 DB is optional for teachers employed by charter schools, employees and officials of the Indiana State Board of Education who were Indiana licensed teachers before their employment with the Board, and teachers employed by special management teams as defined under IC 20-31. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.4, 35 IAC 14, and other Indiana pension law. TRF '96 DB is a component of the Teachers' Hybrid Plan. The Teachers Hybrid Plan consists of two components: TRF '96 DB: the monthly employer-funded defined benefit component, along with TRF DC, a member-funded account.

*Retirement benefits provided.* A member is entitled to a full retirement benefit 1) at age 65 with at least 10 years of creditable service, 2) at age 60 with at least 15 years of creditable service, 3) at age 55 if age and creditable service total at least 85, 4) at age 55 with 20 years of creditable service and active as an elected official in the TRF-covered position, or 5) at age 70 with 20 years of creditable service and still active in the TRF-covered position. A member is entitled to an early retirement benefit at age 50 and minimum of 15 years of creditable service. The benefit is 44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59.

The lifetime annual benefit equals the years of creditable service multiplied by the average highest

five-year annual salary multiplied by 1.1 percent (minimum of \$185 per month). Average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than \$2,000 received from the employer in severance.

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the INPRS Board. For the year ended June 30, 2021, postretirement benefits of \$2.8 million were issued to members as a 13<sup>th</sup> check.

**Disability and survivor benefits provided.** An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of \$185 per month). Under certain conditions, active TRF members may qualify for a classroom disability benefit of at least \$125 per month. If a member dies after June 30, 2018, a spouse or dependent beneficiary of a member with a minimum of 10 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death. If a member dies while receiving a benefit, a beneficiary receives the benefit associated with the member's selected form of payment: Five Year Certain & Life, Joint with 100% Survivor Benefits, Joint with Two-Thirds Survivor Benefits, or Joint with One-Half Survivor Benefits.

**Employees covered by benefit terms.** As of June 30, 2021, the number of participating employers was 382 in addition to the State. As of June 30, 2021, TRF 1996 Account membership consisted of:

Retired members, beneficiaries, and disabled members receiving benefits	8,287
Inactive vested members entitled to but not yet receiving benefits	6,827
Active members: vested and non-vested	59,866
<b>Total</b>	<b>74,980</b>
Based on census data as of June 30, 2020 used for the June 30, 2021 actuarial valuation.	

**Contributions.** Contributions are determined by the INPRS Board based on an actuarial valuation. Employers contribute 5.5 percent of covered payroll, with 0.14 percent funding a supplemental reserve account for future postretirement benefit increases. No member contributions are required.

**Financial report.** INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained

by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing [questions@inprs.in.gov](mailto:questions@inprs.in.gov), or by visiting [www.in.gov/inprs](http://www.in.gov/inprs).

**Actuarial assumptions.** The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Interest rate/investment return	6.75%
Future salary increases	2.75% - 12.0%, based on service
Inflation	2.25%
Cost of living increases	2019-2021 - 13th check, Beginning Jan. 1, 2022 - 0.40% Beginning Jan. 1, 2034 - 0.50% Beginning Jan. 1, 2039 - 0.60%

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The most recent comprehensive experience study was completed in February 2020 and was based on member experience between June 30, 2014 and June 30, 2019. The demographic assumptions were updated as needed for the June 30, 2020 actuarial valuation.

The long-term return expectation for this INPRS defined benefit retirement plan was determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. In order to determine the expected long-term nominal rate of return, the asset class geometric real returns are projected for a 30-year time horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real rates of return for the portfolio. A range of possible expected long-term rates of return is created by adding the forecasted inflation to the expected long-term real rates of return and adding an expected contribution to the return due to manager selection. This range ultimately supports the long-term expected rate of return assumption of 6.75% selected by the Board as the discount rate. The assumption is a long-term assumption and is not expected to change with small fluctuations in the underlying inputs, but may change with a fundamental shift in the underlying market factors or significant asset allocation change. The target allocation and best estimates of geometric real rates of return for each major asset class are

summarized in the following table:

Asset Class	Target Allocation (%)	Long-Term Expected Real Rate of Return (%)
Public equity	22.0	4.4
Private equity	14.0	7.6
Fixed income - ex inflation - linked	20.0	1.9
Fixed income - inflation - linked	7.0	0.5
Commodities	8.0	1.6
Real estate	7.0	5.8
Absolute return	10.0	2.9
Risk parity	12.0	5.5
<b>Total</b>	<b>100.0</b>	

**Discount rate.** Total pension liability was calculated using the discount rate of 6.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from

employers and, where applicable, from members, would at the minimum be made at the actuarially determined required rates, computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State of Indiana would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the 6.75% long-term assumed investment rate of return. Based on these assumptions, the TRF '96 defined benefit pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the plan.

**Sensitivity of the State's proportionate share of the net pension liability to changes in the discount rate.** The following presents the State's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the State's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Rate (6.75%)	1% Increase (7.75%)
State's proportionate share of the net pension liability	3,852	252	(2,659)

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued stand-alone financial report of the Indiana Public Retirement System. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing [questions@inprs.in.gov](mailto:questions@inprs.in.gov), or by visiting [www.in.gov/inprs](http://www.in.gov/inprs).

all participating employers, actuarially determined. At June 30, 2020, the State's proportion was 0.32 percent, which was a decrease of 0.02 percentage points from its proportion measured as of June 30, 2019.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2020, the State reported a liability of \$252 thousand for its proportionate share of the net pension liability. The TRF 1996 Account net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's proportion of the net pension liability was based on a projection of the State's long-term share of contributions to the pension plan relative to the projected contributions of

For the year ended June 30, 2021, the State recognized pension expense of \$14.2 million. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 170	\$ 564
Changes of assumptions or other inputs	488	948
Net difference between projected and actual earnings on pension plan investments	401	-
Changes in the employer proportion and differences between the employer's contributions and the employer's proportionate share of contributions	122,559	296
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	5,604	-
<b>Total</b>	<b>\$ 129,222</b>	<b>\$ 1,808</b>

Deferred outflows of resources in the amount of \$5.6 thousand related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/(Deferred Inflows of Resources)
2022	13,410
2023	13,445
2024	13,525
2025	13,548
2026	13,382
Thereafter	54,500

The State is a non-employer contributing entity in a special funding situation for the following pension plan:

State Teachers' Retirement Fund Pre-1996 Account (Presented as part of INPRS – a fiduciary in nature component unit)

*Plan description.* The Indiana State Teachers' Retirement Fund Pre-1996 Account (TRF Pre-1996) is a pay-as-you-go cost-sharing, multiple-employer defined benefit plan providing retirement, disability, and survivor benefits for teachers, administrators, and certain INPRS personnel hired before July 1, 1996. Membership in TRF Pre-'96 DB is closed to new entrants. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.4, 35 IAC 14, and other Indiana pension law. TRF Pre-'96 DB is a component of the Teachers' Hybrid Plan. The Teachers' Hybrid Plan consists of two components: TRF Pre-'96 DB: the monthly employer-funded defined benefit component, along with TRF DC, a member-funded account.

*Retirement benefits provided.* A member is entitled to a full retirement benefit 1) at age 65 with at least 10 years of creditable service, 2) at age 60 with at least 15 years of creditable service, 3) at age 55 if age and creditable service total at least 85, 4) at age 55 with 20 years of creditable service and active as an elected official in the TRF-covered position, or 5) at age 70 with 20 years of creditable service and still active in the TRF-covered position. A member is entitled to an early retirement benefit at age 50 and minimum of 15 years of creditable service. The benefit is 44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59.

The lifetime annual benefit equals the years of creditable service multiplied by the average highest five-year annual salary multiplied by 1.1 percent (minimum of \$185 per month). The average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than \$2,000 received from the employer in severance.

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the INPRS Board. For the year ended June 30, 2021, postretirement benefits of \$21.9 million were issued to members as a 13<sup>th</sup> check.

*Disability and survivor benefits provided.* An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of \$185 per month). Under certain conditions, active TRF members may qualify for a classroom disability benefit of at least \$125 per month. If a member dies after June 30, 2018, a spouse or dependent beneficiary of a member with a minimum of 10 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death. If death occurs while receiving a benefit, a beneficiary receives the benefit associated with the member's selected form of payment: Five Year Certain & Life, Joint with 100% Survivor Benefits, Joint with Two-Thirds Survivor Benefits, or Joint with One-Half Survivor Benefits.

*Employees covered by benefit terms.* As of June 30, 2021, the number of participating employers was 335 in addition to the State. The State of Indiana makes contributions as the sole nonemployer contributing entity. As of June 30, 2021, TRF Pre-1996 Account membership consisted of:

Retired members, beneficiaries, and disabled members receiving benefits	53,537
Inactive vested members entitled to but not yet receiving benefits	1,964
Active members: vested and non-vested	8,375
<b>Total</b>	<b>63,876</b>
Based on census data as of June 30, 2020 used for the June 30, 2021 actuarial valuation.	

*Contributions.* According to statute, the TRF Pre-'96 DB fund is funded primarily by appropriations from the state general fund and lottery proceeds. The Actuarially Determined Contribution (ADC) for TRF

Pre-'96 DB was \$1,600.6 million. This includes a base appropriation of \$946.6 million and \$30.0 million of lottery proceeds to fund the supplemental reserve account for postretirement benefits, and \$2.3 million of employer contributions from grant monies. In addition, HEA 1001-2021 granted a special appropriation of \$600.0 million in fiscal year 2021. No member contributions are required.

*Financial report.* INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing [questions@inprs.in.gov](mailto:questions@inprs.in.gov), or by visiting [www.in.gov/inprs](http://www.in.gov/inprs).

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2021, the State reported a liability of \$10,307.6 million for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's proportion of the net pension liability was based on a projection of the State's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the State's proportion was 100.00 percent, which was the same as its proportion measured as of June 30, 2019. For the year ended June 30, 2021, the State recognized pension expense of \$538.9 million. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	35,463	-
Employer's contributions to the pension plan subsequent to the measurement date of the net pension liability	1,598,457	-
<b>Total</b>	<b>\$1,633,920</b>	<b>\$ -</b>

\$1.6 billion reported as deferred outflows of resources resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/(Deferred Inflows of Resources)
2022	(13,447)
2023	(1,518)
2024	22,618
2025	27,810

*Actuarial assumptions.* The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Interest rate/investment return	6.75%
Future salary increases	2.75% - 12.0%, based on service
Inflation	2.25%
Cost of living increases	2019-2021 - 13th check, Beginning Jan. 1, 2022 - 0.40% Beginning Jan. 1, 2034 - 0.50% Beginning Jan. 1, 2039 - 0.60%

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The most recent comprehensive experience study was completed in February 2020 and was based on member experience between June 30, 2014 and June 30, 2019. The demographic assumptions were updated as needed for the June 30, 2020 actuarial valuation.

The long-term return expectation for this INPRS defined benefit retirement plan was determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. In order to determine the expected long-term nominal rate of return, the asset class geometric real returns are projected for a 30-year time horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real rates of return for the portfolio. A range of possible expected long-term rates of return is created by adding the forecasted inflation to the expected long-term real rates of return and adding an expected contribution to the return due to manager selection. This range ultimately supports the long-term expected rate of return assumption of 6.75% selected by the Board as the discount rate. The assumption is a long-term assumption and is not expected to change with small fluctuations in the underlying inputs, but may change with a fundamental shift in the underlying market

factors or significant asset allocation change. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-Term Expected Real Rate of Return (%)
Public equity	22.0	4.4
Private equity	14.0	7.6
Fixed income - ex inflation - linked	20.0	1.9
Fixed income - inflation - linked	7.0	0.5
Commodities	8.0	1.6
Real estate	7.0	5.8
Absolute return	10.0	2.9
Risk parity	12.0	5.5
<b>Total</b>	<b>100.0</b>	

*Discount rate.* Total pension liability was calculated using the discount rate of 6.75 percent. The

projection of cash flows used to determine the discount rate assumed the contributions from employers and, where applicable, from members, would at the minimum be made at the actuarially determined required rates, computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State of Indiana would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the 6.75% long-term assumed investment rate of return. Based on these assumptions, the TRF Pre-'96 defined benefit pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the plan.

*Sensitivity of the State's proportionate share of the net pension liability to changes in the discount rate.* The following presents the State's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the State's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	<u>1% Decrease (5.75%)</u>	<u>Current Rate (6.75%)</u>	<u>1% Increase (7.75%)</u>
State's proportionate share of the net pension liability	11,565,852	10,307,552	9,222,047

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued stand-alone financial report of the Indiana Public Retirement System. This report may be obtained by

writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing [questions@inprs.in.gov](mailto:questions@inprs.in.gov), or by visiting [www.in.gov/inprs](http://www.in.gov/inprs).

**Pension Amounts Summary – Defined Benefit Plans**

A summary of the pension amounts disclosed in the notes for the defined benefit plans is provided in the following table.

Plan	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
SPRF	\$ 677,189	\$ 498,710	\$ 178,479	\$ 82,893	\$ 41,411	\$ 42,955
SPST	23,565	-	23,565	9,513	3,773	5,351
EG&C	163,978	146,359	17,619	19,594	6,921	6,163
PARF	107,049	67,876	39,173	5,639	3,908	1,793
LE DB	3,127	2,924	203	290	-	(10)
JRS	592,510	554,121	38,389	32,462	20,858	19,542
PERF	4,242,250	3,455,279	786,971	277,430	175,999	69,369
TRF 1996	20,698	20,446	252	129,222	1,808	14,155
TRF Pre-1996	13,968,703	3,661,151	10,307,552	1,633,920	-	538,945
<b>Total</b>	<b>\$ 19,799,069</b>	<b>\$ 8,406,866</b>	<b>\$ 11,392,203</b>	<b>\$ 2,190,963</b>	<b>\$ 254,678</b>	<b>\$ 698,263</b>



*The State contributes to the following defined contribution plans:*

My Choice (PERF MC DC) – State Employees' Defined Contribution Plan (Presented as part of INPRS – a fiduciary in nature component unit)

PERF MC DC is a multiple employer defined contribution fund providing retirement benefits to full-time employees of the State of Indiana not covered by another plan and those political subdivisions (counties, cities, townships, and other governmental units) that elected to participate in the retirement fund. Effective April 1, 2021, a political subdivision served by a volunteer fire department may make contributions to PERF MC DC plan for the members of the volunteer fire department in an amount determined by the governing body of the political subdivision. MC DC is a primary defined contribution benefit plan for members making this election. Administration of the account is generally in accordance with other Indiana pension law.

First time new employees hired by the State of Indiana or a political subdivision who offer a choice have a one-time election to join either PERF Hybrid or PERF My Choice. A state hire that is an existing member of PERF Hybrid plan and was not given the option for PERF My Choice is given the option to elect PERF My Choice or remain in PERF Hybrid.

The PERF MC DC plan may be funded with an employer variable rate contribution. As of June 30, 2021, the employer contribution is 3.2 percent for state employees and up to 4.0 percent for political subdivision members. Political subdivisions may match 50 percent of a member's voluntary contributions.

Member contributions under the PERF MC DC are set by statute and the INPRS Board at three percent of covered payroll. The employer may choose to make these contributions on behalf of the member. Under certain limitations, voluntary member contributions up to 10 percent can be made solely by the member.

The state contributed 3.2% to My Choice members' accounts during the fiscal year ended June 30, 2021. My Choice members totaled 7,183 as of June 30, 2021.

Members are entitled to the sum total of vested contributions plus earnings 30 days after separation from employment (retirement, termination, disability, or death). As of January 1, 2021, members at least 62 years of age with five qualifying years of service may take an in-service distribution of their DC

account. Additionally, members that are normal retirement age may take a withdrawal after separation without the 30 day wait period. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity. PERF MC DC members are 100 percent vested in their member contributions. PERF MC DC members vest in employer contributions in increments of 20 percent for each full year of service until 100 percent is reached at 5 years.

Upon providing proof of the member's qualification for social security disability benefits, the member is entitled to the sum total of vested contributions plus earnings. The amount may be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity.

The survivor benefit is that the beneficiary is entitled to the sum total of vested contributions plus earnings. The amount may be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity. The amount a beneficiary is entitled to if a member dies after having selected an annuity or having withdrawn from the account depends upon the annuity option selected by the member and the amount of benefits the member received.

Legislators' Retirement System – Legislators' Defined Contribution Plan (Presented as part of INPRS – a fiduciary in nature component unit)

The Legislators' Defined Contribution plan is a single-employer (State of Indiana) defined contribution fund that provides retirement benefits to members of the General Assembly. Administration of the fund is generally in accordance with IC 2-3.5 and other Indiana pension law.

Members are entitled to the total of vested contributions plus earnings. Effective January 1, 2021, a member at least 59 1/2 years of age may take an in-service distribution of their account. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, monthly annuity, or installment options.

If a participant dies their beneficiary is entitled to the total of contributions plus earnings. The amount can be paid in a lump sum, direct rollover to another eligible retirement plan, or a monthly annuity.

Contributions are determined by the INPRS Board and confirmed by the State Budget Agency. The employer contribution rate is 14.2 percent of covered payroll. This rate may not exceed the sum contribution rates for State of Indiana employer and

member PERF Hybrid plans. The member contribution is five percent of member's salary. The employer may choose to make contributions on behalf of the member.

**F. Other Postemployment Benefits**

**Defined Benefit Plans**

*Plan Descriptions.* The State of Indiana sponsors and contributes to four single-employer defined benefit healthcare plans: State Personnel Plan (SPP); Legislature Plan (LP); Indiana State Police Plan (ISPP); and the Conservation and Excise Police Plan (CEPP). The SPP and LP are administered by the State Personnel Department. The Indiana State Police administer the ISPP. The CEPP is administered by the Indiana State Excise Police and Indiana Conservation Officers Health Insurance Committee. The SPP, ISPP, and CEPP are administered through trusts that meet the criteria in GASB 74. The LP is not administered through a trust that meets the requirements of GASB 74 and is not accumulating assets.

*Benefits Provided.* All four plans provide medical plan health care benefits to eligible State employee retirees and beneficiaries. The medical benefits provided to retirees are the same benefit options afforded active employees. Benefit provisions for each plan are established and may be amended by Indiana Code 5-10-8 et seq. Separate financial reports are not issued for these plans.

*Employees covered by benefit terms.* As of June 30, 2020, and June 30, 2021 membership in the plans consisted of:

<u>June 30, 2021</u>	<u>SPP</u>	<u>ISPP</u>	<u>CEPP</u>	<u>LP</u>
Inactive employees or beneficiaries currently receiving benefit payments	411	1,058	212	38
Active employees	<u>25,318</u>	<u>1,662</u>	<u>241</u>	<u>115</u>
<b>Total</b>	<b><u>25,729</u></b>	<b><u>2,720</u></b>	<b><u>453</u></b>	<b><u>153</u></b>

*Contributions.* Actuarially determined contributions (ADC) are determined for these plans by the actuary. The state determines the contributions to make for these plans after considering its other needs and the OPEB participants' needs.

For the SPP, the state contributes at least the ADC annually.

The ISPP has established a 401(h) and section 115 trust for the purpose of funding retiree OPEB. Contributions to the 401(h) and section 115 trust are made from the following sources: 1) Medicare Part D retiree drug subsidy reimbursement; 2) excess long-term disability fund; 3) retiree premiums 4) state contributions for ISP active employees in accordance with the OPEB DC plan (501 plan); and 5) discretionary contributions from the ISP healthcare fund up to \$1 million. Additionally, active ISP employees contribute \$20 per paycheck towards the 401(h) trust account. This ISP funding policy is expected to continue for the foreseeable future.

The annual cost of the CEPP is financed on a pay-as-you-go basis from state subsidies, active/retiree contributions, and a discretionary contribution from the CEPP reserve fund.

Retiree participants pay the full premium rate as determined by the administrators of these plans.

<u>June 30, 2020</u>	<u>SPP</u>	<u>ISPP</u>	<u>CEPP</u>	<u>LP</u>
Inactive employees or beneficiaries currently receiving benefit payments	552	1,076	198	34
Active employees	<u>25,659</u>	<u>1,688</u>	<u>244</u>	<u>113</u>
<b>Total</b>	<b><u>26,211</u></b>	<b><u>2,764</u></b>	<b><u>442</u></b>	<b><u>147</u></b>

Based on census data as of June 30, 2018 used for the June 30, 2019 actuarial valuation.

Financial Statements: As separately issued financial statements are not available for the State Employee Retiree Health Benefit Trust Fund-DB, summarized financial statements are as follows:

<b>State of Indiana</b>				
<b>Combining Statement of Fiduciary Net Position</b>				
<b>Pension and Other Employee Benefit Trust Funds</b>				
<b>June 30, 2021</b>				
	<u>SPP</u>	<u>ISPP</u>	<u>CEPP</u>	<u>Total</u>
<b>Assets</b>				
Cash, cash equivalents and non-pension investments	\$ 375	\$ 6,450	\$ 966	\$ 7,791
Receivables:				
Contributions	375			375
Interest	-	3	37	40
Total receivables	375	3	37	415
Pension and other employee benefit investments at fair value:				
Debt Securities	46,497	172,245	-	218,742
Mutual Funds and Collective Trust Funds	-	-	27,862	27,862
Other	-	-	3,362	3,362
Total investments at fair value	46,497	172,245	31,224	249,966
<b>Total assets</b>	<b>47,247</b>	<b>178,698</b>	<b>32,227</b>	<b>258,172</b>
<b>Liabilities:</b>				
Benefits payable	410	491	89	990
<b>Total liabilities</b>	<b>410</b>	<b>491</b>	<b>89</b>	<b>990</b>
<b>Net Position</b>				
Restricted for:				
OPEB benefits	46,837	178,207	32,138	257,182
<b>Total net position</b>	<b>\$ 46,837</b>	<b>\$ 178,207</b>	<b>\$ 32,138</b>	<b>\$ 257,182</b>

<b>State of Indiana</b>				
<b>Combining Statement of Changes in Fiduciary Net Position</b>				
<b>Pension and Other Employee Benefit Trust Funds</b>				
<b>For the Year Ended June 30, 2021</b>				
	<u>SPP</u>	<u>ISPP</u>	<u>CEPP</u>	<u>Total</u>
<b>Additions:</b>				
Employer contributions	\$ 4,559	\$ 22,970	\$ 4,301	\$ 31,830
Net investment income (loss)	58	131	1,857	2,046
Federal reimbursements	-	5	-	5
Other	-	175	-	175
Total additions	4,617	23,281	6,158	34,056
<b>Deductions:</b>				
Retiree health benefits	4,639	3,371	1,078	9,088
Administrative	278	360	114	752
Total deductions	4,917	3,731	1,192	9,840
Net increase (decrease) in net position	(300)	19,550	4,966	24,216
Net position restricted for other post employment benefits, July 1, as restated:	47,137	158,657	27,172	232,966
<b>Net position restricted for pension and other employee benefits, June 30, as restated</b>	<b>\$ 46,837</b>	<b>\$ 178,207</b>	<b>\$ 32,138</b>	<b>\$ 257,182</b>

**Net OPEB Liability**

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019 projected to July 1, 2020 on a “no loss / no gain” basis. The components of the net OPEB liability of the three plans administered through trusts at June 30, 2020 were as follows:

	SPP	ISPP	CEPP
Total OPEB liability	\$52,311	\$177,448	\$49,275
Plan fiduciary net position	47,137	158,657	27,172
Net OPEB liability	<u>\$ 5,174</u>	<u>\$ 18,791</u>	<u>\$22,103</u>
Plan fiduciary net position as a percentage of the total OPEB liability	90.1%	89.4%	55.1%

The components of the net OPEB liability for the three OPEB plans administered through trusts at June 30, 2021 was:

	SPP	ISPP	CEPP
Total OPEB liability	\$62,697	\$168,917	\$52,984
Plan fiduciary net position	46,837	178,207	32,138
Net OPEB liability	<u>\$15,860</u>	<u>\$ (9,290)</u>	<u>\$20,846</u>
Plan fiduciary net position as a percentage of the total OPEB liability	74.7%	105.5%	60.7%

*Actuarial assumptions.* The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Description	SPP	ISPP	CEPP	LP
Inflation	2.25%	2.25%	2.25%	2.25%
Salary increases	2.75% for general wage inflation plus merit and productivity increases based on the assumptions approved from the INPRS 2020 Experience Study.	Pre-1987 Plan, 3.5%. 1987 Plan as follows: Age 26, 9.0%; age 31, 6.5%, and age 36+, 4.0%	2.75% for general wage inflation plus merit and productivity increases based on the assumptions approved from the INPRS 2020 Experience Study.	2.25% for general wage inflation plus 0.50% for merit and productivity increases
Investment rate of return	3.23%	6.20%	6.20%	2.66%
Healthcare cost trend rates	7.5% decreasing 0.5% per year to an ultimate rate of 4.5%	7.5% decreasing 0.5% per year to an ultimate rate of 4.5%	7.5% decreasing 0.5% per year to an ultimate rate of 4.5%	7.5% decreasing 0.5% per year to an ultimate rate of 4.5%

For SPP and LP, mortality rates were based on the following: For Healthy Judges/PARF employees and retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019 with a 1 year setback for males and a 1 year setback for females. For all other healthy employees and retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019 with a 3 year set forward for males and a 1 year set forward for females. For disabled retirees: SOA Pub-2010 General Disabled Retiree Headcount Weighted Mortality Table fully generational using Scale MP-2019 with a 140% load. For surviving spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019 with no set forward for males and a 2 year set forward for females. For ISPP and CEPP, mortality rates were based on the following: For Healthy employees and retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019 with a 3 year set

forward for males no set forward for females. For disabled retirees: SOA Pub-2010 General Disabled Retiree Headcount Weighted Mortality Table fully generational using Scale MP-2019. For surviving spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019 with no set forward for males and a 2 year set forward for females.

For SPP and CEPP, the most recent comprehensive experience study was completed in February 2020 and was based on member experience between June 30, 2014 and June 30, 2019. For ISPP, the most recent comprehensive experience study was completed in July 2020 and was based on member experience between June 30, 2011 through June 30, 2019. For LP, the most recent comprehensive experience study was based on professional judgement and limited experience through 2008.

**Discount Rate.** For SPP for the June 30, 2020 valuation, the long-term expected rate of return on OPEB plan investment is 3.25%. This was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are then combined to produce the long-term expected rate of return by weighting them based on the target asset allocation percentage and adding in expected inflation (2.25%). The best estimates of arithmetic real rates of return for each major asset class included in the SPP OPEB Plan's target asset allocation as of June 30, 2020 are summarized in the following table:

<b>State Personnel Plan</b>		
<b>Asset Class</b>	<b>Target Allocation (%)</b>	<b>Long-Term Expected Real Rate of Return (%)</b>
U.S. Bond	100.0	1.0

The discount rate used to measure the total OPEB liability for SPP was 3.23 percent as of June 30, 2020 and applied to all periods of projected benefit payments to determine the total OPEB liability. The change in the discount rate from the 2019 to the 2020 actuarial valuations was .03%, lowering the rate to 3.23%. The projection of cash flows used to determine the discount rate assumed that the State's contributions to this plan will be made at a rate equal to the actuarially determined rate. The discount rate of 3.25% was used in calculating the actuarially determined contribution for this plan

For ISPP for the June 30, 2020 valuation, the long-term expected rate of return on OPEB plan investments is 6.20%. The expected future real rates of return are shown below. Inflation is expected to be 2.25% the best estimate of arithmetic real rates of return for each major asset class included in the ISPP OPEB Plan's target asset allocation as of June 30, 2020 are summarized in the following table.

<b>State Police Plan</b>		
<b>Asset Class</b>	<b>Target Allocation (%)</b>	<b>Long-Term Expected Real Rate of Return (%)</b>
Broad US Equity	29.0	6.9
Global ex-US Equity	13.0	7.1
Domestic Fixed	17.0	3.0
High Yield	5.0	4.8
Short Duration	4.0	2.6
Cash Equivalents	2.0	2.3
Hedge Funds	25.0	5.1
Real Estate	5.0	5.8
<b>Total</b>	<b>100.0</b>	

The discount rate used to measure the total OPEB liability for SPP was 6.20 percent as of June 30, 2020 and applied to all periods of projected benefit

payments to determine the total OPEB liability. There was no change in the discount rate from the 2019 to the 2020 actuarial valuations. The projection of cash flows used to determine the discount rate assumed that the State will continue to make contributions equal to the benefit payments each year plus additional prefunding contributions of \$17.5 million per year (based on actual pre-funding contributions over the past four years) until the trust is sufficient to pay all future benefits. The discount rate of 6.20 was used in calculating the actuarially determined contribution for this plan.

For CEPP for the June 30, 2020 valuation, the long-term expected rate of return on OPEB plan investment is 6.20% which is based on the asset allocation being similar to the investment of the ISP OPEB Trust. Inflation is expected to be 2.25%. The best estimates of arithmetic real rates of return for each major asset class included in the CEPP OPEB Plan's target asset allocation as of June 30, 2020 are summarized in the following table:

<b>Conservation &amp; Excise Officers Plan</b>		
<b>Asset Class</b>	<b>Target Allocation (%)</b>	<b>Long-Term Expected Real Rate of Return (%)</b>
Broad US Equity	29.0	6.9
Global ex-US Equity	13.0	7.1
Domestic Fixed	17.0	3.0
High Yield	5.0	4.8
Short Duration	4.0	2.6
Cash Equivalents	2.0	2.3
Hedge Funds	25.0	5.1
Real Estate	5.0	5.8
<b>Total</b>	<b>100.0</b>	

The discount rate used to measure the total OPEB liability for CEPP was 6.20 percent as of June 30, 2020 and applied to all periods of projected benefit payments to determine the total OPEB liability. The change in the discount rate from the 2019 to the 2020 actuarial valuations was 2.84%, raising the rate to 6.20%. The projection of cash flows used to determine the discount rate assumed that the State will continue to make contributions equal to the benefit payments each year plus additional pre-funding contributions of \$2.9 million per year (based on actual pre-funding contributions over the past four years). The discount rate of 6.20% was used in calculating the actuarially determined contribution for this plan.

For LP for the June 30, 2020 valuation, the discount rate used to measure the total OPEB liability was 2.66% and applied to all periods of projected benefit payments to determine the total OPEB liability. The change in the discount rate from the 2019 to the 2020 actuarial valuations was 0.85%, lowering the rate to 2.66%.

*Actuarial assumptions.* The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Description	SPP	ISPP	CEPP	LP
Inflation	2.00%	2.00%	2.00.%	2.00%
Salary increases	2.65% for general wage inflation plus merit and productivity increases based on the assumptions approved from the INPRS 2020 Experience Study.	Pre-1987 Plan, 3.5%. 1987 Plan as follows: Age 26, 9.0%; age 31, 6.5%, and age 36+, 4.0%	2.25% for general wage inflation plus merit and productivity increases based on the assumptions approved from the INPRS 2020 Experience Study.	2.00% for general wage inflation plus 0.65% merit and productivity increases.
Investment rate of return	3.00%	6.20%	6.20%	2.19%
Healthcare cost trend rates	8.0% decreasing 0.5% per year to an ultimate rate of 4.5%	8.0% decreasing 0.5% per year to an ultimate rate of 4.5%	8.0% decreasing 0.5% per year to an ultimate rate of 4.5%	8.0% decreasing 0.5% per year to an ultimate rate of 4.5%

For SPP, mortality rates were based on the following: For Healthy Judges/PARF employees and retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020 with a 1-year setback for males and a 1-year setback for females. For all other healthy employees and retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020 with a 3-year set forward for males and a 1 year set forward for females. For disabled retirees: SOA Pub-2010 General Disabled Retiree Headcount Weighted Mortality Table fully generational using Scale MP-2020 with a 140% load. For surviving spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020 with no set forward for males and a 2-year set forward for females. For LP, mortality rates were based on the following: For Healthy employees and retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020 with a 1-year setback for males and a 1-year setback for females. For disabled retirees: SOA Pub-2010 General Disabled Retiree Headcount Weighted Mortality Table fully generational using Scale MP-2020 with a 140% load. For surviving spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020 with no set forward for males and a 2-year set forward for females. For ISPP and CEPP, mortality rates were based on the following: For Healthy employees and retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020 with a 3-year set forward for males no set forward for females. For disabled retirees: SOA Pub-2010 General Disabled Retiree Headcount Weighted Mortality Table fully generational using Scale MP-2020. For surviving spouses: SOA Pub-2010 Continuing Survivor

Headcount Weighted Mortality Table fully generational using Scale MP-2020 with no set forward for males and a 2-year set forward for females.

For SPP and CEPP, the most recent comprehensive experience study was completed in February 2020 and was based on member experience between June 30, 2014 and June 30, 2019. For ISPP, the most recent comprehensive experience study was completed in July 2020 and was based on member experience between June 30, 2011 through June 30, 2019. For LP, the most recent comprehensive experience study was based on professional judgement and limited experience through 2008.

*Discount Rate.* For SPP for the June 30, 2021 valuation, the long-term expected rate of return on OPEB plan investment is 3.00%. This was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are then combined to produce the long-term expected rate of return by weighting them based on the target asset allocation percentage and adding in expected inflation (2.00%). The best estimates of arithmetic real rates of return for each major asset class included in the SPP OPEB Plan's target asset allocation as of June 30, 2021 are summarized in the following table:

State Personnel Plan		
Asset Class	Target Allocation (%)	Long-Term Expected Real Rate of Return (%)
U.S. Bond	100.0	1.0

The discount rate used to measure the total OPEB liability for SPP was 2.96 percent as of June 30, 2021 and applied to all periods of projected benefit payments to determine the total OPEB liability. The change in the discount rate from the 2020 to the 2021 actuarial valuations was .27%, lowering the rate to 2.96%. The projection of cash flows used to determine the discount rate assumed that the State's contributions to this plan will be made at a rate equal to the actuarially determined rate. The discount rate of 2.96% was used in calculating the actuarially determined contribution for this plan

For ISPP for the June 30, 2021 valuation, the long-term expected rate of return on OPEB plan investments is 6.20%. This was developed in consultation with the group's asset advisor using a building-block approach in which expected future rates of return are developed for each major asset class. The expected future nominal rates of return are shown below. Inflation is expected to be 2.00% the best estimate of arithmetic real rates of return for each major asset class included in the ISPP OPEB Plan's target asset allocation as of June 30, 2021 are summarized in the following table.

<u>State Police Plan</u>		
Asset Class	Target Allocation (%)	Long-Term Expected Real Rate of Return (%)
Broad US Equity	31.0	6.6
Global ex-US Equity	11.0	6.8
Domestic Fixed	22.0	1.8
Short Duration	4.0	1.5
Cash Equivalents	2.0	1.0
Hedge Funds	25.0	4.0
Real Estate	5.0	5.8
<b>Total</b>	<b>100.0</b>	

The discount rate used to measure the total OPEB liability for ISPP was 6.20 percent as of June 30, 2021 and applied to all periods of projected benefit payments to determine the total OPEB liability. There was no change in the discount rate from the 2020 to the 2021 actuarial valuations. The projection of cash flows used to determine the discount rate assumed that the State will continue to make contributions equal to the benefit payments each year plus additional pre-funding contributions of \$17.0 million per year (based on actual pre-funding contributions over the past four years) until the trust is sufficient to pay all future benefits. The discount rate of 6.20 was used in calculating the actuarially determined contribution for this plan.

For CEPP for the June 30, 2021 valuation, the long-term expected rate of return on OPEB plan investment is 6.20%. This was developed in consultation with the group's asset advisor using a building-block approach in which expected future rates of return are developed for each major asset

class. The expected future nominal rates of return as provided by the entity's investment advisor are shown below. Inflation is expected to be 2.00%. The best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Conservation &amp; Excise Officers Plan</u>		
Asset Class	Target Allocation (%)	Long-Term Expected Real Rate of Return (%)
Broad US Equity	45.0	6.6
Global ex-US Equity	15.0	6.8
Domestic Fixed	23.0	1.8
Short Duration	5.0	1.5
Cash Equivalents	2.0	1.0
Hedge Funds	10.0	4.0
<b>Total</b>	<b>100.0</b>	

The discount rate used to measure the total OPEB liability for CEPP was 6.20 percent as of June 30, 2021 and applied to all periods of projected benefit payments to determine the total OPEB liability. There was no change in the discount rate from the 2020 to the 2021 actuarial valuations. The projection of cash flows used to determine the discount rate assumed that the State will continue to make contributions equal to the benefit payments each year plus additional pre-funding contributions of \$3.1 million per year (based on actual pre-funding contributions over the past five years). The discount rate of 6.20% was used in calculating the actuarially determined contribution for this plan.

For LP for the June 30, 2021 valuation, the discount rate used to measure the total OPEB liability was 2.19% and applied to all periods of projected benefit payments to determine the total OPEB liability. The change in the discount rate from the 2020 to the 2021 actuarial valuations was 0.47%, lowering the rate to 2.19%.

### Changes in the Net/Total OPEB Liability

<u>State Personnel Plan</u>	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (a) - (b)</u>
<b>Balances at 6/30/19</b>	\$ 57,424	\$ 46,203	\$ 11,221
<b>Changes for the year:</b>			
Service cost	2,961	-	2,961
Interest	1,892	-	1,892
Differences between expected and actual experience	1,622	-	1,622
Changes of assumptions or other inputs	(6,835)	-	(6,835)
Contributions - employer	-	5,031	(5,031)
Net investment income	-	789	(789)
Benefit payments, including refunds of employee contributions	(4,752)	(4,752)	-
Administrative expense	-	(133)	133
<b>Net changes</b>	<b>(5,112)</b>	<b>935</b>	<b>(6,047)</b>
<b>Balances at 6/30/20</b>	<b>\$ 52,312</b>	<b>\$ 47,138</b>	<b>\$ 5,174</b>

Indiana State Police	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/19	\$ 198,445	\$ 137,969	\$ 60,476
Changes for the year:			
Service cost	5,033	-	5,033
Interest	12,530	-	12,530
Differences between expected and actual experience	(20,071)	-	(20,071)
Changes of assumptions or other inputs	(15,687)	-	(15,687)
Contributions - employer	-	21,727	(21,727)
Contributions - employee	-	846	(846)
Net investment income	-	1,276	(1,276)
Benefit payments, including refunds of employee contributions	(2,802)	(2,802)	-
Administrative expense	-	(359)	359
<b>Net changes</b>	<b>(20,997)</b>	<b>20,688</b>	<b>(41,685)</b>
Balances at 6/30/20	\$ 177,448	\$ 158,657	\$ 18,791

Conservation & Excise Police Plan	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/19	\$ 76,899	\$ 23,723	\$ 53,176
Changes for the year:			
Service cost	2,368	-	2,368
Interest	2,647	-	2,647
Differences between expected and actual experience	(7,900)	-	(7,900)
Changes of assumptions or other inputs	(23,751)	-	(23,751)
Contributions - employer	-	4,167	(4,167)
Net investment income	-	347	(347)
Benefit payments, including refunds of employee contributions	(988)	(988)	-
Administrative expense	-	(77)	77
<b>Net changes</b>	<b>(27,624)</b>	<b>3,449</b>	<b>(31,073)</b>
Balances at 6/30/20	\$ 49,275	\$ 27,172	\$ 22,103

Legislature Plan	Increase (Decrease)	
	Total OPEB Liability (a)	Net OPEB Liability (a) - (b)
Balances at 6/30/19	\$ 8,090	
Changes for the year:		
Service cost	43	
Interest	277	
Differences between expected and actual experience	(270)	
Changes of assumptions or other inputs	464	
Benefit payments, including refunds of employee contributions	(494)	
<b>Net changes</b>	<b>20</b>	
Balances at 6/30/20	\$ 8,110	

Changes since last year's valuation, which was for the fiscal year ending June 30, 2019 are as follows:

For SPP, the mortality, termination, retirement rate, and payroll growth assumptions have been updated based on the revised tables presented in the INPRS 2020 Experience Study. The mortality, retirement rate, and payroll growth updates led to slight decreases in liabilities, while the termination update led to an increase in liabilities. The health care coverage election rate has been updated from 40% to 35% for employees that are eligible for a normal, unreduced or disability pension under PERF and from 15% to 10% for employees with health coverage that are not eligible for a normal, unreduced or disability pension under PERF. The change led to a reduction in liabilities. The spousal coverage election rate has been updated from 70% for male employees and 55% for female employees to 20% for male employees and 15% for female employees. This change led to a slight decrease in liabilities

For ISP, the disability assumption has been updated to follow the table presented for the Conservation

and Excise Police in the INPRS 2020 Experience Study. This change led to a slight decrease in liabilities. The mortality assumption has been updated to follow the table presented for the '77 Fund in the INPRS 2020 Experience Study. This change led to decrease in liabilities. The payroll growth assumption has been updated to follow the table used in the July 1, 2020 pension valuation for the Indiana State Police. This change led to a decrease in liabilities.

For CEPP, the mortality, retirement rate, disability, and payroll growth assumptions have been updated based on the revised tables presented in the INPRS 2020 Experience Study. The retirement and disability updates led to an increase in liabilities, while the mortality and payroll growth updates led to a decrease in liabilities. The spousal coverage election rate has been updated from 85% for male employees and 25% for female employees to 85% for male employees and 15% for female employees. This change led to a slight decrease in liabilities.

For LP, the mortality and payroll growth assumptions have been updated based on the revised tables presented in the INPRS 2020 Experience Study. The mortality update led to a decrease in liabilities, while the payroll growth update led to a slight increase in liabilities. The health care coverage election rate has been updated from 40% to 35% for employees that are eligible for a normal, unreduced or disability pension under PERF and from 15% to 10% for employees with health coverage that are not eligible for a normal, unreduced or disability pension under PERF. The change led to a slight reduction in liabilities. The spousal coverage election rate has been updated from 100% for all employees to 95% for male employees and 50% for female employees. This change led to a slight decrease in liabilities.

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.* The following presents the net OPEB liability for the three OPEB plans administered through trusts calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

June 30, 2020 valuation:

State Personnel Plan		
Net OPEB Liability		
1% Decrease (2.23%)	Current Rate (3.23%)	1% Increase (4.23%)
9,584	5,174	1,128

State Police Plan		
Net OPEB Liability		
1% Decrease (5.20%)	Current Rate (6.20%)	1% Increase (7.2%)
38,456	18,791	1,819



Conservation & Excise Officers Plan		
Net OPEB Liability		
1% Decrease (5.20%)	Current Rate (6.20%)	1% Increase (7.20%)
29,255	22,103	16,261

June 30, 2021 valuation:

State Personnel Plan		
Net OPEB Liability		
1% Decrease (1.96%)	Current Rate (2.96%)	1% Increase (3.96%)
21,663	15,860	10,557

State Police Plan		
Net OPEB Liability		
1% Decrease (5.20%)	Current Rate (6.20%)	1% Increase (7.2%)
9,103	(9,290)	(25,261)

Conservation & Excise Officers Plan		
Net OPEB Liability		
1% Decrease (5.20%)	Current Rate (6.20%)	1% Increase (7.20%)
28,534	20,846	14,553

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the total OPEB liability for the LP OPEB plan that is not administered through a trust calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

Legislature Plan		
Total OPEB Liability		
1% Decrease (1.66%)	Current Rate (2.66%)	1% Increase (3.66%)
9,207	8,110	7,219

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates.* The following presents the net OPEB liability for the three OPEB plans administered through trusts calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

June 30, 2020 valuation:

	Net OPEB Liability		
	1% Decrease (6.5% decreasing to 3.5%)	Current Rate (7.5% decreasing to 4.5%)	1% Increase (8.5% decreasing to 5.5%)
SPP	(625)	5,174	12,107
ISP	(1,029)	18,791	42,369
CEPP	15,228	22,103	30,772

June 30, 2021 valuation:

	Net OPEB Liability		
	1% Decrease (7.0% decreasing to 3.5%)	Current Rate (8.0% decreasing to 4.5%)	1% Increase (9.0% decreasing to 5.5%)
SPP	9,036	15,860	23,974
ISP	(26,756)	(9,290)	11,340
CEPP	13,915	20,846	29,529

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates.* The following presents the total OPEB liability for the LP OPEB plan that is not administered through a trust calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

Legislature Plan		
Total OPEB Liability		
1% Decrease (6.5% decreasing to 3.5%)	Current Rate (7.5% decreasing to 4.5%)	1% Increase (8.5% decreasing to 5.5%)
7,183	8,110	9,230

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OEPB**

**State Personnel Plan** - For the year ended June 30, 2021 the State recognized OPEB expense of \$3.6 million. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,096	\$ 3,047
Changes of assumptions or other inputs	2,002	6,524
Net difference between projected and actual earnings on OPEB plan investments	1,218	-
Employer's contributions to the OPEB plan subsequent to the measurement date of the net OPEB liability	4,559	-
<b>Total</b>	<b>\$ 13,875</b>	<b>\$ 9,571</b>

Deferred outflows of resources in the amount of \$4.6 million related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/(Deferred Inflows of Resources)
2022	88
2023	88
2024	(95)
2025	(188)
2026	597
Thereafter	(745)

**Indiana State Police Plan** - For the year ended June 30, 2021 the State recognized OPEB income of \$22.5 million. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 85,539
Changes of assumptions or other inputs	-	76,668
Net difference between projected and actual earnings on OPEB plan investments	8,315	-
Employer's contributions to the OPEB plan subsequent to the measurement date of the net OPEB liability	22,970	-
<b>Total</b>	<b>\$ 31,285</b>	<b>\$ 162,207</b>

Deferred outflows of resources in the amount of \$23.0 million related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/(Deferred Inflows of Resources)
2022	(30,442)
2023	(30,442)
2024	(30,850)
2025	(31,251)
2026	(25,798)
Thereafter	(5,109)

**Conservation & Excise Police Plan** - For the year ended June 30, 2021 the State recognized OPEB expense of \$1.6 million. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,852	\$ 6,771
Changes of assumptions or other inputs	4,667	22,475
Net difference between projected and actual earnings on OPEB plan investments	650	-
Employer's contributions to the OPEB plan subsequent to the measurement date of the net OPEB liability	4,301	-
<b>Total</b>	<b>\$ 16,470</b>	<b>\$ 29,246</b>

Deferred outflows of resources in the amount of \$4.3 million related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other

amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/(Deferred Inflows of Resources)
2022	(2,697)
2023	(2,697)
2024	(2,768)
2025	(2,811)
2026	(2,905)
Thereafter	(3,199)

**Legislature Plan** - For the year ended June 30, 2021 the State recognized OPEB income of \$0.2 million. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,509
Changes of assumptions or other inputs	572	154
Employer's contributions to the OPEB plan subsequent to the measurement date of the total OPEB liability	484	-
<b>Total</b>	<b>\$ 1,056</b>	<b>\$ 1,663</b>

Deferred outflows of resources in the amount of \$0.5 million related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ended June 30:	Deferred Outflows of Resources/(Deferred Inflows of Resources)
2022	(504)
2023	(504)
2024	(122)
2025	39

**Defined Contribution Plan**

**Plan Description.** The State of Indiana sponsors one single employer defined contribution OPEB plan, the Retirement Medical Benefits Account Plan (RMBA). The plan is administered in accordance with IC 5-10-8.5. RMBA allows for certain medical care expense premiums to be reimbursed from individual accounts established for retired participants under IC 5-10-8.5-9. RMBA became effective for participants who retired on or after July 1, 2007. The plan is administered by the INPRS Board of Trustees.

Retired participants include: (a) participants who have applied to receive a normal, unreduced or disability retirement benefit. (b) participants who have completed at least ten years of service as an elected or appointed officer on their last day of service.

Individual account balances are comprised of annual contributions and earnings on investments after deduction of costs to manage the plan. Annual contributions range between five hundred and one thousand four hundred dollars, based on the participant's age while in service. Individual account balances are reset after a break in service of more than 30 days. IC 5-10-8.5-16 provides a one-time credit for an additional contribution to a participant's account, if, by June 30, 2017, the participant was eligible for an unreduced pension benefit and had completed at least 15 years of service or had completed 10 years of service as an elected or appointed officer. The one-time additional contribution is credited to a participant's account after the participant's last day of service. Participants lose their right to this one-time contribution if there is a break in service for more than 30 days between July 1, 2007 and June 30, 2017.

Contributions for self-funded agencies and employees not funded by the state budget is recovered by an annual charge per employee determined each year. The annual charge for FY 2021 was one thousand twenty-six dollars, which was due by June 30. The remaining funding is through appropriation of cigarette taxes (IC 6-7-1-28.1(7)) received throughout the year.

The Plan administrator reimburses premiums for

A summary of the OPEB amounts disclosed in the notes is provided in the following table.

Plan	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
<b>OPEB DB</b>						
SPP	\$ 52,311	\$ 47,137	\$ 5,174	\$ 13,875	\$ 9,571	\$ 3,570
ISP	177,448	158,657	18,791	31,285	162,207	(22,513)
CEPP	49,275	27,172	22,103	16,470	29,246	1,573
LP	8,110	-	8,110	1,056	1,663	(184)
<b>Total OPEB DB</b>	<b>287,144</b>	<b>232,966</b>	<b>54,178</b>	<b>62,686</b>	<b>202,687</b>	<b>(17,554)</b>
RMBA-DC	44,041	-	44,041	-	-	13,156
<b>Total OPEB</b>	<b>\$ 331,185</b>	<b>\$ 232,966</b>	<b>\$ 98,219</b>	<b>\$ 62,686</b>	<b>\$ 202,687</b>	<b>\$ (4,398)</b>

medical, dental, vision and long-term care for retired participants and their spouses and dependent children. The reimbursements are deducted from the participant's individual account balance and end when the participant's individual account balance is exhausted. If a retired participant dies without a surviving spouse or dependent children, unused amounts are forfeited. Forfeitures are used to reduce the contributions required from the employer.

The amount of reimbursed retiree medical expenses during the fiscal year ending June 30, 2021 was \$16.7 million. As of June 30, 2021, the state owes contributions of \$44.0 million to the plan to fulfill its obligation towards additional contributions per IC 5-10-8.5-16. Forfeitures of retiree medical benefits for the fiscal year ending June 30, 2021 totaled \$10.7 million.

As of June 30, 2021 participation in the plan was as follows:

Inactive employees or beneficiaries currently receiving benefit payments	7,871
Active employees	<u>28,912</u>
<b>Total</b>	<b><u>36,783</u></b>

*Financial report.* INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing [questions@inprs.in.gov](mailto:questions@inprs.in.gov), or by visiting [www.in.gov/inprs](http://www.in.gov/inprs).

## G. Pollution Remediation Obligations

### *Nature and source of pollution remediation obligations:*

Five state agencies have identified themselves as responsible or potentially responsible parties to remediate forty-three pollution sites. Obligating events for the cleanup of these sites include being compelled to take action because the pollution creates an imminent danger to public health or welfare or the environment, being named by a regulator to remediate hazardous wastes and contamination, and voluntarily assuming responsibility because of imminent threats to human health and the environment.

### *Amount of the estimated liability, methods and assumptions used for the estimate, and the potential for changes:*

The State's total estimated liability is \$35.5 million of which \$3.7 million is estimated to be payable within one year and \$31.8 million estimated to be payable in more than one year. State agencies calculated their estimated liabilities using various approaches including existing agreements, contractor bids/surveys, records of decisions from regulators, matching requirements under the Superfund law, previous actual costs to cleanup similar sites, investigation activities, well known and recognized estimation methods, and through the sampling and knowing the size and volume of existing contamination at a site. Superfund site estimated liabilities also applied a rolling thirty-year liability as this was the number of years determined to be reasonably estimable. The estimated liabilities of state agencies are subject to annual review and adjustment for changes in agreements, laws, regulations, court decisions, price increases or decreases for goods and services used in cleanup, and other relevant changes that come to light.

### *Estimated recoveries reducing the liability:*

The estimated recoveries total \$13.9 million. Of this total, \$0.2 million is unrealizable or has not yet been realized and has been applied to reduce the State's total estimated liability. Estimated recoveries include the proceeds from the sale of stock, bankruptcy court settlements, coverage of allowable costs by the State's Excess Liability Trust Fund (ELTF), credits received for work performed on Superfund sites, and federal funds. The ELTF state law states that if insufficient funds exist to pay claims neither the State nor the Fund are liable for unpaid claims. The State recognized \$3.6 million of program revenue for seven sites whose realized recoveries exceeded the pollution remediation liability.

## H. Asset Retirement Obligations

GASB Statement No. 83, Certain Asset Retirement Obligations (GASB 83), establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. In accordance with the statement, the State has recognized asset retirement obligations of \$7.8 million as of June 30, 2021, related to decommissioning costs for various wastewater treatment plants. This obligation was recognized using the best estimate of the current value of outlays expected to be incurred based on vendor quotes and engineering estimates. Additionally, the Indiana Department of Environmental Management approves plans for each decommissioning. The corresponding deferred outflow of resources is amortized over the estimated remaining useful life of the associated tangible capital assets. These assets have remaining estimated lives ranging from zero to thirty-two years. No restricted assets are set aside for payment of the asset retirement obligations.

## I. Tax Abatements

The State provides tax abatements through seven programs which are the (1) Coal Gasification Technology Investment Credit, (2) Economic Development for a Growing Economy (EDGE) Credit, (3) Hoosier Business Investment Credit, (4) Industrial Recovery Credit, (5) Research Expense Credit, (6) Venture Capital Investment Credit, and (7) Neighborhood Assistance Program Credit. The Indiana Economic Development Corporation (IEDC) approves the tax credits for programs (1) through (6). The Indiana Housing and Community Development Authority (IHEDA) approves the tax credits for the Neighborhood Assistance Program Credit. The following is a summary of these programs where the taxes abated exceeded \$1 million individually or in the aggregate.

### *Coal Gasification Technology Investment Credit*

The Coal Gasification Technology Investment Credit is created by IC 6-3.1-29. This program was created to foster job creation and higher wages, reduce air pollution as a result of the generation of electricity through fossil fuels, and promote investment in integrated coal gasification power plants and fluidized bed combustion technology. This program provides a credit against a taxpayer's adjusted gross income tax, financial institutions tax, insurance premiums tax liability, or utility receipts tax. The credit must be claimed on the taxpayer's annual state income tax return or returns filed with the Indiana Department of Revenue. The credit is

administered by the Indiana Economic Development Corporation (IEDC) and is for a qualified investment in an integrated coal gasification power plant equal to the sum of 10% of the taxpayer's qualified investment for the first \$500 million invested; 5% of the taxpayer's qualified investment that exceeds \$500 million, only if the facility is dedicated primarily to serving Indiana retail electric or gas utility consumers. For qualified investment in fluidized bed combustion technology, the credit is equal to the sum of 7% of the taxpayer's qualified investment for the first \$500 million invested; 3% of the taxpayer's qualified investment that exceeds \$500 million. Qualified investment is defined as a taxpayer's expenditures for all real and tangible personal property incorporated in and used as part of an integrated coal gasification power plant or a fluidized bed combustion technology and transmission equipment and other real and personal property located at the site of an integrated coal gasification power plant or a fluidized bed combustion technology that is employed specifically to serve the integrated coal gasification power plant or fluidized bed combustion technology. In order to award a tax credit under this program, the IEDC must determine the taxpayer's proposed investment satisfies the requirements of IC 6-3.1-29. The tax credit will be recaptured if the IEDC determines the taxpayer is noncompliant with the requirements of the tax credit agreement or all of the provisions of IC 6-3.1-29. The State has made no other commitments other than to reduce the applicable taxes as part of this program.

#### *Economic Development for a Growing Economy (EDGE) Credit*

The Economic Development for a Growing Economy Credit is created by IC 6-3.1-13. This program was created to foster job creation in Indiana, job retention in Indiana, and to foster employment in Indiana of students who participate in a course of study that includes a cooperative arrangement between an educational institution and an employer for the training of students in high wage, high demand jobs that require an industry certification. This program provides a credit against a taxpayer's adjusted gross income tax, financial institutions tax, or insurance premiums tax liability. The credit must be claimed on the taxpayer's annual state income tax return filed with the Indiana Department of Revenue. The credit is administered by the Indiana Economic Development Corporation (IEDC). The amount and duration of this tax credit shall be determined by the IEDC. The credit may be stated as a percentage of the incremental income tax withholdings attributable to the applicant's project and may include a fixed dollar limitation. In the case of a credit awarded for a project to create new jobs in Indiana, the credit

amount may not exceed the incremental income tax withholdings. However, the credit amount claimed for a taxable year may exceed the taxpayer's state tax liability for the taxable year, in which the excess may, at the discretion of the IEDC, be refunded to the taxpayer. The tax credit will be recaptured if the IEDC determines the taxpayer is noncompliant with the requirements of the tax credit agreement or all of the provisions of IC 6-3.1-13. The State has made no other commitments other than to reduce the applicable taxes as part of this program. In order to receive a tax credit, the taxpayer must commit to the creation or retention of full-time, permanent jobs for Indiana residents at the project location and new capital investment in Indiana.

#### *Hoosier Business Investment Credit*

The Hoosier Business Investment Credit is created by IC 6-3.1-26. This program was created to foster job creation and create higher wages in Indiana. This program provides a credit against a taxpayer's adjusted gross income tax, financial institutions tax, or insurance premiums tax liability. The credit must be claimed on the taxpayer's annual state income tax return filed with the Indiana Department of Revenue. The credit is administered by the Indiana Economic Development Corporation (IEDC) and may not exceed 10% of the taxpayer's qualified investment in a taxable year for qualified investment that is not a logistics investment and 25% of the qualified investment made in a taxable year if the qualified investment is a logistics investment. Qualified investment is defined as the amount of the taxpayer's expenditures in Indiana for the purchase of new telecommunications, production, manufacturing, fabrication, assembly, extraction, mining, processing, refining, finishing, distribution, transportation, or logistical distribution equipment; the purchase of new computers and related equipment; costs associated with the modernization of existing telecommunications, production, manufacturing, fabrication, assembly, extraction, mining, processing, refining, finishing, distribution, transportation, or logistical distribution facilities; onsite infrastructure improvements; the construction of new telecommunications, production, manufacturing, fabrication, assembly, extraction, mining, processing, refining, finishing, distribution, transportation, or logistical distribution facilities; costs associated with retooling existing machinery and equipment; costs associated with the construction of special purpose building and foundations for use in the computer, software, biological sciences, or telecommunications industry; costs associated with the purchase of machinery, equipment or special purpose buildings used to make motion pictures or audio productions; and a

logistics investment as further described in IC 6-3.1-26-8.5 that are certified by the IEDC under this chapter as being eligible for the credit. The term does not include property that can be readily moved outside Indiana. In order to award a tax credit under this program, the IEDC must determine the following conditions exist, the applicant's project will raise the total earnings of employees of the applicant in Indiana or substantially enhance the logistics industry by creating new jobs, preserving existing jobs that otherwise would be lost, increasing wages in Indiana, or improving the overall Indiana economy, in the case of a logistics investment being claimed by the applicant; the applicant's project is economically sound and will benefit the people of Indiana by increasing opportunities for employment and strengthening the economy of Indiana; receiving the tax credit is a major factor in the applicant's decision to go forward with the project and not receiving the tax credit will result in the applicant not raising the total earnings of the applicant's employees in Indiana, or other employees in Indiana in the case of a logistics investment being claimed by the applicant; awarding the tax credit will result in an overall positive fiscal impact to the state, as certified by the budget agency using the best available data; the credit is not prohibited by the relocation of jobs from one location in Indiana to another location in Indiana; in the case of a qualified investment that is not being claimed as a logistics investment by the applicant, the average wage that will be paid by the taxpayer to its employees (excluding highly compensated employees) at the location after the credit is given will be at least equal to one hundred fifty percent (150%) of the hourly minimum wage under IC 22-2-2-4 or its equivalent. The tax credit will be recaptured if the IEDC determines the taxpayer is noncompliant with the requirements of the tax credit agreement or all of the provisions of IC 6-3.1-26. The State has made no other commitments other than to reduce the applicable taxes as part of this program. In order to receive a tax credit, the taxpayer must commit to the creation or retention of full-time, permanent jobs for Indiana residents at the project location and new capital investment in Indiana.

#### *Industrial Recovery Credit*

The Industrial Recovery Credit is created by IC 6-3.1-11. This program was created to foster the rehabilitation of property located within an industrial recovery site. This program provides a credit against a taxpayer's adjusted gross income tax, financial institutions tax, or insurance premiums tax liability. The credit must be claimed on the taxpayer's annual state income tax return filed with the Indiana Department of Revenue. The credit is administered by the Indiana Economic Development Corporation

(IEDC) and may not exceed 15% for a plant that was in service at least fifteen years ago but less than thirty years ago, 20% for a plant that was placed in service at least thirty years ago but less than forty years ago, and 25% if a plant was placed in service at least forty years ago. Qualified investment is defined as the amount of the taxpayer's expenditures for rehabilitation of property located within an industrial recovery site. Rehabilitation is defined as the remodeling repair, or betterment of real property in any manner or enlargement or extension of real property. Plant is defined as a building or complex of buildings used, or designed and constructed for use, in production, manufacturing, fabrication, assembly, processing, refining, finishing, or warehousing of tangible personal property, whether the tangible personal property is or was for sale to third parties or for use by the owner in the owner's business. In order to award a tax credit under this program, the IEDC must consider the following factors; the level of distress in the surrounding community caused by the loss of jobs at the vacant industrial facility; evidence of support for the designation by residents, businesses, and private organizations in the surrounding community; evidence of a commitment by private or governmental entities to assist in the financing of improvements or redevelopment activities benefiting the vacant industrial facility; whether the industrial recovery site is within an economic revitalization area designated under IC 6-1.1-12.1. The tax credit will be recaptured if the IEDC determines the taxpayer is noncompliant with the requirements of the tax credit agreement or all of the provisions of IC 6-3.1-11. The State has made no other commitments other than to reduce the applicable taxes as part of this program. In order to receive a tax credit, the taxpayer must commit to new capital investment in Indiana within the statutory parameters.

#### *Research Expense Credit*

The Research Expense Credit is created by IC 6-3.1-4. The program was created to incentivize research investment in Indiana. This program provides a credit against a taxpayer's adjusted gross income tax liability. The credit must be claimed on the taxpayer's annual state income tax return filed with the Indiana Department of Revenue. The program is administered by the Indiana Department of Revenue (DOR), with the exception of the aerospace technology portion which is administered by the Indiana Economic Development Corporation (IEDC). The credit may be calculated one of two ways, listed below, as elected by the taxpayer. For Indiana qualified research expense incurred after December 31, 2007, the credit is equal to 15% of the Indiana qualified research expense less the taxpayer's base

amount of Indiana qualified research expense, up to \$1 million. For qualified research expense in excess of \$1 million, the credit amount is equal to 10%. For Indiana qualified research expense incurred after December 31, 2009, the taxpayer's research expense tax credit is equal to 10% of the part of the taxpayer's Indiana qualified research expense for the taxable year that exceeds 50% of the taxpayer's average Indiana qualified research expense for the 3 taxable years preceding the taxable year for which the credit is being determined. If the taxpayer did not have Indiana qualified research expense in any 1 of the 3 taxable years preceding the taxable year for which the credit is being determined, the amount of the research expense tax credit is equal to 5% of the taxpayer's Indiana qualified research expense for the taxable year. Indiana qualified research expense is defined as qualified research expense that is incurred for research conducted in Indiana. Qualified research expense means qualified research expense as defined in Section 41(b) of the Internal Revenue Code. The tax credit will be recaptured if the DOR determines the taxpayer is noncompliant with the requirements of the tax credit agreement or all of the provisions of IC 6-3.1-4. The State has made no other commitments other than to reduce the applicable taxes as part of this program.

#### *Venture Capital Investment Credit*

The Venture Capital Investment Credit is created by IC 6-3.1-24. This credit was created to improve access to capital for fast growing Indiana companies by providing individual and corporate investors an incentive to invest in early-stage firms. This program provides a credit against a taxpayer's adjusted gross income tax, financial institutions tax, insurance premiums tax, or state gross retail and use tax liability. The credit must be claimed on the taxpayer's state income tax return or returns filed with the Indiana Department of Revenue. The credit is administered by the Indiana Economic Development Corporation (IEDC) and is equal to 20% of the taxpayer's qualified investment capital provided to the qualified Indiana business or \$1.0 million, whichever is less. Starting on January 1, 2022, the credit will be equal to 25% of the taxpayer's qualified investment capital, up to \$1.0 million for qualified Indiana businesses, or 30% up to \$1.5 million for qualified Indiana businesses that are women- or minority-owned. Qualified Indiana business is defined as an independently owned and operated business that is certified as a qualified Indiana business by the IEDC. Qualified investment capital is defined as debt or equity capital that is provided to a qualified Indiana business. However, the term does not include debt that is provided by a financial institution (as defined in IC 5-13-4-10) after May 15,

2005 and is secured by a valid mortgage, security agreement, or other agreement or document that establishes a collateral or security position for the financial institution that is senior to all collateral or security interests of other taxpayers that provide debt or equity capital to the qualified Indiana business. In order to award a tax credit under this program, the IEDC must certify the taxpayer's proposed investment plan. The proposed investment plan must include the name and address of the taxpayer, the name and address of each proposed recipient of the taxpayer's proposed investment; the amount of the proposed investment; a copy of the certification issued by the IEDC stating the business being invested in is a qualified Indiana business, and any other information required by the IEDC. The IEDC must determine that the proposed investment would qualify for the taxpayer credit under this program, and the amount of proposed investment would not result in the total amount of tax credits certified for the calendar year exceeding \$12.5 million. The total amount of credits that may be approved by the IEDC for a calendar year may not exceed \$12.5 million. Starting on January 1, 2022, the total amount of credits that may be approved by the IEDC for a calendar year may not exceed \$20.0 million, with not more than \$7.5 million set aside for a taxpayer's investment in a qualified Indiana investment fund. A qualified Indiana investment fund is certified by the IEDC and must have a substantial presence in Indiana. The credit is equal to 20% of the taxpayer's qualified investment capital, up to \$5 million. The tax credit will be recaptured if the IEDC determines the taxpayer is noncompliant with the requirements of the tax credit agreement or all of the provisions of IC 6-3.1-24. The State has made no other commitments other than to reduce the applicable taxes as part of this program.

#### *Neighborhood Assistance Program Credit*

The Neighborhood Assistance Program (NAP) Credit is created by IC 6-3.1-9. The IHCD distributes state tax credits to eligible non-profit organizations through an application approval process that they use to raise funds for their activities of community services, crime prevention, education, job training, and neighborhood assistance in economically disadvantaged areas or households. Each fiscal year, NAP State tax credits are capped at \$2.5 million and the maximum credit per donor is \$25,000. NAP tax credits are distributed to donors at 50% of the contribution amount and are subtracted from a donor's adjusted gross income or financial institutions tax liability on their annual state income tax returns. Unused portions of the credit may not be carried forward or carried back and the credit is nonrefundable. The State has made no other

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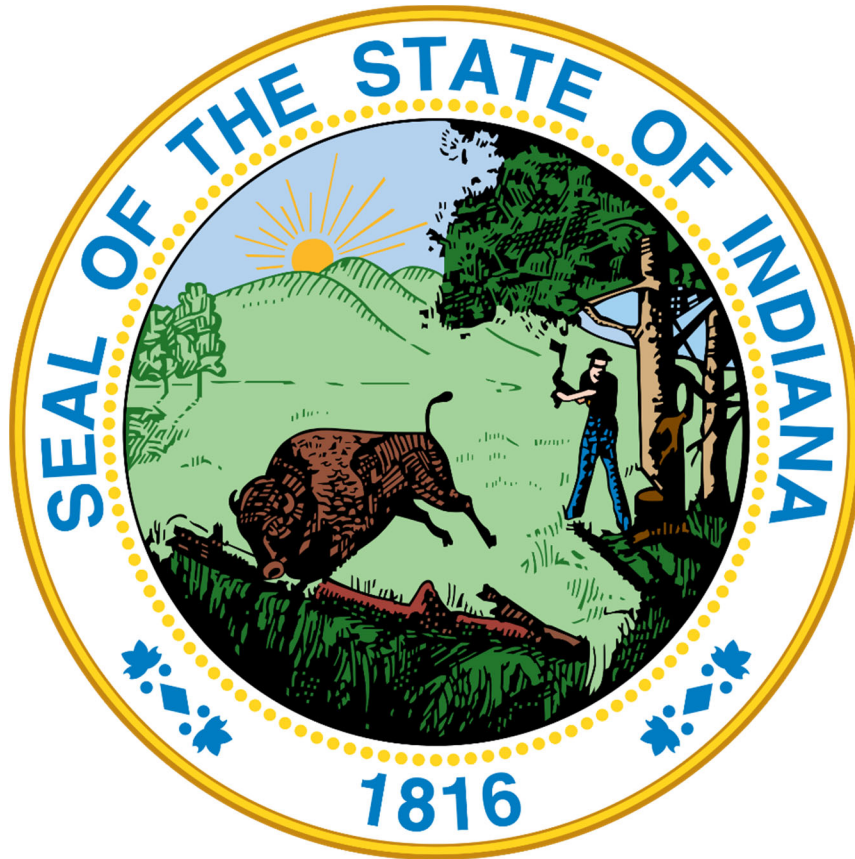
commitments other than to reduce the applicable taxes as part of this program.

The state tax abatements for the fiscal year ended June 30, 2021 are:

<b>Tax Abatement Program</b>	<b>Amount of Taxes Abated</b>
Coal Gasification Technology Investment Credit	
Corporate Income Tax	\$ 15,000
Economic Development for a Growing Economy (EDGE) Credit	
Individual Income Tax	9,640
Corporate Income Tax	72,277
Hoosier Business Investment Credit	
Individual Income Tax	1,151
Corporate Income Tax	6,613
Industrial Recovery Credit	
Individual Income Tax	10,257
Corporate Income Tax	12,166
Neighborhood Assistance Credit	
Individual Income Tax	2,355
Corporate Income Tax	(D)
Research Expense Credit	
Individual Income Tax	31,234
Corporate Income Tax	61,256
Venture Capital Investment Credit	
Individual Income Tax	4,179
Corporate Income Tax	104
<i>(D) - Non-disclosable per Indiana Code 6-8.1-7-2.</i>	



# REQUIRED SUPPLEMENTARY INFORMATION



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

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>	<u>6/30/2012</u>
Actuarially determined contribution	\$ 30,510	\$ 30,947	\$ 30,860	\$ 25,857	\$ 20,556	\$ 19,455	\$ 17,119	\$ 17,271	\$ 18,058	\$ 18,210
Contributions in relation to the actuarially determined contribution	36,748	34,095	29,901	25,002	20,556	18,073	13,451	14,005	47,588	16,059
Contribution deficiency (excess)	(6,238)	(3,148)	959	855	-	1,382	3,668	3,266	(29,530)	2,151
Covered payroll	87,364	88,652	88,103	87,972	75,731	68,786	68,219	68,490	63,347	66,083
Contributions as a percentage of covered payroll	42.1%	38.5%	33.9%	28.4%	27.1%	26.3%	19.7%	20.4%	75.1%	24.3%

**Notes to Schedule:**

*Valuation date*

June 30, 2021

*Actuarial cost method*

Entry age normal cost

*Amortization method*

Level percentage of payroll, closed

*Remaining amortization period*

20 years when the Actuarially Determined Contribution for plan year ending June 30, 2021 was determined

*Asset valuation method*

4 year smoothed value

*Inflation*

2.25%

*Salary increases*

3.5% for the pre-1987 plan; For the 1987 plan, 9% at ages 26 and younger, annual increase reduced 0.5% per year reaching 4% at age 36, annual increases of 4% at ages 36 and older. New salary matrix effective July 1, 2018 is reflected.

*Investment rate of return*

6.25% net of pension plan investment expense, including inflation.

*Retirement age*

Pre-1987 Plan - Retirement rates are based on age with 10% assumed to retire at ages 42-45, 7.5% at ages 46-54, 10% at 55, 12.5% at 56, 15% at 57, 20% at 58, 40% at ages 59 and older, except 100% at 65 (with at least 20 years of service). Based on experience study through June 30, 2019.

1987 Plan - Retirement rates are based on years of service with 15% assumed to retire at 25 years of service, 12.5% at 26 years, 10% at 27 years, 7.5% at years 28 and 29, 10% at 30 years, 12.5% at 31 years, 15% at 32 years, 40% at 33 years, and 27.5% at 34 or more years, except 100% at age 65 (with at least 25 years of service). Based on experience study through June 30, 2019.

*Mortality*

Employees - SOA Pub-2010 Safety Employees with mortality improvement scale MP-2020 (with annual updates)

Retirees - SOA Pub-2010 Safety Retirees with mortality improvement scale MP-2020 (with annual updates)

Beneficiaries - SOA Pub-2010 General Contingent Survivors with mortality improvement scale MP-2020 (with annual updates)

Disabled - SOA Pub-2010 General Disabled Retirees with mortality improvement scale MP-2020 (with annual updates)

*Other information*

Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported

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

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>	<u>6/30/2012</u>
Actuarially determined contribution	\$ 6,398	\$ 5,085	\$ 5,383	\$ 5,049	\$ 5,308	\$ 4,904	\$ 5,195	\$ 4,029	\$ 4,525	\$ 4,167
Contributions in relation to the actuarially determined contribution	4,199	3,997	3,983	4,343	4,259	4,677	4,342	4,545	3,746	4,199
Contribution deficiency (excess)	2,199	1,088	1,400	706	1,049	227	853	(516)	779	(32)
Covered payroll	87,364	88,652	88,103	87,972	75,731	68,786	68,219	68,490	63,347	66,083
Contributions as a percentage of covered payroll	4.8%	4.5%	4.5%	4.9%	5.6%	6.8%	6.4%	6.6%	5.9%	6.4%

**Notes to Schedule:**

*Valuation date*

June 30, 2021

*Actuarial cost method*

Entry age normal cost

*Amortization method*

Over the average remaining service of all plan participants

*Remaining amortization period*

As of June 30, 2021 the amortization period is 11.485 years

*Asset valuation method*

Not applicable

*Inflation*

2.25%

*Salary increases*

3.5% for the pre-1987 plan; For the 1987 plan, 9% at ages 26 and younger, annual increase reduced 0.5% per year reaching 4% at age 36, annual increases of 4% at ages 36 and older

New salary matrix effective July 1, 2018 is reflected.

*Investment rate of return*

2.18% net of pension plan investment expense, including inflation. 2.66% as of June 30, 2020. Rate is S&P Municipal Bond 20 year high grade rate index

*Retirement age*

Pre-1987 Plan - Retirement rates are based on age with 10% assumed to retire at ages 42-45, 7.5% at ages 46-54, 10% at 55, 12.5% at 56, 15% at 57, 20% at 58, 40% at ages 59 and older, except 100% at 65 (with at least 20 years of service). Based on experience study through June 30, 2019.

1987 Plan - Retirement rates are based on years of service with 15% assumed to retire at 25 years of service, 12.5% at 26 years, 10% at 27 years, 7.5% at years 28 and 29, 10% at 30 years, 12.5% at 31 years, 15% at 32 years, 40% at 33 years, and 27.5% at 34 or more years, except 100% at age 65 (with at least 25 years of service). Based on experience study through June 30, 2019.

*Mortality*

Employees - SOA Pub-2010 Safety Employees with mortality improvement scale MP-2020 (with annual updates)

Retirees - SOA Pub-2010 Safety Retirees with mortality improvement scale MP-2020 (with annual updates)

Beneficiaries - SOA Pub-2010 General Contingent Survivors with mortality improvement scale MP-2020 (with annual updates)

Disabled - SOA Pub-2010 General Disabled Retirees with mortality improvement scale MP-2020 (with annual updates)

*Other information*

Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported

**Schedule of Contributions**  
**Employee Retirement Systems and Plans**  
**State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan (EG&C Plan)**  
(amounts expressed in thousands)

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Actuarially determined contribution	\$ 2,924	\$ 3,647	\$ 4,874	\$ 4,393	\$ 4,033	\$ 4,078	\$ 4,820	\$ 5,341	\$ 4,794
Contributions in relation to the actuarially determined contribution	7,083	6,742	6,982	6,175	5,691	5,297	5,215	5,359	19,740
Contribution deficiency (excess)	(4,159)	(3,095)	(2,108)	(1,782)	(1,658)	(1,219)	(395)	(18)	(14,946)
Covered payroll	33,194	32,491	33,272	29,387	27,428	25,526	25,133	25,825	24,675
Contributions as a percentage of covered payroll	21.3%	20.8%	21.0%	21.0%	20.7%	20.8%	20.7%	20.8%	80.0%

**Notes to Schedule:**

*Valuation date*

Actuarially determined contribution rates are calculated as of June 30, with an effective date of January 1

*Actuarial cost method*

Entry age normal (Level Percent of Payroll)

*Amortization method*

Level dollar

*Remaining amortization period*

20 years, closed

*Asset valuation method*

5 year smoothing of gains and losses on the fair value of assets subject to a 20% corridor

*Inflation*

2.0%

*Salary increases*

2.65% to 4.90%, based on service

*Investment rate of return*

6.25%

*Mortality*

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projector of mortality improvements using SOA Scale MP-2019.

*Other information*

The actuarially determined contribution amounts are based on the average of the actuarially determined contribution rates developed in the actuarial valuations completed one year and two years prior to the beginning of the fiscal year, multiplied by actual payroll during the fiscal year.

Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year.

Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.

The effort and cost to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

**Schedule of Contributions**  
**Employee Retirement Systems and Plans**  
**Prosecuting Attorneys' Retirement Fund**  
(amounts expressed in thousands)

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
Actuarially determined contribution	\$ 5,042	\$ 4,608	\$ 3,543	\$ 2,533	\$ 2,148	\$ 1,381	\$ 1,419	\$ 2,345	\$ 2,542
Contributions in relation to the actuarially determined contribution	4,402	4,232	3,216	3,014	1,486	1,440	1,063	1,174	19,443
Contribution deficiency (excess)	640	376	327	(481)	662	(59)	356	1,171	(16,901)
Covered payroll	24,323	23,989	21,791	21,578	22,635	21,372	21,145	20,608	18,805
Contributions as a percentage of covered payroll	18.1%	17.6%	14.8%	14.0%	6.6%	6.7%	5.0%	5.7%	103.4%

**Notes to Schedule:**

*Valuation date*

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

*Actuarial cost method*

Entry age normal (Level Percent of Payroll)

*Amortization method*

Level dollar

*Remaining amortization period*

20 years, closed

*Asset valuation method*

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

*Inflation*

2.00%

*Salary increases*

2.65%

*Investment rate of return*

6.25%

*Mortality*

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

*Other information*

The actuarially determined contribution amounts are developed in the actuarial valuations completed one year prior to the beginning of the fiscal year. Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.

The effort and cost to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

**Schedule of Contributions  
Employee Retirement Systems and Plans  
Legislators' Defined Benefit Plan  
(amounts expressed in thousands)**

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
Actuarially determined contribution	\$ 217	\$ 216	\$ 240	\$ 237	\$ 170	\$ 138	\$ 119	\$ 138	\$ 140
Contributions in relation to the actuarially determined contribution	238	208	269	237	135	138	131	138	150
Contribution deficiency (excess)	(21)	8	(29)	-	35	-	(12)	-	(10)
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes to Schedule:**

*Valuation date*

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contribution are reported.

*Actuarial cost method*

Entry age normal (Level Percent of Payroll) for accounting and Traditional Unit Credit for funding

*Amortization method*

Level dollar

*Remaining amortization period*

5 years, closed

*Asset valuation method*

5 year smoothing of gains and losses on the fair value of assets subject to a 20% corridor

*Inflation*

2.0%

*Salary increases*

2.65%

*Investment rate of return*

6.25%

*Retirement age*

*Mortality*

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projectior of mortality improvements using SOA Scale MP-2019.

*Other information*

Based on the actuarial assumptions and methods, an actuarially determined contribution amount is computed. The INPRS Board of Trustees considers this information when requesting appropriations from the State. Member census data as of the prior end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project liabilities computed as of prior year end to the current year measurement date. N/A is not applicable as this is a closed plan with no payroll.

The effort and costs to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

**Schedule of Contributions**  
**Employee Retirement Systems and Plans**  
**Judges' Retirement System**  
(amounts expressed in thousands)

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
Actuarially determined contribution	\$ 22,074	\$ 19,406	\$ 14,862	\$ 14,853	\$ 14,335	\$ 17,485	\$ 18,865	\$ 27,648	\$ 25,458
Contributions in relation to the actuarially determined contribution	<u>18,621</u>	<u>18,166</u>	<u>16,031</u>	<u>15,117</u>	<u>16,824</u>	<u>16,946</u>	<u>21,020</u>	<u>20,895</u>	<u>111,419</u>
Contribution deficiency (excess)	3,453	1,240	(1,169)	(264)	(2,489)	539	(2,155)	6,753	(85,961)
Covered payroll	61,215	58,189	56,380	53,350	54,755	51,382	48,582	46,041	47,595
Contributions as a percentage of covered payroll	30.4%	31.2%	28.4%	28.3%	30.7%	33.0%	43.3%	45.4%	234.1%

**Notes to Schedule:**

*Valuation date*

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contribution are reported.

*Actuarial cost method*

Entry age normal (Level Percent of Payroll)

*Amortization method*

Level dollar

*Remaining amortization period*

20 years, closed

*Asset valuation method*

5 year smoothing of gains and losses on the fair value of assets subject to a 20% corridor

*Inflation*

2.0%

*Salary increases*

2.65%

*Investment rate of return*

6.25%

*Mortality*

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projector of mortality improvements using SOA Scale MP-2019.

*Other information*

The actuarially determined contribution amounts are developed in the actuarial valuations completed one year prior to the beginning of the fiscal year. Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.

The effort and cost to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

**Schedule of Contributions  
Employee Retirement Systems and Plans  
Public Employees' Retirement Fund  
(amounts expressed in thousands)**

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
Actuarially determined contribution	\$ 181,825	\$ 158,862	\$ 152,307	\$ 148,871	\$ 140,631	\$ 143,499	\$ 133,755	\$ 134,976	\$ 114,353
Contributions in relation to the actuarially determined contribution	181,825	158,862	152,307	148,871	140,631	143,499	133,755	134,976	114,353
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
State's covered payroll	1,456,690	1,406,618	1,349,423	1,305,016	1,276,857	1,199,921	1,162,622	1,213,031	1,173,716
Contributions as a percentage of covered payroll	12.5%	11.3%	11.3%	11.4%	11.0%	12.0%	11.5%	11.1%	9.7%

**Notes to Schedule:**

*Valuation date*

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

*Actuarial cost method*

Entry age normal (Level Percent of Payroll)

*Amortization method*

Level dollar

*Remaining amortization period*

20 years, closed

*Asset valuation method*

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

*Inflation*

2.00%

*Salary increases*

2.65% - 8.65% based on service

*Investment rate of return*

6.25%

*Mortality*

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

*Other information*

The INPRS Board sets, at its discretion, the State's employer contribution rate upon considering the results of the actuarial valuation and other analysis as appropriate. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/14 was 11.17%; however, the INPRS Board approved a State employer contribution rate of 11.20%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/15 was 10.55%; however, the INPRS Board approved a State employer contribution rate of 11.20%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/16 was 9.80%; however, the INPRS Board approved a State employer contribution rate of 11.20%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/17 was 10.11%; however, the INPRS Board approved a State employer contribution rate of 11.20%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/18 was 9.89%; however, the INPRS Board approved a State employer contribution rate of 11.20%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/19 was 10.03%; however, the INPRS Board approved a State employer contribution rate of 11.20%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/20 was 7.83%. In addition, SEA 373-2018 mandated that the cost of any expected post retirement benefit increases after 6/30/2018 be broken out into separate surcharges. The surcharges used in the fiscal year ended 6/30/2020 are 0.43% for 7/1/2019 - 12/31/2019 and 0.44% for 1/1/2020 - 6/30/2020. However, the INPRS Board approved a State employer contribution rate of 11.20%, which includes both the base benefit and surcharge rates. The actual dollar amount of the State's contributions depends on the actual payroll for the fiscal year.

Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.

The effort and cost to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.



**Schedule of Contributions**  
**Employee Retirement Systems and Plans**  
**Teachers' Retirement Fund Pre-1996 Account**  
(amounts expressed in thousands)

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
Statutorily determined contribution	\$ 1,598,457	\$ 971,219	\$ 944,027	\$ 918,021	\$ 871,141	\$ 887,643	\$ 845,774	\$ 825,617	\$ 1,003,847
Contributions in relation to the statutorily required contribution	1,598,457	971,219	944,027	918,021	871,141	887,643	845,774	825,617	1,003,847
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-

**Notes to Schedule:**

*Valuation date*

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

*Actuarial cost method*

Entry age normal (Level Percent of Payroll)

*Amortization method*

Level dollar

*Remaining amortization period*

5 years, closed

*Asset valuation method*

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

*Inflation*

2.00%

*Salary increases*

2.65% - 11.90% based on service

*Investment rate of return*

6.25%

*Mortality*

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

*Other information*

Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year.

Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.

The effort and cost to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

**Schedule of Contributions  
Employee Retirement Systems and Plans  
Teachers' Retirement Fund 1996 Account  
(amounts expressed in thousands)**

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
Actuarially determined contribution	\$ 604	\$ 605	\$ 833	\$ 814	\$ 879	\$ 758	\$ 772	\$ 735	\$ 761
Contributions in relation to the actuarially determined contribution	5,604	605	150,833	814	879	758	772	735	761
Contribution deficiency (excess)	(5,000)	-	(150,000)	-	-	-	-	-	-
State's covered payroll	11,200	11,150	11,224	11,016	11,722	10,108	10,288	10,380	10,150
Contributions as a percentage of covered payroll	50.0%	5.4%	1343.8%	7.4%	7.5%	7.5%	7.5%	7.1%	7.5%

**Notes to Schedule:**

*Valuation date*

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contribution are reported.

*Actuarial cost method*

Entry age normal (Level Percent of Payroll)

*Amortization method*

Level dollar

*Remaining amortization period*

20 years, closed

*Asset valuation method*

5 year smoothing of gains and losses on the fair value of assets subject to a 20% corridor

*Inflation*

2.00%

*Salary increases*

2.65% - 11.90% based on years of service

*Investment rate of return*

6.25%

*Mortality*

Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019

*Other information*

Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year.

Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date

The effort and cost to re-create financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

**Schedule of Contributions  
Other Postemployment Benefit Plans  
State Personnel Healthcare Plan  
(amounts expressed in thousands)**

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Actuarially determined contribution	\$ 4,917	\$ 4,752	\$ 3,276	\$ 3,042	\$ 3,060	\$ 1,538	\$ 1,839	\$ 1,010	\$ 941	\$ 2,964
Contributions in relation to the actuarially determined contribution	4,559	5,031	3,337	3,384	4,802	2,977	3,567	3,200	4,203	33,850
Contribution deficiency (excess)	358	(279)	(61)	(342)	(1,742)	(1,439)	(1,728)	(2,190)	(3,262)	(30,886)
Covered-employee payroll	1,444,707	1,397,835	1,346,186	1,296,877	1,245,383	1,148,771	1,180,296	1,219,424	1,178,197	1,170,773
Contributions as a percentage of covered-employee payroll	0.3%	0.4%	0.2%	0.3%	0.4%	0.3%	0.3%	0.3%	0.4%	2.9%

**Notes to Schedule:**

*Valuation date*

June 30, 2021 with no adjustments to get to the June 30, 2021 measurement date.

*Actuarial cost method*

Entry age normal (Level Percent of Payroll)

*Amortization method*

Level dollar

*Amortization period*

26 years

*Inflation*

2.00%

*Healthcare cost trend rates*

8.0% initial, decreasing 0.5% per year to an ultimate rate of 4.5%

*Salary increases*

2.65% for general wage inflation (includes 2.00% inflation and 0.65% real wage growth) plus the following merit and productivity increases which are based on the assumptions approved from the Indiana Public Retirement System (INPRS) 2020 Experience Study: YOS 0, 6.00%; YOS 5, 2.00%; YOS 10, 0.75%; YOS 13+, 0.00%.

*Investment rate of return*

3.25% as of July 1, 2020 and 3.00% as of June 30, 2021

*Retirement age*

Annual retirement rates are based on the INPRS 2020 experience study.

*Mortality*

For Judges and PARF employees and retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020 with a 1 year setback for males and females.

For all other healthy employees and retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020 with a 3 year set forward for males and a 1 year set forward for females.

For Disabled retirees: SOA Pub-2010 General Disabled Retiree Headcount Weighted Mortality Table fully generational using Scale MP-2020 with a 140% load.

For Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020 with no setforward for males and a 2 year for females.

*Other information*

Census data as of June 30, 2021 was used in the valuation.

**Schedule of Contributions  
Other Postemployment Benefit Plans  
Indiana State Police Healthcare Plan  
(amounts expressed in thousands)**

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>	<u>6/30/2012</u>
Actuarially determined contribution	\$ 5,897	\$ 9,116	\$ 18,356	\$ 35,042	\$ 34,980	\$ 30,630	\$ 29,604	\$ 26,030	\$ 27,419	\$ 27,794
Contributions in relation to the actuarially determined contribution	<u>22,322</u>	<u>21,727</u>	<u>23,937</u>	<u>25,814</u>	<u>26,871</u>	<u>34,862</u>	<u>25,320</u>	<u>24,835</u>	<u>11,684</u>	<u>18,627</u>
Contribution deficiency (excess)	(16,425)	(12,611)	(5,581)	9,228	8,109	(4,232)	4,284	1,195	15,735	9,167
Covered-employee payroll	119,889	120,255	120,447	107,914	98,693	91,753	92,130	93,630	93,680	92,494
Contributions as a percentage of covered-employee payroll	18.6%	18.1%	19.9%	23.9%	27.2%	38.0%	27.5%	26.5%	12.5%	20.1%

**Notes to Schedule:**

*Valuation date*

June 30, 2021 with no adjustments to get to the June 30, 2021 measurement date.

*Actuarial cost method*

Entry age normal (Level Percent of Payroll)

*Amortization method*

Level dollar

*Amortization period*

26 years

*Inflation*

2.00%

*Healthcare cost trend rates*

8.0% initial, decreasing 0.5% per year to an ultimate rate of 4.5%

*Salary increases*

Payroll growth rates are based on the tables used in the Indiana State Police actuarial pension valuation as of July 1, 2020 as follows: Age 26, 3.5% (Pre-1987), 9.00% (1987); Age 31, 3.50% (Pre-1987), 6.50% (1987); Age 36+, 3.50% (Pre-1987), 4.00% (1987)

*Investment rate of return*

6.20% as of July 1, 2020 and 6.20% as of June 30, 2021

*Retirement age*

Annual retirement rates are based on ISP's 2011 experience study.

*Mortality*

Healthy employees and retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020 with a 3 year set forward for males and no set forward for females.

Disabled retirees: SOA Pub-2010 General Disabled Retiree Headcount Weighted Mortality Table fully generational using Scale MP-2020

Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020 with no set forward for males and 2 year set forward for females.

*Other information*

Census data as of June 30, 2021 was used in the valuation.

**Schedule of Contributions**  
**Other Postemployment Benefit Plans**  
**Conservation and Excise Police Healthcare Plan**  
**(amounts expressed in thousands)**

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>	<u>6/30/2013</u>	<u>6/30/2012</u>
Actuarially determined contribution	\$ 2,934	\$ 5,600	\$ 3,774	\$ 3,831	\$ 3,349	\$ 3,313	\$ 3,124	\$ 2,822	\$ 3,053	\$ 3,675
Contributions in relation to the actuarially determined contribution	4,301	4,167	4,021	6,241	3,718	3,575	2,437	2,482	2,893	6,889
Contribution deficiency (excess)	(1,367)	1,433	(247)	(2,410)	(369)	(262)	687	340	160	(3,214)
Covered-employee payroll	18,550	18,453	18,883	16,981	15,602	14,497	15,106	15,969	16,038	15,541
Contributions as a percentage of covered-employee payroll	23.2%	22.6%	21.3%	36.8%	23.8%	24.7%	16.1%	15.5%	18.0%	44.3%

**Notes to Schedule:**

*Valuation date*

June 30, 2021 with no adjustments to get to the June 30, 2021 measurement date.

*Actuarial cost method*

Entry age normal (Level Percent of Payroll)

*Amortization method*

Level dollar

*Amortization period*

26 years

*Inflation*

2.00%

*Healthcare cost trend rates*

8.0% initial, decreasing 0.5% per year to an ultimate rate of 4.5%

*Salary increases*

2.65% for general wage inflation plus the following merit and productivity increases which are based on the assumptions approved from the Indiana Public Retirement System (INPRS) 2020 Experience Study: YOS 0, 2.25%; YOS 5, 1.00%; YOS 9+, 0.00%

*Investment rate of return*

6.20% as of July 1, 2020 and 6.20% as of June 30, 2021

*Retirement age*

Annual retirement rates are based on the INPRS 2020 experience study.

*Mortality*

Healthy employees and retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020 with a 3 year set forward for males and no set forward for females.

Disabled retirees: SOA Pub-2010 General Disabled Retiree Headcount Weighted Mortality Table fully generational using Scale MP-2020

Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020 with no set forward for males and a 2 year set forward for females.

*Other information*

Census data as of June 30, 2021 was used in the valuation.

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

	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
<b>Total pension liability</b>								
Service cost	\$ 19,641	\$ 19,824	\$ 15,926	\$ 14,409	\$ 14,537	\$ 14,356	\$ 13,747	\$ 13,576
Interest	46,071	45,018	43,156	39,358	37,930	35,912	34,935	33,758
Changes of benefit terms	-	-	-	-	-	275	269	147
Differences between expected and actual experience	(12,530)	(9,072)	(5,963)	42,319	(562)	4,765	778	1,112
Changes of assumptions	(23,483)	(1,513)	8,070	(6,232)	(5)	9,230	775	533
Benefit payments, including refunds of employee contributions	(38,734)	(38,391)	(35,060)	(34,228)	(33,677)	(34,955)	(32,923)	(30,724)
<b>Net change in total pension liability</b>	<b>(9,035)</b>	<b>15,866</b>	<b>26,129</b>	<b>55,626</b>	<b>18,223</b>	<b>29,583</b>	<b>17,581</b>	<b>18,402</b>
<b>Total pension liability, beginning</b>	<b>686,224</b>	<b>670,358</b>	<b>644,229</b>	<b>588,603</b>	<b>570,380</b>	<b>540,797</b>	<b>523,216</b>	<b>504,814</b>
<b>Total pension liability, ending</b>	<b>\$ 677,189</b>	<b>\$ 686,224</b>	<b>\$ 670,358</b>	<b>\$ 644,229</b>	<b>\$ 588,603</b>	<b>\$ 570,380</b>	<b>\$ 540,797</b>	<b>\$ 523,216</b>
<b>Plan fiduciary net position</b>								
Contributions, employer	\$ 34,095	\$ 29,901	\$ 25,002	\$ 20,556	\$ 18,073	\$ 13,451	\$ 14,005	\$ 47,588
Contributions, employee	5,338	5,289	4,683	3,997	4,043	3,967	3,763	3,786
Net investment income	7,110	18,794	23,078	41,977	(10,454)	(990)	44,883	29,787
Benefit payments, including refunds of employee contributions	(38,734)	(38,391)	(35,060)	(34,228)	(33,677)	(34,955)	(32,923)	(30,724)
Administrative expense	(392)	(389)	(381)	(388)	(306)	(300)	(307)	(261)
Other	-	-	1	1	1	-	(11)	2
<b>Net change in plan fiduciary net position</b>	<b>7,417</b>	<b>15,204</b>	<b>17,323</b>	<b>31,915</b>	<b>(22,320)</b>	<b>(18,827)</b>	<b>29,410</b>	<b>50,178</b>
<b>Plan fiduciary net position, beginning</b>	<b>491,293</b>	<b>476,089</b>	<b>458,766</b>	<b>426,851</b>	<b>449,171</b>	<b>467,998</b>	<b>438,588</b>	<b>388,410</b>
<b>Plan fiduciary net position, ending</b>	<b>\$ 498,710</b>	<b>\$ 491,293</b>	<b>\$ 476,089</b>	<b>\$ 458,766</b>	<b>\$ 426,851</b>	<b>\$ 449,171</b>	<b>\$ 467,998</b>	<b>\$ 438,588</b>
<b>Net pension liability</b>	<b>\$ 178,479</b>	<b>\$ 194,931</b>	<b>\$ 194,269</b>	<b>\$ 185,463</b>	<b>\$ 161,752</b>	<b>\$ 121,209</b>	<b>\$ 72,799</b>	<b>\$ 84,628</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>73.6%</b>	<b>71.6%</b>	<b>71.0%</b>	<b>71.2%</b>	<b>72.5%</b>	<b>78.7%</b>	<b>86.5%</b>	<b>83.8%</b>
<b>Covered payroll</b>	<b>88,652</b>	<b>88,103</b>	<b>87,972</b>	<b>75,035</b>	<b>68,139</b>	<b>67,628</b>	<b>68,490</b>	<b>63,347</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>201.3%</b>	<b>221.3%</b>	<b>220.8%</b>	<b>247.2%</b>	<b>237.4%</b>	<b>179.2%</b>	<b>106.3%</b>	<b>133.6%</b>

**Notes to Schedule:**

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

*Benefit changes:* There were no changes in benefit terms during the fiscal year.

*Changes of assumptions:* For 2020, the mortality table was changed to the SOA Pub-2010 Mortality Table with variants for different subpopulations. The most recent comprehensive experience study was completed in 2019 and was based on member experience through June 30, 2019. Demographic assumptions were updated as needed based on the results of the study. 6/30/2018 Mortality Assumption: Mortality rates for healthy members were based on the RP-2014 Total Dataset Mortality Tables adjusted to 2006 with MP-2017 Mortality Improvement Scale. Mortality rates for disabled members were based on the RP-2014 Mortality tables for disabled members adjusted to 2006 with MP-2017 Mortality Improvement Scale. The mortality improvement scale was changed to the MP-2017 Scale. 6/30/2017 Mortality Assumption: The mortality improvement scale was changed to the MP-2016 Scale. 6/30/2016 Mortality Assumption: Mortality rates for healthy members were based on the RP-2014 Blue Collar Mortality Tables adjusted to 2006 with MP-2015 Mortality Improvement Scale. Mortality rates for disabled members were based on the RP-2014 Mortality tables for disabled members adjusted to 2006 with MP-2015 Mortality Improvement Scale. 6/30/2015 Mortality Assumption: Mortality rates for healthy members were based on the RP-2014 Blue Collar Mortality Tables adjusted to 2006 with MP-2015 Mortality Improvement Scale. Mortality rates for disabled members were based on the RP-2014 Mortality tables for disabled members adjusted to 2006 with MP-2015 Mortality Improvement Scale. 6/30/2014 Mortality Assumption: Mortality rates for healthy members were based on the 2014 separate non-annuitant and annuitant mortality tables (separate male and female tables) as published by the IRS. Mortality rates for disabled members were based on the same tables increased by 115% for disabled retirements and disabled terminations with deferred benefits. 6/30/2013 Mortality Assumption: Mortality rates for healthy members were based on the 2013 separate non-annuitant and annuitant mortality tables (separate male and female tables) as published by the IRS. Mortality rates for disabled members were based on the same tables increased by 115% for disabled retirements and disabled terminations with deferred benefits.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

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

	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
<b>Total pension liability</b>					
Service cost	\$ 4,230	\$ 4,485	\$ 4,112	\$ 4,422	\$ 3,776
Interest	511	628	663	582	1,143
Differences between expected and actual experience	7,530	(1,753)	(880)	(59)	(476)
Changes of assumptions	(956)	297	(63)	(645)	4,125
Benefit payments, including refunds of employee contributions, and administrative and other expenses	(3,997)	(3,983)	(4,343)	(4,259)	(4,677)
<b>Net change in total pension liability</b>	7,318	(326)	(511)	41	3,891
<b>Total pension liability, beginning</b>	16,247	16,573	17,084	17,043	13,152
<b>Total pension liability, ending</b>	<u>\$ 23,565</u>	<u>\$ 16,247</u>	<u>\$ 16,573</u>	<u>\$ 17,084</u>	<u>\$ 17,043</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Covered payroll</b>	88,652	88,103	87,972	75,731	68,786
<b>Net pension liability as a percentage of covered payroll</b>	26.6%	18.4%	18.8%	22.6%	24.8%

**Notes to Schedule:**

*Benefit changes.* There were no changes in benefit terms during the fiscal year.

*Measurement date:* Actuarial valuation report from the prior fiscal year.

*Changes of assumptions.* In 2020, the mortality rate table was changed to the SOA Pubs-2010 Mortality Tables with variants for different subpopulations. Demographic assumptions were updated as needed based on results of the most recent experience study. New assumptions were needed to value medical insurance premiums for active participant disabilities that occurred in the line of duty. Mortality rates for healthy members were based on the RP-2014 Total Dataset Mortality Tables adjusted from 2006 using MP-2018 Mortality Improvement Scale. Mortality rates for disabled members were based on the RP-2014 Mortality tables for disabled members adjusted from 2006 using MP-2018 Mortality Improvement Scale.

2.66% discount rate as of June 30, 2020. 2.79% discount rate as of June 30, 2019. 2.98% discount rate, net of pension plan investment expense, including inflation at June 30, 2018. Discount rate of 3.13% as of June 30, 2017. Rate is S&P Municipal Bond 20 year high grade rate index.

Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported. For the July 1, 2016 actuarial valuation, the inflation assumption was reduced from 3.50% to 2.25%.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2016 for GASB-S73 purposes.

**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Employee Retirement Systems and Plans**  
**State Excise Police, Gaming Agent, Gaming Control Officer, and Conservation Enforcement Officers' Retirement Plan**  
(amounts expressed in thousands)

	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
<b>Total pension liability</b>								
Service cost	\$ 3,983	\$ 3,552	\$ 3,369	\$ 3,550	\$ 3,011	\$ 3,905	\$ 3,841	\$ 3,811
Interest	10,294	9,448	9,619	9,389	8,955	8,384	8,031	7,740
Changes of benefit terms	814	-	-	-	-	-	-	-
Differences between expected and actual experience	6,031	6,427	(587)	120	470	845	(430)	(1,845)
Changes of assumptions	(1,984)	-	(8,015)	(2,578)	-	2,669	-	(40)
Benefit payments, including refunds of employee contributions	(7,367)	(7,325)	(6,935)	(6,826)	(6,245)	(6,608)	(5,938)	(4,836)
Member reassignments	-	-	-	(26)	(21)	-	-	(15)
Other	-	50	1	9	(1)	-	-	-
<b>Net change in total pension liability</b>	11,771	12,152	(2,548)	3,638	6,169	9,195	5,504	4,815
<b>Total pension liability, beginning</b>	152,207	140,055	142,603	138,965	132,796	123,601	118,097	113,282
<b>Total pension liability, ending</b>	<u>\$ 163,978</u>	<u>\$ 152,207</u>	<u>\$ 140,055</u>	<u>\$ 142,603</u>	<u>\$ 138,965</u>	<u>\$ 132,796</u>	<u>\$ 123,601</u>	<u>\$ 118,097</u>
<b>Plan fiduciary net position</b>								
Contributions, employer	\$ 6,742	\$ 6,982	\$ 6,175	\$ 5,691	\$ 5,367	\$ 5,215	\$ 5,359	\$ 19,740
Contributions, employee	1,299	1,368	1,172	1,102	1,016	1,004	1,019	1,006
Net investment income	3,677	9,711	11,189	8,869	1,313	(71)	13,339	4,702
Benefit payments, including refunds of employee contributions	(7,367)	(7,325)	(6,935)	(6,825)	(6,245)	(6,609)	(5,938)	(4,836)
Administrative expense	(107)	(112)	(136)	(124)	(139)	(158)	(141)	(121)
Member reassignments	-	-	-	(26)	(21)	-	-	(15)
Other	-	-	10	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	4,244	10,624	11,475	8,687	1,291	(619)	13,638	20,476
<b>Plan fiduciary net position, beginning</b>	142,115	131,491	120,016	111,329	110,038	110,657	97,019	76,543
<b>Plan fiduciary net position, ending</b>	<u>\$ 146,359</u>	<u>\$ 142,115</u>	<u>\$ 131,491</u>	<u>\$ 120,016</u>	<u>\$ 111,329</u>	<u>\$ 110,038</u>	<u>\$ 110,657</u>	<u>\$ 97,019</u>
<b>Net pension liability</b>	<u>\$ 17,619</u>	<u>\$ 10,092</u>	<u>\$ 8,564</u>	<u>\$ 22,587</u>	<u>\$ 27,636</u>	<u>\$ 22,758</u>	<u>\$ 12,944</u>	<u>\$ 21,078</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	89.3%	93.4%	93.9%	84.2%	80.1%	82.9%	89.5%	82.2%
<b>Covered payroll</b>	32,491	33,272	29,387	27,428	25,526	25,133	25,825	24,675
<b>Net pension liability as a percentage of covered payroll</b>	54.2%	30.3%	29.1%	82.4%	108.3%	90.6%	50.1%	85.4%

**Notes to Schedule:**

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

Benefit changes. For 2020 the eligibility condition for active death member death benefits changed from 15 years of service to no service requirement. Death benefits were set to be a minimum of the benefit due as if the member had 25 years of service and was age 50. 100% of the death benefit is payable to an eligible spouse if the death occurs in the line of duty and 50% of the death benefit is payable to an eligible spouse if the death occurs other than in the line of duty.

Changes of assumptions. An assumption study was performed in April of 2015 resulting in an update to the following assumptions: 1) The inflation assumption changed from 3.0% per year to 2.25% per year; 2) the future salary increases assumption changed from 3.25% to 2.5% per year; 3) the mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 Blue Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report; 4) the retirement assumption changed to reflect higher likelihood of retirement at certain ages; 5) the termination assumption changed from an age-based table to a service-based table; and 6) the dependent assumption was adjusted to reflect recent experience. For disabled members, in 2017 the RP-2014 (with MP-2014 improvement removed) Disability Mortality Table was assumed instead of the RP-2014 (with MP-2014 improvement removed) Healthy Annuitant Mortality Tables with collar adjustments. As of June 30, 2019, in lieu of a COLA on January 1, 2020 and January 1, 2010, members in pay were provided a 13th check on October 1, 2019. Thereafter, the following COLAs, compounded annually, were assumed:

0.4% beginning on January 1, 2022

0.5% beginning on January 1, 2034

0.6% beginning on January 1, 2039

In 2020, the future salary increase assumption changed from a constant 2.50 percent per year to a service-based table ranging from 2.75 percent to 5.0 percent. The mortality assumption changed from the RP-2014 Blue Collar mortality tables to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scal MP-2019. The retirement assumption was updated based on recent experience. The line of duty death assumption was added based on recent experience. 20 percent of active deaths are assumed to be in the line of duty. Previously this assumption was not set.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.



**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Employee Retirement Systems and Plans**  
**Prosecuting Attorneys' Retirement Fund**  
(amounts expressed in thousands)

	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
<b>Total pension liability</b>								
Service cost	\$ 2,067	\$ 2,031	\$ 1,947	\$ 1,650	\$ 1,626	\$ 1,603	\$ 1,587	\$ 1,568
Interest	7,402	6,959	6,521	5,714	5,239	4,409	4,207	3,816
Changes of benefit terms	-	-	-	6,547	-	-	-	1,346
Differences between expected and actual experience	(2,515)	2,240	2,156	1,996	4,058	4,551	-	1,474
Changes of assumptions	(5,012)	-	-	(216)	-	5,216	-	(109)
Benefit payments, including refunds of employee contributions	(4,974)	(4,433)	(3,995)	(4,069)	(3,747)	(3,254)	(2,398)	(2,235)
Other	-	-	-	-	(2)	-	-	-
<b>Net change in total pension liability</b>	<b>(3,032)</b>	<b>6,797</b>	<b>6,629</b>	<b>11,622</b>	<b>7,174</b>	<b>12,525</b>	<b>3,396</b>	<b>5,860</b>
<b>Total pension liability, beginning</b>	<b>110,081</b>	<b>103,284</b>	<b>96,655</b>	<b>85,033</b>	<b>77,861</b>	<b>65,336</b>	<b>61,940</b>	<b>56,080</b>
<b>Total pension liability, ending</b>	<b>\$ 107,049</b>	<b>\$ 110,081</b>	<b>\$ 103,284</b>	<b>\$ 96,655</b>	<b>\$ 85,035</b>	<b>\$ 77,861</b>	<b>\$ 65,336</b>	<b>\$ 61,940</b>
<b>Plan fiduciary net position</b>								
Contributions, employer	\$ 4,232	\$ 3,216	\$ 3,014	\$ 1,486	\$ 1,440	\$ 1,063	\$ 1,174	\$ 19,443
Contributions, employee	1,439	1,307	1,295	1,357	1,279	1,269	1,334	1,271
Net investment income	1,730	4,489	5,218	4,167	589	(34)	6,581	1,897
Benefit payments, including refunds of employee contributions	(4,974)	(4,433)	(3,995)	(4,069)	(3,747)	(3,254)	(2,398)	(2,235)
Administrative expense	(74)	(75)	(88)	(158)	(193)	(127)	(108)	(145)
Other	-	-	-	-	-	-	4	-
<b>Net change in plan fiduciary net position</b>	<b>2,353</b>	<b>4,504</b>	<b>5,444</b>	<b>2,783</b>	<b>(632)</b>	<b>(1,083)</b>	<b>6,587</b>	<b>20,231</b>
<b>Plan fiduciary net position, beginning</b>	<b>65,523</b>	<b>61,019</b>	<b>55,575</b>	<b>52,792</b>	<b>53,424</b>	<b>54,507</b>	<b>47,920</b>	<b>27,689</b>
<b>Plan fiduciary net position, ending</b>	<b>\$ 67,876</b>	<b>\$ 65,523</b>	<b>\$ 61,019</b>	<b>\$ 55,575</b>	<b>\$ 52,792</b>	<b>\$ 53,424</b>	<b>\$ 54,507</b>	<b>\$ 47,920</b>
<b>Net pension liability</b>	<b>\$ 39,173</b>	<b>\$ 44,558</b>	<b>\$ 42,265</b>	<b>\$ 41,080</b>	<b>\$ 32,243</b>	<b>\$ 24,437</b>	<b>\$ 10,829</b>	<b>\$ 14,020</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	63.4%	59.5%	59.1%	57.5%	62.1%	68.6%	83.4%	77.4%
<b>Covered payroll</b>	23,989	21,791	21,578	22,635	21,372	21,145	20,608	18,805
<b>Net pension liability as a percentage of covered payroll</b>	163.3%	204.5%	195.9%	181.5%	150.9%	115.6%	52.5%	74.6%

**Notes to Schedule:**

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

Benefit changes. In 2013, HB 1057 changed the benefits in the Prosecuting Attorneys' Retirement Fund to be comparable to the Judges' Retirement Fund. Per 2016 Senate Enrolled Act No. 265, the PERF offset reflected in the PARF benefit formula was changed to be the actual PERF benefit amount the member is receiving for members who commence their PERF benefit before their PARF benefit. As a result of this change, for current active and inactive vested members, the PERF benefit commencement timing assumption was updated to 75% assumed to commence their PERF benefit at the earliest PERF eligibility and 25% assumed to commence their PERF benefit at PARF commencement.

Changes of assumptions. In 2013, the interest crediting rate on member contributions was changed to 3.5% from 5.5%. An assumption study was performed in April 2015 resulting in an update to the following assumptions: 1) The inflation assumption changed from 3.0% per year to 2.25% per year 2) The mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 (with MP-2014 improvement removed) White Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report; and 3) the retirement assumption changed from an age and points-based table to an age and service-based table, reflecting higher rates of retirement after 22 years of service. In 2017, for disabled members, the mortality assumption was updated from the RP-2014 (with MP-2014 improvement removed) White collar Mortality tables to the RP-2014 (with MP-2014 improvement removed) Disability Mortality tables. In 2020, the future salary increases assumption decreased from 4% to 2.75% per year. The mortality assumption changed from the RP-2014 White Collar mortality table to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. The retirement assumption changed from an age- and service-based table to an age-based table split by eligibility for reduced or unreduced benefits.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

**Schedule of Changes in Net Pension Liability and Related Ratios  
Employee Retirement Systems and Plans  
Legislators' Defined Benefit Plan  
(amounts expressed in thousands)**

	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
<b>Total pension liability</b>								
Service cost	\$ -	\$ -	\$ -	\$ 1	\$ 2	\$ 3	\$ 3	\$ 2
Interest	215	224	245	259	280	269	277	291
Differences between expected and actual experience	(14)	10	(85)	(113)	(233)	(68)	(36)	(140)
Changes of assumptions	(87)	-	(121)	-	-	325	-	-
Benefit payments, including refunds of employee contributions	(349)	(356)	(359)	(358)	(359)	(370)	(363)	(365)
<b>Net change in total pension liability</b>	<b>(235)</b>	<b>(122)</b>	<b>(320)</b>	<b>(211)</b>	<b>(310)</b>	<b>159</b>	<b>(119)</b>	<b>(212)</b>
<b>Total pension liability, beginning</b>	<b>3,362</b>	<b>3,484</b>	<b>3,804</b>	<b>4,015</b>	<b>4,325</b>	<b>4,166</b>	<b>4,285</b>	<b>4,497</b>
<b>Total pension liability, ending</b>	<b>\$ 3,127</b>	<b>\$ 3,362</b>	<b>\$ 3,484</b>	<b>\$ 3,804</b>	<b>\$ 4,015</b>	<b>\$ 4,325</b>	<b>\$ 4,166</b>	<b>\$ 4,285</b>
<b>Plan fiduciary net position</b>								
Contributions, employer	\$ 208	\$ 269	\$ 237	\$ 135	\$ 138	\$ 131	\$ 138	\$ 150
Net investment income	77	209	263	221	27	(5)	439	201
Benefit payments, including refunds of employee contributions	(349)	(356)	(359)	(356)	(359)	(370)	(363)	(365)
Administrative expense	(38)	(38)	(64)	(53)	(61)	(71)	(62)	(34)
<b>Net change in plan fiduciary net position</b>	<b>(102)</b>	<b>84</b>	<b>77</b>	<b>(53)</b>	<b>(255)</b>	<b>(315)</b>	<b>152</b>	<b>(48)</b>
<b>Plan fiduciary net position, beginning</b>	<b>3,026</b>	<b>2,942</b>	<b>2,865</b>	<b>2,918</b>	<b>3,174</b>	<b>3,489</b>	<b>3,337</b>	<b>3,385</b>
<b>Plan fiduciary net position, ending</b>	<b>\$ 2,924</b>	<b>\$ 3,026</b>	<b>\$ 2,942</b>	<b>\$ 2,865</b>	<b>\$ 2,919</b>	<b>\$ 3,174</b>	<b>\$ 3,489</b>	<b>\$ 3,337</b>
<b>Net pension liability</b>	<b>\$ 203</b>	<b>\$ 336</b>	<b>\$ 542</b>	<b>\$ 939</b>	<b>\$ 1,096</b>	<b>\$ 1,151</b>	<b>\$ 677</b>	<b>\$ 948</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	93.5%	90.0%	84.4%	75.3%	72.7%	73.4%	83.7%	77.9%
<b>Covered payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Net pension liability as a percentage of covered payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes to Schedule:**

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

*Benefit changes.* There were no changes to the plan that impacted the pension benefits during the fiscal year.

Changes of assumptions. An assumption study was performed in April of 2015 resulting in an update to the following 'assumptions: 1) The inflation assumption changed from 3.0% per year to 2.25% per year; and 2) the mortality 'assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 (with MP-2014 improvement removed)

White Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report. For disabled members, in 2017, the RP-2014 (with MP-2014 improvement removed) Disability Mortality Table was assumed instead of the RP-2014 (with MP-2014 improvement removed) Healthy Annuitant Mortality Tables with collar adjustments.

As of June 30, 2019, in lieu of a COLA on January 1, 2020 and January 1, 2010, members in pay were provided a 13th check on October 1, 2019. Thereafter, the following COLAs, compounded annually, were assumed:

0.4% beginning on January 1, 2022

0.5% beginning on January 1, 2034

0.6% beginning on January 1, 2039

In 2020, the future salary increase assumption changed from 2.25% to 2.75% per year. The mortality assumption changed from the RP-2014 White Collar mortality tables to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. The disability and termination assumptions were removed.

N/A is not applicable as this is a closed plan with no payroll.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

**Schedule of Changes in Net Pension Liability and Related Ratios**  
**Employee Retirement Systems and Plans**  
**Judges' Retirement System**  
(amounts expressed in thousands)

	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
<b>Total pension liability</b>								
Service cost	\$ 19,567	\$ 18,230	\$ 14,886	\$ 14,762	\$ 13,870	\$ 15,283	\$ 15,302	\$ 16,084
Interest	40,006	37,346	35,565	34,083	31,889	31,753	30,992	30,047
Differences between expected and actual experience	(1,968)	8,527	(3,090)	(3,107)	7,182	8,411	(16,026)	(13,603)
Changes of assumptions	(24,814)	-	-	(1,213)	-	(31,926)	-	186
Benefit payments, including refunds of employee contributions	(26,836)	(25,391)	(23,621)	(22,099)	(20,922)	(19,432)	(18,527)	(17,579)
Member reassignments	-	-	-	-	-	-	4	121
Other	56	93	219	183	162	-	-	-
<b>Net change in total pension liability</b>	6,011	38,805	23,959	22,609	32,181	4,089	11,745	15,256
<b>Total pension liability, beginning</b>	586,499	547,694	523,735	501,126	468,945	464,855	453,110	437,854
<b>Total pension liability, ending</b>	<u>\$ 592,510</u>	<u>\$ 586,499</u>	<u>\$ 547,694</u>	<u>\$ 523,735</u>	<u>\$ 501,126</u>	<u>\$ 468,944</u>	<u>\$ 464,855</u>	<u>\$ 453,110</u>
<b>Plan fiduciary net position</b>								
Contributions, employer	\$ 18,166	\$ 16,031	\$ 15,117	\$ 16,824	\$ 16,946	\$ 21,020	\$ 20,895	\$ 111,419
Contributions, employee	3,549	3,476	3,418	3,468	3,239	3,292	2,856	2,631
Net investment income	14,020	37,371	44,104	35,196	5,323	(102)	51,890	16,955
Benefit payments, including refunds of employee contributions	(26,836)	(25,391)	(23,623)	(22,101)	(20,922)	(19,432)	(18,527)	(17,579)
Administrative expense	(109)	(108)	(119)	(124)	(148)	(165)	(146)	(126)
Member reassignments	-	-	-	-	-	-	4	121
Other	-	-	-	-	-	9	6	5
<b>Net change in plan fiduciary net position</b>	8,790	31,379	38,897	33,263	4,438	4,622	56,978	113,426
<b>Plan fiduciary net position, beginning</b>	545,331	513,952	475,055	441,790	437,352	432,730	375,752	262,326
<b>Plan fiduciary net position, ending</b>	<u>\$ 554,121</u>	<u>\$ 545,331</u>	<u>\$ 513,952</u>	<u>\$ 475,053</u>	<u>\$ 441,790</u>	<u>\$ 437,352</u>	<u>\$ 432,730</u>	<u>\$ 375,752</u>
<b>Net pension liability</b>	<u>\$ 38,389</u>	<u>\$ 41,168</u>	<u>\$ 33,742</u>	<u>\$ 48,682</u>	<u>\$ 59,336</u>	<u>\$ 31,592</u>	<u>\$ 32,125</u>	<u>\$ 77,358</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	93.5%	93.0%	93.8%	90.7%	88.2%	93.3%	93.1%	82.9%
<b>Covered payroll</b>	58,189	56,380	53,350	54,755	51,382	48,582	46,041	47,595
<b>Net pension liability as a percentage of covered payroll</b>	66.0%	73.0%	63.2%	88.9%	115.5%	65.0%	69.8%	162.5%

**Notes to Schedule:**

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

*Benefit changes.* There were no changes to the plan that impacted the pension benefits during the fiscal year.

*Changes of assumptions.* An assumption study was performed in April of 2015 resulting in an update to the following assumptions: 1) The inflation assumption changed from 3.0% per year to 2.25% per year; 2) the future salary increases assumption changed from 4.0% to 2.5% per year; 3) the cost-of-living 'assumption decreased from 4.0% to 2.5% per year; 4) the mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 (with MP-2014 improvement removed) White Collar mortality tables, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report; 5) the retirement assumption changed from an age-based table to an age and service based table, reflecting higher rates of retirement after 22 years of service; 6) the termination assumption changed from an age-based table to 3% for all members; and 7) the dependent assumption was adjusted to reflect recent experience. For disabled members, in 2017 the RP-2014 (with MP-2014 improvement removed) Disability Mortality Table was assumed instead of the RP-2014 (with MP-2014 improvement removed) Healthy Annuitant Mortality Tables with collar adjustments. In 2020 the future salary increase and the cost of living increase assumptions both increased from 2.5% to 2.75%. The mortality assumption changed from the RP-2014 White Collar mortality tables to the Pub-2010 Public Retirement Plans Mortality Tables with a gully generational projection of mortality improvements using SOA Scale MP-2019. The retirement assumption changed from an age-and service-based table to an age-based table split by eligibility for reduced or unreduced benefits. The disability assumption was updated based on recent experience.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

**Schedule of the State's Proportionate Share of the Net Pension Liability  
Employee Retirement Systems and Plans  
Public Employees' Retirement Fund  
(amounts expressed in thousands)**

	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
State's proportion of the net pension liability (asset)	26.06%	25.90%	25.58%	25.74%	25.04%	24.27%	24.85%	24.45%
State's proportionate share of the net pension liability (asset)	\$ 786,971	\$ 856,020	\$ 868,814	\$ 1,148,261	\$ 1,136,293	\$ 988,605	\$ 652,920	\$ 837,311
State's covered payroll	1,406,618	1,349,423	1,305,016	1,276,857	1,199,921	1,162,622	1,213,031	1,173,716
State's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	55.9%	63.4%	66.6%	89.9%	94.7%	85.0%	53.8%	71.3%
Plan fiduciary net position as a percentage of the total pension liability	81.4%	80.1%	78.9%	76.6%	75.3%	77.3%	84.3%	78.8%

**Notes to Schedule:**

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

Benefit changes. In 2014, HB 1075 impacted the PERF by reducing the Annuity Savings Account (ASA) interest crediting rate on annuities from 7.5% to 5.75% effective October 1, 2014. Effective October 1, 2015 the rate becomes the greater of 4.5% or market rate. On January 1, 2017, the ASA annuities are allowed to be outsourced to a third party provider. Beginning January 1, 2018 ASA annuitizations were accommodated through a third party provider. During FYE 2018, the Annuity Savings Accounts were completely separated from the defined benefit plan, and so are no longer relevant to the valuation process. In 2019, HB 1059 expanded the current pre-retirement death benefit eligibility to members with at least 10 years of service.

Changes of assumptions. An assumption study was performed in April of 2015 resulting in an update to the following assumptions: 1) the inflation assumption changed from 3% to 2.25% per year; 2) the future salary increase assumption changed from an age-based table ranging from 3.25% to 4.5% to an age-based table ranging from 2.5% to 4.25%; 3) the mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Table projected on a fully generationally basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee report; 4) the retirement assumption was updated based on recent experience. Additionally, for actives who are eligible for early retirement (reduced benefit), 33% are assumed to commence benefits immediate and 67% are assumed to commence benefits at unreduced retirement eligibility. If eligible for an unreduced retirement benefit upon termination from employment, 100% commence immediately; 5) the termination assumption was updated based on recent experience. For members earning less than \$20,000, the tables were updated from a select and ultimate table to just an ultimate table as there is little correlation with service. For members earning more than \$20,000, the table were updated from using a 5-year select period to a 10-year select period to correspond with the vesting schedule; 6) the disability assumption was updated based on recent experience; and 7) the ASA annuitization assumptions was updated from 50% of members assumed to annuitize their ASA balance to 60% of members assumed to annuitize their ASA balance prior to January 1, 2018. For disabled members, in 2017, the RP-2014 (with MP-2014 improvement removed) Disability Mortality Table was assumed instead of the RP-2014 (with MP-2014 improvement removed) Healthy Annuitant Mortality Tables with collar adjustments. As of June 30, 2018, in lieu of a COLA on January 1, 2019, members in pay were provided a 13th check on October 1, 2018. It is assumed a 13th check would continue for the 2020 and 2021 fiscal years. Thereafter, the following COLAs, compounded annually, were assumed:

0.4% beginning on January 1, 2022

0.5% beginning on January 1, 2034

0.6% beginning on January 1, 2039

In 2020, the future salary increase assumption changed from an age-based table ranging from 2.5% to 4.25% to a service-based table ranging from 2.75% to 8.75%. The mortality assumption changed from the RP-2014 Total Data Set Mortality Tables to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. The retirement assumption was updated from an age- and service-based table to an age-based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30% are now assumed to commence benefits immediately and 70% are assumed to commence benefits at unreduced retirement eligibility. Previously 33% of actives were assumed to commence benefits with early retirement while 67% were assumed to wait for unreduced retirement eligibility. The termination assumption was updated. For state members the tables were combined from being split by salary and sex to being one unisex service-based table. The disability assumption was updated based on recent experience. The marital assumption was updated to 80% of male members and 65% of female members are assumed to be married or to have a dependent beneficiary. Previous amounts were 75% and 60%, respectively. The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

**Schedule of the State's Proportionate Share of the Net Pension Liability  
Employee Retirement Systems and Plans  
Teachers' Retirement Fund Pre-1996 Account  
(amounts expressed in thousands)**

	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
State's proportion of the net pension liability (asset)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
State's proportionate share of the net pension liability (asset)	\$ 10,307,552	\$ 10,630,019	\$ 10,871,842	\$ 11,919,139	\$ 12,052,671	\$ 11,917,837	\$ 10,853,349	\$ 11,248,396
Plan fiduciary net position as a percentage of the total pension liability	26.2%	26.1%	25.4%	28.8%	28.4%	30.0%	33.6%	31.7%

**Notes to Schedule:**

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

**Benefit changes.** In 2014, HB 1075 impacted the TRF Pre-1996 Account by reducing the Annuity Savings Account (ASA) interest crediting rate on annuities from 7.5% to 5.75% effective October 1, 2014. Effective October 1, 2015 the rate becomes the greater of 4.5% or market rate. Beginning July 1, 2017, the minimum pension benefit paid to a regularly retired member receiving an unreduced pension benefit is \$185 per month. Beginning January 1, 2018 ASA annuitizations were accommodated through a third party provider. In 2019, HB 1059 expanded the current pre-retirement death benefit eligibility to members with at least 10 years of service.

**Changes of assumptions.** An assumption study was performed in April of 2015 resulting in an update to the following assumptions: 1) the inflation assumption changed from 3.00% to 2.25% per year; 2) the future salary increase assumption changed from a table ranging from 3.00% to 12.50% to a table ranging from 2.50% to 12.50%; 3) the mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 White Collar Mortality Table with Social Security Administration generational projection scale from 2006; 4) the retirement assumption was updated based on recent experience; and 5) the termination assumption was updated based on recent experience. For disabled members, in 2017 the mortality assumption was changed to the RP-2014 Disabled Mortality Table with generational improvements from 2006 based on the 2014 Social Security Administration Trustee's Report. As of June 30, 2018, in lieu of a COLA on January 1, 2019, members in pay were provided a 13th check on October 1, 2018. It is assumed a 13th check would continue for the 2020 and 2021 fiscal years. Thereafter, the following COLAs, compounded annually, were assumed:

0.4% beginning on January 1, 2022

0.5% beginning on January 1, 2034

0.6% beginning on January 1, 2039

The future salary increase assumption changed from a table ranging from 2.5% to 12.5% to a table ranging from 2.75% to 12%. The mortality assumption changed from the RP-2014 White Collar Mortality Table to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. The retirement assumption was updated from an age-based table split by regular retirement, rule of 85 retirement, and early retirement to an age-based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30% are now assumed to commence benefits immediately and 70% are assumed to commence benefits at unreduced retirement eligibility. Previously, all active members were assumed to commence benefits immediately. The termination assumption was updated. The age- and service-based tables were replaced by one service-based table. The disability assumption was updated based on recent experience. The marital assumption was updated to 80% of male members and 75% of female members assumed to be married or to have a dependent beneficiary. Previously 100% of members were assumed to be married or to have a dependent beneficiary. Additionally, for female members, the assumption for their spouses's age changed from 2 years older to 3 years older. The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

**Schedule of the State's Proportionate Share of the Net Pension Liability  
Employee Retirement Systems and Plans  
Teachers' Retirement Fund 1996 Account  
(amounts expressed in thousands)**

	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
State's proportion of the net pension liability (asset)	0.32%	0.34%	0.35%	0.39%	0.35%	0.38%	0.40%	0.42%
State's proportionate share of the net pension liability (asset)	\$ 252	\$ (494)	\$ 389	\$ 2,571	\$ 2,739	\$ 1,977	\$ 191	\$ 1,310
State's covered payroll	11,150	11,224	11,016	11,722	10,108	10,288	10,380	10,150
State's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	2.3%	-4.4%	3.5%	21.9%	27.1%	19.2%	1.8%	12.9%
Plan fiduciary net position as a percentage of the total pension liability	98.8%	102.4%	98.0%	90.4%	87.8%	91.1%	99.1%	93.4%

**Notes to Schedule:**

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

*Benefit changes.* In 2014, HB 1075 impacted PERF by reducing the Annuity Savings Account (ASA) interest crediting rate on annuities from 7.5% to 5.75%. Effective October 1, 2015 the rate becomes the greater of 4.5% or market rate. Beginning July 1, 2017, the minimum pension benefit paid to a regularly retired member receiving an unreduced pension benefit is \$185/month. Beginning January 1, 2018 ASA annuitizations were accommodated through a third party provider. In 2019, HB 1059 expanded the current pre-retirement death benefit eligibility to members with at least 10 years of service.

*Changes of assumptions.* An assumption study was performed in April of 2015 resulting in an update to the following assumptions: 1) The inflation assumption changed from 3.00% to 2.25% per year; 2) the future salary increases assumption changed from a table ranging from 3.00% to 12.50% to a table ranging from 2.50% to 12.50%; 3) the mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 White Collar Mortality Table with Social Security Administration generational projection scale from 2006; 4) the retirement assumption was updated based on recent experience; and 5) the termination assumption was updated based on recent experience. For disabled members, in 2017 the mortality assumption was changed to the RP-2014 Disabled Mortality Table with generational improvements from 2006 based on the 2014 Social Security Administration Trustee's Report. As of June 30, 2018, in lieu of a COLA on January 1, 2019, members in pay were provided a 13th check on October 1, 2018. It is assumed a 13th check would continue for the 2020 and 2021 fiscal years. Thereafter, the following COLAs, compounded annually, were assumed:

0.4% beginning on January 1, 2022

0.5% beginning on January 1, 2034

0.6% beginning on January 1, 2039

The future salary increase assumption changed from a table ranging from 2.5% to 12.5% to a table ranging from 2.75% to 12%. The mortality assumption changed from the RP-2014 White Collar Mortality Table to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. The retirement assumption was updated from an age-based table split by regular retirement, rule of 85 retirement, and early retirement to an age-based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30% are now assumed to commence benefits immediately and 70% are assumed to commence benefits at unreduced retirement eligibility. Previously, all active members were assumed to commence benefits immediately. The termination assumption was updated. The age- and service-based tables were replaced by one service-based table. The disability assumption was updated based on recent experience. The marital assumption was updated to 80% of male members and 75% of female members assumed to be married or to have a dependent beneficiary. Previously 100% of members were assumed to be married or to have a dependent beneficiary. Additionally, for female members, the assumption for their spouses's age changed from 2 years older to 3 years older. The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2013 for GASB-S68 purposes.

**Schedule of Changes in the Net OPEB Liability and Related Ratios  
Other Postemployment Benefit Plans  
State Personnel Healthcare Plan  
(amounts expressed in thousands)**

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
<b>Total OPEB liability</b>					
Service cost	\$ 3,206	\$ 2,961	\$ 1,934	\$ 2,113	\$ 2,334
Interest	1,714	1,892	1,851	1,910	1,536
Differences between expected and actual experience	3,307	1,622	6,587	(5,332)	(121)
Changes of assumptions	7,075	(6,835)	2,803	(1,164)	(1,081)
Benefit payments	(4,917)	(4,752)	(3,276)	(3,042)	(4,404)
<b>Net change in total OPEB liability</b>	10,385	(5,112)	9,899	(5,515)	(1,736)
<b>Total OPEB liability, beginning</b>	52,312	57,424	47,525	53,040	54,776
<b>Total OPEB liability, ending</b>	<u>\$ 62,697</u>	<u>\$ 52,312</u>	<u>\$ 57,424</u>	<u>\$ 47,525</u>	<u>\$ 53,040</u>
<b>Plan fiduciary net position</b>					
Contributions, employer	\$ 4,559	\$ 5,031	\$ 3,337	\$ 3,384	\$ 4,802
Net investment income	57	789	1,007	547	292
Benefit payments	(4,917)	(4,752)	(3,276)	(3,042)	(4,404)
Administrative expense	-	(133)	(354)	(398)	(418)
<b>Net change in plan fiduciary net position</b>	(301)	935	714	491	272
<b>Plan fiduciary net position, beginning</b>	47,138	46,203	45,489	44,998	44,726
<b>Plan fiduciary net position, ending</b>	<u>\$ 46,837</u>	<u>\$ 47,138</u>	<u>\$ 46,203</u>	<u>\$ 45,489</u>	<u>\$ 44,998</u>
<b>Net OPEB liability</b>	<u>\$ 15,860</u>	<u>\$ 5,174</u>	<u>\$ 11,221</u>	<u>\$ 2,036</u>	<u>\$ 8,042</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	74.7%	90.1%	80.5%	95.7%	84.8%
<b>Covered-employee payroll</b>	1,444,707	1,397,835	1,346,186	1,296,877	1,245,383
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	1.1%	0.4%	0.8%	0.2%	0.6%

**Notes to Schedule:**

*Benefit changes:*

*Changes of assumptions:*

For 2021, The mortality assumption has been updated from using the MP-2019 improvement scale to use the MP-2020 improvement scale. The baseline payroll growth rate was updated from 2.75% to 2.65% based on the assumptions used in the 2021 INPRS actuarial valuation. The turnover rate for State employees was updated to follow the State employee turnover rate table from the 2021 INPRS actuarial valuation. For 2020, the mortality, termination, retirement rate, and payroll growth assumptions were updated based on the revised tables presented in the INPRS 2020 Experience Study. The mortality, retirement rate, and payroll growth updates led to slight decreases in liabilities, while the termination update led to an increase in liabilities. The health care coverage election rate was updated from 40% to 35% for employees that are eligible for a normal, unreduced or disability pension under PERF and from 15% to 10% for employees with health coverage that are not eligible for a normal, unreduced or disability pension under PERF. The change led to a reduction in liabilities. The spousal coverage election rate was updated from 70% for male employees and 55% for female employees to 20% for male employees and 15% for female employees. This change led to a slight decrease in liabilities. Trend rates for medical and prescription drug benefits have an initial rate of 7.5% decreasing by 0.50% annually to an ultimate rate of 4.5%. The termination assumption for those earning less than \$20,000 per year was updated to follow the PERF termination rates as of June 30, 2020 for this group.

Discount rate was updated to 2.96% as of June 30, 2021 for accounting disclosure purposes. The rate was 3.22% as of July 1, 2020, 3.26% as of July 1, 2019, 3.87% as of July 1, 2018, and 3.56% as of July 1, 2017.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2017 for GASB-S74 purposes.

**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**Other Postemployment Benefit Plans**  
**Indiana State Police Healthcare Plan**  
**(amounts expressed in thousands)**

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
<b>Total OPEB liability</b>					
Service cost	\$ 4,993	\$ 5,033	\$ 8,531	\$ 17,811	\$ 24,701
Interest	11,209	12,530	12,778	19,726	16,987
Changes of benefit terms	-	-	3,254	(196,574)	(34,808)
Differences between expected and actual experience	(28,391)	(20,071)	(78,676)	(21,242)	3,921
Changes of assumptions	7,029	(15,687)	(66,154)	(27,946)	(48,451)
Benefit payments	(3,371)	(2,802)	(5,805)	(6,994)	(8,656)
<b>Net change in total OPEB liability</b>	(8,531)	(20,997)	(126,072)	(215,219)	(46,306)
<b>Total OPEB liability, beginning</b>	177,448	198,445	324,517	539,736	586,042
<b>Total OPEB liability, ending</b>	<u>\$ 168,917</u>	<u>\$ 177,448</u>	<u>\$ 198,445</u>	<u>\$ 324,517</u>	<u>\$ 539,736</u>
<b>Plan fiduciary net position</b>					
Contributions, employer	\$ 22,322	\$ 21,727	\$ 23,937	\$ 25,814	\$ 26,871
Contributions, employee	828	846	857	404	473
Net investment income	131	1,276	2,109	1,422	508
Benefit payments	(3,371)	(2,802)	(5,805)	(6,994)	(8,656)
Administrative expense	(360)	(359)	(492)	(606)	(589)
<b>Net change in plan fiduciary net position</b>	19,550	20,688	20,606	20,040	18,607
<b>Plan fiduciary net position, beginning</b>	158,657	137,969	117,363	97,323	78,716
<b>Plan fiduciary net position, ending</b>	<u>\$ 178,207</u>	<u>\$ 158,657</u>	<u>\$ 137,969</u>	<u>\$ 117,363</u>	<u>\$ 97,323</u>
<b>Net OPEB liability</b>	<u>\$ (9,290)</u>	<u>\$ 18,791</u>	<u>\$ 60,476</u>	<u>\$ 207,154</u>	<u>\$ 442,413</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	105.5%	89.4%	69.5%	36.2%	18.0%
<b>Covered-employee payroll</b>	119,889	120,255	120,447	107,914	98,693
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	-7.7%	15.6%	50.2%	192.0%	448.3%

**Notes to Schedule:***Changes in benefit terms:*

Effective on January 1, 2019, all post-65 Medicare eligible retirees were removed from the ISP's traditional health plan. They will be covered under a Medicare Advantage Plan through Anthem and a Medicare Part D plan with premiums paid fully by the retiree. Also, the life insurance benefit for retirees was modified such that all retirees (regardless of date of retirement) will receive a \$20,000 benefit.

*Changes of assumptions:*

For 2021, the mortality assumption was updated from using the MP-2019 improvement scale to use the MP-2020 improvement scale. For 2020, the disability assumption was updated to follow the table presented for the Conservation and Excise Police in the INPRS 2020 Experience Study. This change led to a slight decrease in liabilities. The mortality assumption was updated to follow the table presented for the '77 Fund in the INPRS 2020 Experience Study. This change led to a decrease in liabilities. The payroll growth assumption was updated to follow the table used in the July 1, 2020 pension valuation for the Indiana State Police. This change led to a decrease in liabilities. Trend rates for medical and prescription drug benefits have an initial rate of 7.5% decreasing by 0.50% annually to an ultimate rate of 4.5%

Discount rate was 6.20% as of June 30, 2021 for accounting disclosure purposes. The rate was 6.20% as of July 1, 2020, 6.20% as of July 1, 2019, 3.87% as of July 1, 2018, and 3.56 as of July 1, 2017.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2017 for GASB-S74 purposes.



**Schedule of Changes in the Net OPEB Liability and Related Ratios  
Other Postemployment Benefit Plans  
Conservation and Excise Police Healthcare Plan  
(amounts expressed in thousands)**

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
<b>Total OPEB liability</b>					
Service cost	\$ 1,131	\$ 2,368	\$ 1,840	\$ 1,795	\$ 2,327
Interest	3,092	2,647	2,410	2,035	1,956
Changes of benefit terms	-	-	2,113	-	(7,023)
Differences between expected and actual experience	(1,883)	(7,900)	4,353	5,739	(1,654)
Changes of assumptions	2,447	(23,751)	6,223	(3,387)	(5,925)
Benefit payments	(1,078)	(988)	(943)	(1,303)	(1,305)
<b>Net change in total OPEB liability</b>	<u>3,709</u>	<u>(27,624)</u>	<u>15,996</u>	<u>4,879</u>	<u>(11,624)</u>
<b>Total OPEB liability, beginning</b>	<u>49,275</u>	<u>76,899</u>	<u>60,903</u>	<u>56,024</u>	<u>67,648</u>
<b>Total OPEB liability, ending</b>	<u>\$ 52,984</u>	<u>\$ 49,275</u>	<u>\$ 76,899</u>	<u>\$ 60,903</u>	<u>\$ 56,024</u>
<b>Plan fiduciary net position</b>					
Contributions, employer	\$ 4,301	\$ 4,167	\$ 4,021	\$ 6,241	\$ 3,718
Net investment income	1,857	347	493	213	79
Benefit payments	(1,078)	(988)	(943)	(1,303)	(1,305)
Administrative expense	(114)	(77)	(84)	(91)	(82)
<b>Net change in plan fiduciary net position</b>	<u>4,966</u>	<u>3,449</u>	<u>3,487</u>	<u>5,060</u>	<u>2,410</u>
<b>Plan fiduciary net position, beginning</b>	<u>27,172</u>	<u>23,723</u>	<u>20,236</u>	<u>15,176</u>	<u>12,766</u>
<b>Plan fiduciary net position, ending</b>	<u>\$ 32,138</u>	<u>\$ 27,172</u>	<u>\$ 23,723</u>	<u>\$ 20,236</u>	<u>\$ 15,176</u>
<b>Net OPEB liability</b>	<u>\$ 20,846</u>	<u>\$ 22,103</u>	<u>\$ 53,176</u>	<u>\$ 40,667</u>	<u>\$ 40,848</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	60.7%	55.1%	30.8%	33.2%	27.1%
<b>Covered-employee payroll</b>	18,550	18,453	18,883	16,981	15,602
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	112.4%	119.8%	281.6%	239.5%	261.8%

**Notes to Schedule:**

*Change in benefit terms:*

Effective on January 1, 2020, all post-65 Medicare eligible retirees will be removed from the CEP's traditional health plan. They will be covered under a Medicare Advantage Plan through Anthem and a Medicare Part D plan with premiums assumed to be paid fully by the retiree. Since the premiums charged to retirees are lower than the full cost of coverage, there is still a GASB liability for this benefit.

*Changes of assumptions:*

For 2021, the mortality assumption has been updated from using the MP-2019 improvement scale to use the MP-2020 improvement scale. The baseline payroll growth rate was updated from 2.75% to 2.65% based on the assumptions used in the 2021 INPRS actuarial valuation. For 2020, the mortality, retirement rate, disability, and payroll growth assumptions was updated based on the revised tables presented in the INPRS 2020 Experience Study. The retirement and disability updates led to an increase in liabilities, while the mortality and payroll growth updates led to a decrease in liabilities. The spousal coverage election rate was updated from 85% for males employees and 25% for female employees to 85% for male employees and 15% for female employees. This change led to a slight decrease in liabilities. Trend rates for medical and prescription drug benefits have an initial rate of 7.5% decreasing by 0.50% annually to an ultimate rate of 4.5%. Discount rate was 6.20% as of June 30, 2021 for accounting disclosure purposes. The rate was 6.20% as of July 1, 2020, 3.36% as of July 1, 2019, 3.87% as of July 1, 2018, and 3.56% as of July 1, 2017.

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2017 for GASB-S74 purposes.

**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**Other Postemployment Benefit Plans**  
**Legislators Retiree Healthcare Plan**  
**(amounts expressed in thousands)**

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
<b>Total OPEB liability</b>					
Service cost	\$ 39	\$ 43	\$ 114	\$ 120	\$ 165
Interest	211	277	381	420	338
Changes of benefit terms	-	-	(1,063)	-	-
Differences between expected and actual experience	1,308	(270)	(1,137)	(1,527)	864
Changes of assumptions	835	464	335	(385)	(681)
Benefit payments	(477)	(494)	(535)	(620)	(555)
<b>Net change in total OPEB liability</b>	<u>1,916</u>	<u>20</u>	<u>(1,905)</u>	<u>(1,992)</u>	<u>131</u>
<b>Total OPEB liability, beginning</b>	<u>8,110</u>	<u>8,090</u>	<u>9,995</u>	<u>11,987</u>	<u>11,856</u>
<b>Total OPEB liability, ending</b>	<u>\$ 10,026</u>	<u>\$ 8,110</u>	<u>\$ 8,090</u>	<u>\$ 9,995</u>	<u>\$ 11,987</u>
<b>Covered-employee payroll</b>	6,703	6,241	6,184	5,443	5,540
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	149.6%	129.9%	130.8%	183.6%	216.4%

**Notes to Schedule:***Changes in benefit terms:*

Effective on January 1, 2019, all post-65 Medicare eligible retirees were removed from the ISP's traditional health plan. They will be covered under a Medicare Advantage Plan through Anthem and a Medicare Part D plan with premiums paid fully by the retiree. This change is reflected for Legislature actives and retirees covered under the ISP's plan.

*Changes of assumptions:*

For 2021, the mortality assumption was updated from using the MP-2019 improvement scale to use the MP-2020 improvement scale. The baseline payroll growth rate was updated from 2.75% to 2.65% based on the assumptions used in the 2021 INPRS actuarial valuation. For 2020, the mortality and payroll growth assumptions have been updated based on the revised tables presented in the INPRS 2020 Experience Study. The mortality update led to a decrease in liabilities, while the payroll growth update led to a slight increase. The health care coverage election was updated from 40% to 35% for employees that are eligible for a normal, unreduced or disability pension under PERF and from 15% to 10% for employees with health coverage that are not eligible for a normal, unreduced or disability pension under PERF. The change led to a slight reduction in liabilities. The spousal coverage election rate was updated from 100% for all employees to 95% for male employees and 50% for female employees. This change led to a slight decrease in liabilities. Trend rates for medical and prescription drug benefits have an initial rate of 7.5% decreasing by 0.50% annually to an ultimate rate of 4.5%

Discount rate was updated to 2.19% as of June 30, 2021 for accounting disclosure purposes. The rate was 2.66% as of July 1, 2020, 3.51% as of July 1, 2019, 3.87% as of July 1, 2018, and 3.56% as of July 1, 2017.

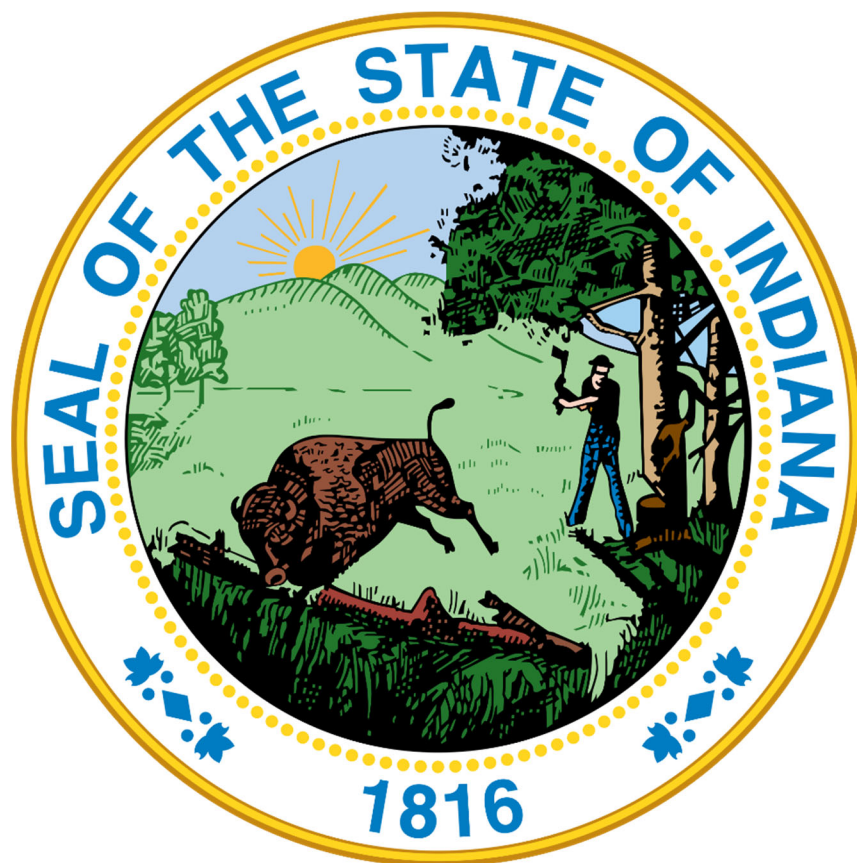
The effort and cost to recreate financial statement information for 10 years was not practical

**Schedule of Investment Returns**  
**Annual Money-Weighted Rate of Return, Net of Investment Expense**  
**Other Postemployment Benefit Plans**

	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
<b>Single-employer defined benefit other postemployment benefit plan:</b>					
State Personnel Healthcare Plan (SPP)	0.1%	1.7%	2.2%	1.2%	0.7%
Indiana State Police Healthcare Plan (ISPP)	0.1%	1.4%	2.4%	1.3%	0.6%
Conservation and Excise Police Healthcare Plan (CEPP)	6.5%	1.3%	2.3%	1.2%	0.6%

**Note:**

The effort and cost to recreate financial statement information for 10 years was not practical. Information was prepared prospectively from June 30, 2017 for GASB-S74 purposes.



## Budgetary Information

The Governor submits a budget biennially to be adopted by the General Assembly for the ensuing two-year period. The budget covers the general fund and most special revenue funds. The General Assembly enacts the budget through passage of specific appropriations.

The budget bill is enacted as the Appropriations Act that the Governor may veto, subject to legislative override. Except as specifically provided by statute, appropriations or any part thereof remaining unexpended and unencumbered at the close of any fiscal year will lapse and be returned to the fund from which it was appropriated.

The final budget is composed of budgeted amounts as adopted and as amended by supplemental appropriations or appropriation transfers that were necessary during the current year. The State Board of Finance, which consists of the Governor, Auditor of State and Treasurer of State, is empowered to transfer appropriations from one appropriation, fund, or agency of the State to another, with the exception of trust funds. The State Budget Agency may transfer, assign, and reassign almost any appropriation, except those restricted by law, but only when: (1) the uses and purposes to which the funds are transferred are uses and purposes which the agency is permitted or required to perform; and (2) and the transfers are within the same agency of the state to which the appropriation was originally made. Capital appropriations are initially posted to general government. As projects are approved by the State Budget Committee the appropriations are transferred to the function of government from which they are disbursed. In addition, expenditures under many federal grants are required to be spent before they are reimbursed by the federal government. These actions are considered supplemental appropriations; therefore, expenditures do not exceed appropriations for individual funds.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is maintained at the fund level by the State Budget Agency. When budgets are submitted for each fund, certain recurring expenditures are not budgeted (such as tort claims) according to instructions from the State Budget Agency to the various agencies. The Budget Agency monitors all funds regularly in addition to monitoring excess general fund revenue that will be available at the end of the fiscal year to cover the non-budgeted, recurring expenditures.

**State of Indiana**  
**Combining Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**(Budgetary Basis)**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

	General Fund				Public Welfare-Medicaid Assistance			
	Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes:								
Income	\$ 7,214,265	\$ 7,214,265	\$ 8,734,400	\$ 1,520,135	\$ -	\$ -	\$ -	\$ -
Sales	8,277,153	8,277,153	9,190,098	912,945	-	-	-	-
Fuels	-	-	1,647	1,647	-	-	-	-
Gaming	430,217	430,217	190,870	(239,347)	-	-	-	-
Alcohol and tobacco	241,200	241,200	256,818	15,618	-	-	-	-
Insurance	248,634	248,634	229,450	(19,184)	-	-	-	-
Other	332,873	332,873	416,621	83,748	-	-	-	-
Total taxes	16,744,342	16,744,342	19,019,904	2,275,562	-	-	-	-
Current service charges	487,016	487,016	250,949	(236,067)	932,496	932,496	868,848	(63,648)
Investment income	108,000	108,000	44,374	(63,626)	-	-	-	-
Sales/rents	423	423	849	426	-	-	-	-
Grants	-	-	2,565	2,565	10,543,567	10,543,567	12,023,208	1,479,641
Other	20,324	20,324	79,934	59,610	-	-	-	-
<b>Total revenues</b>	<b>17,360,105</b>	<b>17,360,105</b>	<b>19,398,575</b>	<b>2,038,470</b>	<b>11,476,063</b>	<b>11,476,063</b>	<b>12,892,056</b>	<b>1,415,993</b>
<b>Expenditures:</b>								
Current:								
General government	1,091,367	1,992,489	1,137,843	854,646	-	-	-	-
Public safety	1,304,037	1,284,486	1,029,851	254,635	-	-	-	-
Health	33,754	56,495	5,605	50,890	-	-	-	-
Welfare	4,699,236	1,351,653	1,077,803	273,850	16,299	22,000,311	15,445,865	6,554,446
Conservation, culture and development	176,944	197,846	144,151	53,695	-	-	-	-
Education	10,941,831	11,539,825	11,198,394	341,431	-	-	-	-
Transportation	64,688	355,510	218,686	136,824	-	-	-	-
Debt service:								
Capital lease principal	-	-	3,583	(3,583)	-	-	-	-
Capital lease interest	-	-	281	(281)	-	-	-	-
<b>Total expenditures</b>	<b>18,311,857</b>	<b>16,778,304</b>	<b>14,816,197</b>	<b>1,962,107</b>	<b>16,299</b>	<b>22,000,311</b>	<b>15,445,865</b>	<b>6,554,446</b>
Excess of revenues over (under) expenditures	(951,752)	581,801	4,582,378	(4,000,577)	11,459,764	(10,524,248)	(2,553,809)	(7,970,439)
<b>Other financing sources (uses):</b>								
Total other financing sources (uses)	(1,914,008)	(1,914,008)	(1,914,008)	-	2,619,849	2,619,849	2,619,849	-
<b>Net change in fund balances</b>	<b>\$(2,865,760)</b>	<b>\$(1,332,207)</b>	<b>2,668,370</b>	<b>\$ 4,000,577</b>	<b>\$ 14,079,613</b>	<b>\$(7,904,399)</b>	<b>66,040</b>	<b>\$ 7,970,439</b>
<b>Fund balances July 1, as restated</b>			<b>2,604,404</b>				<b>307,326</b>	
<b>Fund balances June 30</b>			<b>\$ 5,272,774</b>				<b>\$ 373,366</b>	

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**State of Indiana**  
**Combining Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**(Budgetary Basis)**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

	Department of Health and Human Services				FEDERAL COVID-19			
	Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes:								
Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-	-	-	-	-
Fuels	-	-	-	-	-	-	-	-
Gaming	-	-	-	-	-	-	-	-
Alcohol and tobacco	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total taxes	-	-	-	-	-	-	-	-
Current service charges	252	252	208	(44)	-	-	-	-
Investment income	-	-	-	-	2	2	5	3
Sales/rents	-	-	-	-	-	-	-	-
Grants	1,533,347	1,533,347	1,369,946	(163,401)	1,022,637	1,022,637	1,022,637	-
Other	62	62	181	119	-	-	622	622
<b>Total revenues</b>	<b>1,533,661</b>	<b>1,533,661</b>	<b>1,370,335</b>	<b>(163,326)</b>	<b>1,022,639</b>	<b>1,022,639</b>	<b>1,023,264</b>	<b>625</b>
<b>Expenditures:</b>								
Current:								
General government	4,061	61,097	34,396	26,701	18,434	1,365,804	708,085	657,719
Public safety	2,670	28,203	10,506	17,697	5,002	31,839	210,851	(179,012)
Health	111,091	208,864	160,647	48,217	176,233	1,113,497	423,845	689,652
Welfare	626,032	3,426,775	1,524,781	1,901,994	28,856	599,889	392,531	207,358
Conservation, culture and development	869	2,175	2,955	(780)	14,700	547,205	532,355	14,850
Education	1,086	14,897	12,703	2,194	123,142	2,590,546	265,336	2,325,210
Transportation	-	6	-	6	38,664	253,226	15,414	237,812
Debt service:								
Capital lease principal	-	-	10	(10)	-	-	-	-
Capital lease interest	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>745,809</b>	<b>3,742,017</b>	<b>1,745,998</b>	<b>1,996,019</b>	<b>405,031</b>	<b>6,502,006</b>	<b>2,548,417</b>	<b>3,953,589</b>
Excess of revenues over (under) expenditures	787,852	(2,208,356)	(375,663)	(1,832,693)	617,608	(5,479,367)	(1,525,153)	(3,954,214)
<b>Other financing sources (uses):</b>								
Total other financing sources (uses)	328,718	328,718	328,718	-	(11)	(11)	(11)	-
<b>Net change in fund balances</b>	<b>\$ 1,116,570</b>	<b>\$ (1,879,638)</b>	<b>(46,945)</b>	<b>\$ 1,832,693</b>	<b>\$ 617,597</b>	<b>\$ (5,479,378)</b>	<b>(1,525,164)</b>	<b>\$ 3,954,214</b>
<b>Fund balances July 1, as restated</b>			<b>(263,444)</b>			<b>1,980,450</b>		
<b>Fund balances June 30</b>			<b>\$ (310,389)</b>			<b>\$ 455,286</b>		

continued on next page

**State of Indiana**  
**Combining Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**(Budgetary Basis)**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

	ARPA - Economic Stimulus Fund			
	Budget		Actual	Variance to Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes:				
Income	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-
Fuels	-	-	-	-
Gaming	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Other	-	-	-	-
Total taxes	-	-	-	-
Current service charges	-	-	-	-
Investment income	-	-	-	-
Sales/rents	-	-	-	-
Grants	-	-	1,535,915	1,535,915
Other	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>1,535,915</b>	<b>1,535,915</b>
<b>Expenditures:</b>				
Current:				
General government	-	1,535,915	-	1,535,915
Public safety	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Conservation, culture and development	-	-	-	-
Education	-	-	-	-
Transportation	-	-	-	-
Debt service:				
Capital lease principal	-	-	-	-
Capital lease interest	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>1,535,915</b>	<b>-</b>	<b>1,535,915</b>
Excess of revenues over (under) expenditures	-	(1,535,915)	1,535,915	(3,071,830)
<b>Other financing sources (uses):</b>				
Total other financing sources (uses)	-	-	-	-
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ (1,535,915)</b>	<b>1,535,915</b>	<b>\$ 3,071,830</b>
<b>Fund balances July 1, as restated</b>			<b>-</b>	
<b>Fund balances June 30</b>			<b>\$ 1,535,915</b>	



## Budget/GAAP Reconciliation Major Funds

The cash basis of accounting (budgetary basis) is applied to each budget. The budgetary basis differs from GAAP. The major differences between budgetary (non-GAAP) basis and GAAP basis are:

(amounts expressed in thousands)	GENERAL FUND	PUBLIC WELFARE- MEDICAID ASSISTANCE	US DEPARTMENT OF HEALTH & HUMAN SERVICES	FEDERAL COVID- 19	ARPA-ECONOMIC STIMULUS FUND	Total
Net change in fund balances (budgetary basis)	\$ 2,668,370	\$ 66,040	\$ (46,945)	\$ (1,525,164)	\$ 1,535,915	\$ 2,698,216
Adjustments necessary to convert the results of operations on a budgetary basis to a GAAP basis are:						
Revenues are recorded when earned (GAAP) as opposed to when cash is received (budgetary)	\$ (688,933)	\$ (163,153)	\$ 56,288	\$ 1,673,647	(1,535,915)	(658,066)
Expenditures are recorded when the liability is incurred (GAAP) as opposed to when payment is made (budgetary)	\$ 140,062	\$ 166,420	\$ 18,719	\$ (103,662)	-	221,539
<b>Net change in fund balances (GAAP basis)</b>	<b>\$ 2,119,499</b>	<b>\$ 69,307</b>	<b>\$ 28,062</b>	<b>\$ 44,821</b>	<b>\$ -</b>	<b>\$ 2,261,689</b>

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

Roads	Average International Roughness Index (IRI), Right Wheel Path (RWP)		
	2021	2020	2019
Interstate Roads (excluding Rest Areas and Weigh Stations)	72	82	87
NHS Roads - Non-Interstate (excluding Rest Areas and Weigh Stations)	80	90	96
Non-NHS Roads	102	110	115

The condition of road pavement is based on the International Roughness Index (IRI), which is a measure of the roughness of the pavement in terms of inches per mile, and applies both to Portland cement concrete (PCC) and hot mix asphalt (HMA) pavements. IRI's range from zero for a pavement that is perfectly smooth to ratings above 170 for a pavement that warrants replacement. The condition index is used to classify roads in excellent condition (0-79), good condition (80-114), satisfactory condition (115-149), fair condition (150-169), and poor condition (170 and above). It is the State's policy to maintain a network average of no more than 101 IRI (RWP). Condition assessments are determined on an annual basis for all roads maintained by INDOT. The ratings provided are based on data gathered during the summer (May to October) for each fiscal year. The data is evaluated and compared to standard criteria by the end of the fiscal year.

Bridges	Average Sufficiency Rating		
	2021	2020	2019
Interstate Bridges	91.2%	91.2%	91.4%
NHS Bridges - Non-Interstate	93.0%	93.0%	92.8%
Non-NHS Bridges	90.5%	90.6%	90.5%

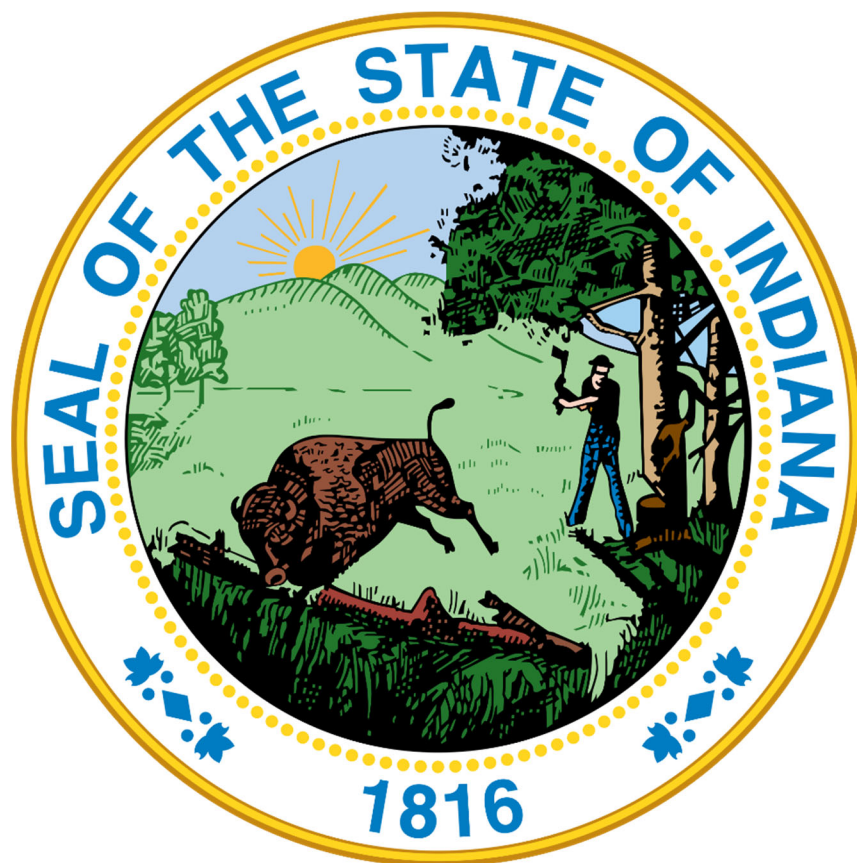
The condition of the State's bridges is measured based on a sufficiency rating, which is based on a weighted average of four factors indicative of a bridge's sufficiency to remain in service. The sufficiency rating uses a measurement scale that ranges from zero for an entirely insufficient or deficient bridge to 100 for an entirely sufficient bridge. The sufficiency rating is used to classify bridges in excellent condition (90-100), good condition (80-89), fair condition (70-79), marginal condition (60-69), and poor condition (below 60). It is the State's policy to maintain Interstate bridges at a minimum sufficiency rating of 87%, NHS Non-Interstate bridges at 85%, and Non-NHS bridges at 83%. Sufficiency ratings are determined at least on a biennial basis for all bridges. Sufficiency ratings are determined more frequently for certain bridges depending on their design.

**Source: Indiana Department of Transportation**

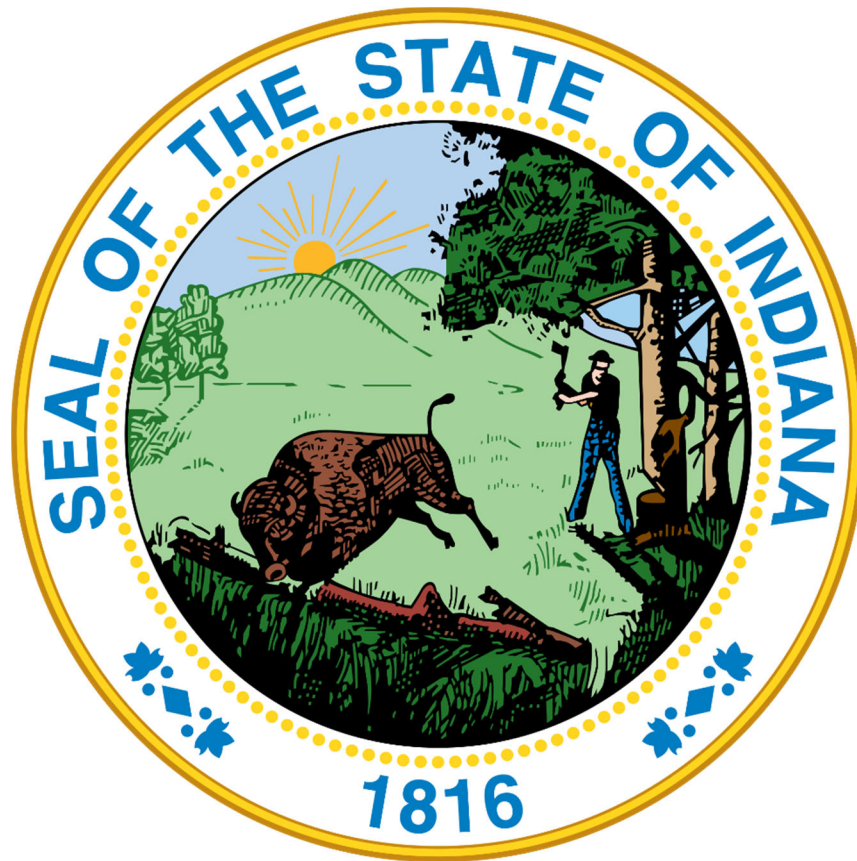
**Infrastructure - Modified Reporting**  
**Comparison of Planned-to-Actual Maintenance/Preservation**  
**(amounts expressed in thousands)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Roads</b>					
Interstate Roads (including Rest Areas and Weigh Stations):					
Planned	\$ 325,653	\$ 186,413	\$ 252,209	\$ 72,028	\$ 246,165
Actual	357,057	272,602	219,806	20,210	171,413
NHS and Non-NHS Roads - Non-Interstate (including Rest Areas and Weigh Stations)					
Planned	557,176	499,422	418,752	408,266	393,319
Actual	511,799	446,217	391,955	338,622	344,826
Roads at State Institutions and Properties					
Planned	-	-	-	3,934	-
Actual	-	-	-	-	453
Total					
Planned	882,829	685,835	670,961	484,228	639,484
Actual	868,856	718,819	611,761	358,832	516,692
<b>Bridges</b>					
Interstate Bridges					
Planned	\$ 203,341	\$ 119,927	\$ 135,011	\$ 132,093	\$ 106,125
Actual	137,118	83,250	99,363	104,728	141,487
NHS Bridges - Non-Interstate					
Planned	110,493	88,658	47,383	74,995	46,003
Actual	122,125	64,541	43,850	46,264	42,633
Non-NHS Bridges					
Planned	111,272	87,446	73,802	193,724	93,649
Actual	67,955	92,653	64,696	186,513	102,920
Total					
Planned	425,106	296,031	256,196	400,812	245,777
Actual	327,198	240,444	207,909	337,505	287,040

**Source: Indiana Department of Transportation**



# OTHER SUPPLEMENTARY INFORMATION



## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. Funds of material significance are presented separately in these combining statements. All other funds are included under the description "Other Non-Major Special Revenue Funds."

The following funds are used to account for transportation and motor vehicle related programs:

- Major Moves Construction Fund
- Motor Vehicle Highway
- Motor Vehicle Commission
- Road & Street, Primary Highway
- State Highway Fund

The following funds are used to account for health and environmental programs:

- Indiana Check-Up Plan
- Patients Compensation Fund
- Tobacco Settlement Fund

The following funds are used to receive and distribute certain revenues to the proper sources:

- State Gaming Fund

The following fund is used to account for federal and non-federal programs:

- Fund 6000 Programs

The following fund is used to provide low interest construction and technology loans for qualifying schools:

- Common School Fund

The following funds are used to account for federal grant programs:

- U.S. Department of Agriculture
- U.S. Department of Labor
- U.S. Department of Transportation
- U.S. Department of Education
- U.S. Department of Homeland Security

## CAPITAL PROJECTS FUNDS

Capital project funds account for financial resources to be used by the State for the acquisition or construction of major capital facilities (other than those financed by proprietary and trust funds). Funds of material significance are presented separately in these combining statements. All other funds are included under the description "Other Non-Major Capital Projects Funds."

**Post War Construction** – This fund accounts for new construction, rehabilitation and preventative maintenance of penal, benevolent and charitable institutions of the state.

**State Construction Fund** – This fund accounts for excise taxes deposited to the fund to be used for the construction, rehabilitation, repair, purchase, rental, and sale of state properties and institutions (excluding state educational institutions)

## PERMANENT FUNDS

Permanent Funds account for resources of the State that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support State programs. Funds of material significance are presented separately in these combining statements. All other funds are included under the description "Other Non-Major Permanent Funds."

**Next Level/Generation Trust Fund** – This fund is created per IC 8-14-15.1-5 and holds title to proceeds transferred to the trust under IC 8-14-15-5 (before its repeal), including those held in the Next Generation Trust Fund under IC 8-14-15.2-5 and holds title to proceeds transferred to the trust under IC 8-14-15.1-5.5, to be used exclusively for the provision of highways, roads, and bridges for the benefit of the people of Indiana and the users of those facilities.

**State of Indiana**  
**Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2021**  
(amounts expressed in thousands)

	Non-Major Special Revenue Funds	Non-Major Capital Projects Funds	Non-Major Permanent Funds	Total
<b>ASSETS</b>				
Cash, cash equivalents and investments-unrestricted	\$ 4,584,349	\$ 93,025	\$ 541,676	\$ 5,219,050
Cash, cash equivalents and investments-restricted	4,229	-	-	4,229
Receivables:				
Taxes (net of allowance for uncollectible accounts)	217,504	2,042	-	219,546
Accounts	110,794	92	-	110,886
Grants	234,082	-	-	234,082
Interest	196	-	-	196
Interfund loans	13,151	-	-	13,151
Due from component unit	22,738	-	-	22,738
Prepaid expenditures	8,658	8,079	-	16,737
Loans	302,538	-	-	302,538
Other	27	-	3	30
<b>Total assets</b>	<b>\$ 5,498,266</b>	<b>\$ 103,238</b>	<b>\$ 541,679</b>	<b>\$ 6,143,183</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 483,357	\$ 1,355	\$ -	\$ 484,712
Salaries and benefits payable	34,278	144	-	34,422
Interfund loans	16,694	-	-	16,694
Interfund services used	3,484	9	-	3,493
Intergovernmental payable	161,399	-	-	161,399
Tax refunds payable	5,895	-	-	5,895
Accrued liability for compensated absences-current	2,751	11	-	2,762
Other payables	30	-	3	33
<b>Total liabilities</b>	<b>707,888</b>	<b>1,519</b>	<b>3</b>	<b>709,410</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable revenue	172,442	3	-	172,445
<b>Total deferred inflow of resources</b>	<b>172,442</b>	<b>3</b>	<b>-</b>	<b>172,445</b>
<b>FUND BALANCE</b>				
Nonspendable	8,658	8,079	502,835	519,572
Restricted	4,229	-	-	4,229
Committed	924,965	-	38,841	963,806
Assigned	3,767,926	93,637	-	3,861,563
Unassigned	(87,842)	-	-	(87,842)
<b>Total fund balance</b>	<b>4,617,936</b>	<b>101,716</b>	<b>541,676</b>	<b>5,261,328</b>
<b>Total liabilities, deferred inflow of resources, and fund balance</b>	<b>\$ 5,498,266</b>	<b>\$ 103,238</b>	<b>\$ 541,679</b>	<b>\$ 6,143,183</b>



**State of Indiana**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

	Non-Major Special Revenue Funds	Non-Major Capital Projects Funds	Non-Major Permanent Funds	Total
<b>Revenues:</b>				
Taxes:				
Sales	\$ 103,101	\$ -	\$ -	\$ 103,101
Fuels	1,556,934	-	-	1,556,934
Gaming	423,367	-	-	423,367
Alcohol and tobacco	145,545	23,138	-	168,683
Insurance	5,303	-	-	5,303
Financial Institutions	215,437	-	-	215,437
Other	16,197	-	-	16,197
Total taxes	2,465,884	23,138	-	2,489,022
Current service charges	2,303,088	4,939	-	2,308,027
Investment income	6,342	-	28,951	35,293
Sales/rents	18,702	20	-	18,722
Grants	5,270,247	1,214	-	5,271,461
Other	78,961	271	-	79,232
Total revenues	10,143,224	29,582	28,951	10,201,757
<b>Expenditures:</b>				
Current:				
General government	372,261	-	31	372,292
Public safety	654,246	-	-	654,246
Health	232,516	-	-	232,516
Welfare	2,056,357	-	-	2,056,357
Conservation, culture and development	818,761	-	55	818,816
Education	1,139,871	-	-	1,139,871
Transportation	3,641,511	-	245	3,641,756
Debt service:				
Capital lease principal	64,312	-	-	64,312
Capital lease interest	38,607	-	-	38,607
Capital outlay	-	14,615	-	14,615
Total expenditures	9,018,442	14,615	331	9,033,388
Excess (deficiency) of revenues over (under) expenditures	1,124,782	14,967	28,620	1,168,369
<b>Other financing sources (uses):</b>				
Transfers in	2,686,929	2,090	-	2,689,019
Transfers (out)	(3,628,642)	(128)	(90,217)	(3,718,987)
Issuance of capital lease	843	-	-	843
Total other financing sources (uses)	(940,870)	1,962	(90,217)	(1,029,125)
<b>Net change in fund balances</b>	183,912	16,929	(61,597)	139,244
<b>Fund Balance July 1, as restated</b>	4,434,024	84,787	603,273	5,122,084
<b>Fund Balance June 30</b>	<b>\$ 4,617,936</b>	<b>\$ 101,716</b>	<b>\$ 541,676</b>	<b>\$ 5,261,328</b>

**State of Indiana**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds**  
**June 30, 2021**  
(amounts expressed in thousands)

	<u>STATE GAMING FUND</u>	<u>MOTOR VEHICLE HIGHWAY</u>	<u>MOTOR VEHICLE COMMISSION</u>	<u>STATE HIGHWAY FUND</u>
<b>ASSETS</b>				
Cash, cash equivalents and investments-unrestricted	\$ 4,563	\$ 132,485	\$ 53,302	\$ 504,581
Cash, cash equivalents and investments-restricted	-	-	-	-
Receivables:				-
Taxes (net of allowance for uncollectible accounts)	17,450	56,444	-	20,450
Accounts	8	7,921	5,957	2,937
Grants	-	-	-	-
Interest	-	18	-	-
Interfund loans	-	8,000	-	-
Due from component unit	-	-	-	-
Prepaid expenditures	-	-	-	-
Loans	-	-	-	5,616
Other	-	-	-	-
<b>Total assets</b>	<b><u>\$ 22,021</u></b>	<b><u>\$ 204,868</u></b>	<b><u>\$ 59,259</u></b>	<b><u>\$ 533,584</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ 83	\$ 44	\$ 2,023	\$ 20,070
Salaries and benefits payable	140	-	2,683	12,690
Interfund loans	-	-	-	8,000
Interfund services used	65	16	295	947
Intergovernmental payable	3,402	48,489	-	-
Tax refunds payable	-	2,881	-	2
Accrued liability for compensated absences-current	13	-	186	1,012
Other payables	-	-	-	-
Total liabilities	<u>3,703</u>	<u>51,430</u>	<u>5,187</u>	<u>42,721</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable revenue	-	3,662	-	12,027
Total deferred inflow of resources	<u>-</u>	<u>3,662</u>	<u>-</u>	<u>12,027</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	18,318	-	-	-
Assigned	-	149,776	54,072	478,836
Unassigned	-	-	-	-
Total fund balance	<u>18,318</u>	<u>149,776</u>	<u>54,072</u>	<u>478,836</u>
<b>Total liabilities, deferred inflow of resources, and fund balance</b>	<b><u>\$ 22,021</u></b>	<b><u>\$ 204,868</u></b>	<b><u>\$ 59,259</u></b>	<b><u>\$ 533,584</u></b>

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**State of Indiana**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds**  
**June 30, 2021**  
(amounts expressed in thousands)

	<b>MAJOR MOVES CONSTRUCTION FUND</b>	<b>INDIANA CHECK- UP PLAN</b>	<b>FUND 6000 PROGRAMS</b>	<b>PATIENTS COMPENSATION FUND</b>
<b>ASSETS</b>				
Cash, cash equivalents and investments-unrestricted	\$ 755,787	\$ 268,908	\$ 366,192	\$ 236,079
Cash, cash equivalents and investments-restricted	-	-	-	-
Receivables:	-	-	-	-
Taxes (net of allowance for uncollectible accounts)	-	18,225	7,222	-
Accounts	-	-	5,098	454
Grants	-	-	3	-
Interest	46	-	72	1
Interfund loans	-	-	3,970	-
Due from component unit	-	-	-	-
Prepaid expenditures	-	-	-	-
Loans	-	-	-	-
Other	3	-	-	4
<b>Total assets</b>	<b>\$ 755,836</b>	<b>\$ 287,133</b>	<b>\$ 382,557</b>	<b>\$ 236,538</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 11,432	\$ 1,042	\$ 84,741	\$ 1,680
Salaries and benefits payable	-	-	1,451	32
Interfund loans	-	-	-	-
Interfund services used	-	-	123	6
Intergovernmental payable	-	-	238	-
Tax refunds payable	-	-	-	-
Accrued liability for compensated absences-current	-	-	147	1
Other payables	3	-	-	4
<b>Total liabilities</b>	<b>11,435</b>	<b>1,042</b>	<b>86,700</b>	<b>1,723</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable revenue	-	8,571	6,354	-
<b>Total deferred inflow of resources</b>	<b>-</b>	<b>8,571</b>	<b>6,354</b>	<b>-</b>
<b>FUND BALANCE</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	277,520	7,371	-
Assigned	744,401	-	282,132	234,815
Unassigned	-	-	-	-
<b>Total fund balance</b>	<b>744,401</b>	<b>277,520</b>	<b>289,503</b>	<b>234,815</b>
<b>Total liabilities, deferred inflow of resources, and fund balance</b>	<b>\$ 755,836</b>	<b>\$ 287,133</b>	<b>\$ 382,557</b>	<b>\$ 236,538</b>

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**State of Indiana**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds**  
**June 30, 2021**  
(amounts expressed in thousands)

	<u>ROAD &amp; STREET, PRIMARY HIGHWAY</u>	<u>TOBACCO SETTLEMENT FUND</u>	<u>COMMON SCHOOL FUND</u>	<u>US DEPARTMENT OF AGRICULTURE</u>
<b>ASSETS</b>				
Cash, cash equivalents and investments-unrestricted	\$ 30,710	\$ 126,490	\$ 295,355	\$ -
Cash, cash equivalents and investments-restricted	-	-	-	-
Receivables:	-	-	-	-
Taxes (net of allowance for uncollectible accounts)	16,706	-	-	-
Accounts	998	-	-	-
Grants	-	10	-	22,101
Interest	-	3	-	-
Interfund loans	-	-	-	-
Due from component unit	-	-	-	-
Prepaid expenditures	-	8,613	-	-
Loans	-	-	295,586	-
Other	-	13	5	-
<b>Total assets</b>	<b>\$ 48,414</b>	<b>\$ 135,129</b>	<b>\$ 590,946</b>	<b>\$ 22,101</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 3,926	\$ -	\$ 3,994
Salaries and benefits payable	-	53	-	392
Interfund loans	-	-	-	3,544
Interfund services used	-	230	-	32
Intergovernmental payable	13,271	-	-	13,933
Tax refunds payable	-	-	-	-
Accrued liability for compensated absences-current	-	6	-	24
Other payables	-	13	5	-
<b>Total liabilities</b>	<b>13,271</b>	<b>4,228</b>	<b>5</b>	<b>21,919</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable revenue	693	10	-	21,184
<b>Total deferred inflow of resources</b>	<b>693</b>	<b>10</b>	<b>-</b>	<b>21,184</b>
<b>FUND BALANCE</b>				
Nonspendable	-	8,613	-	-
Restricted	-	-	-	-
Committed	-	-	590,941	-
Assigned	34,450	122,278	-	-
Unassigned	-	-	-	(21,002)
<b>Total fund balance</b>	<b>34,450</b>	<b>130,891</b>	<b>590,941</b>	<b>(21,002)</b>
<b>Total liabilities, deferred inflow of resources, and fund balance</b>	<b>\$ 48,414</b>	<b>\$ 135,129</b>	<b>\$ 590,946</b>	<b>\$ 22,101</b>

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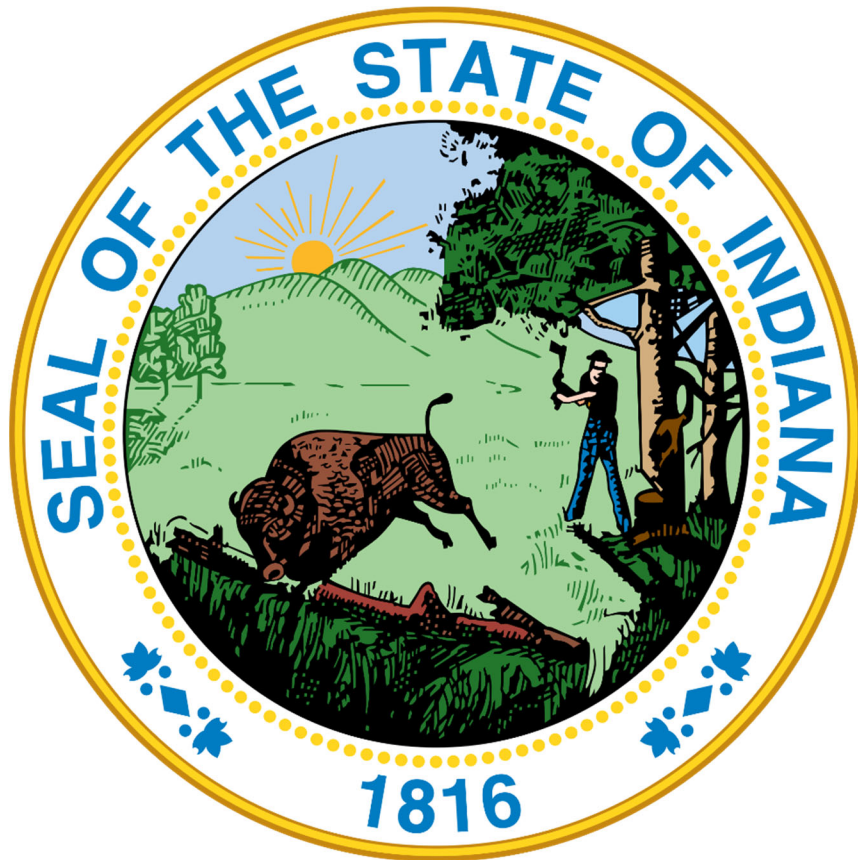
**State of Indiana**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds**  
**June 30, 2021**  
(amounts expressed in thousands)

	<u>US DEPARTMENT OF LABOR</u>	<u>US DEPARTMENT OF TRANSPORTATION</u>	<u>US DEPARTMENT OF EDUCATION</u>	<u>US DEPARTMENT OF HOMELAND SECURITY</u>
<b>ASSETS</b>				
Cash, cash equivalents and investments-unrestricted	\$ 436	\$ 675,432	\$ 20,532	\$ 71,526
Cash, cash equivalents and investments-restricted	-	-	-	-
Receivables:	-	-	-	-
Taxes (net of allowance for uncollectible accounts)	-	-	-	-
Accounts	307	5,085	-	-
Grants	1,853	78,758	6,821	5,529
Interest	-	-	-	-
Interfund loans	-	-	-	-
Due from component unit	-	-	-	-
Prepaid expenditures	-	45	-	-
Loans	-	-	-	-
Other	-	-	-	-
<b>Total assets</b>	<b><u>\$ 2,596</u></b>	<b><u>\$ 759,320</u></b>	<b><u>\$ 27,353</u></b>	<b><u>\$ 77,055</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,893	\$ 86,853	\$ 7,106	\$ 1,446
Salaries and benefits payable	4,012	93	1,515	106
Interfund loans	-	-	-	-
Interfunds services used	509	61	67	20
Intergovernmental payable	-	-	80,292	-
Tax refunds payable	-	-	-	-
Accrued liability for compensated absences-current	268	8	127	10
Other payables	-	-	-	-
Total liabilities	<u>7,682</u>	<u>87,015</u>	<u>89,107</u>	<u>1,582</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable revenue	-	-	-	5,127
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,127</u>
<b>FUND BALANCE</b>				
Nonspendable	-	45	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	672,260	-	70,346
Unassigned	(5,086)	-	(61,754)	-
Total fund balance	<u>(5,086)</u>	<u>672,305</u>	<u>(61,754)</u>	<u>70,346</u>
<b>Total liabilities, deferred inflow of resources, and fund balance</b>	<b><u>\$ 2,596</u></b>	<b><u>\$ 759,320</u></b>	<b><u>\$ 27,353</u></b>	<b><u>\$ 77,055</u></b>

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**State of Indiana**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds**  
**June 30, 2021**  
(amounts expressed in thousands)

	<b>OTHER NON- MAJOR SPECIAL REVENUE FUNDS</b>	<b>TOTAL</b>
<b>ASSETS</b>		
Cash, cash equivalents and investments-unrestricted	\$ 1,041,971	\$ 4,584,349
Cash, cash equivalents and investments-restricted	4,229	4,229
Receivables:		
Taxes (net of allowance for uncollectible accounts)	81,007	217,504
Accounts	82,029	110,794
Grants	119,007	234,082
Interest	56	196
Interfund loans	1,181	13,151
Due from component unit	22,738	22,738
Prepaid expenditures	-	8,658
Loans	1,336	302,538
Other	2	27
<b>Total assets</b>	<b>\$ 1,353,556</b>	<b>\$ 5,498,266</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 256,024	\$ 483,357
Salaries and benefits payable	11,111	34,278
Interfund loans	5,150	16,694
Interfund services used	1,113	3,484
Intergovernmental payable	1,774	161,399
Tax refunds payable	3,012	5,895
Accrued liability for compensated absences-current	949	2,751
Other payables	5	30
<b>Total liabilities</b>	<b>279,138</b>	<b>707,888</b>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Unavailable revenue	114,814	172,442
<b>Total deferred inflow of resources</b>	<b>114,814</b>	<b>172,442</b>
<b>FUND BALANCE</b>		
Nonspendable	-	8,658
Restricted	4,229	4,229
Committed	30,815	924,965
Assigned	924,560	3,767,926
Unassigned	-	(87,842)
<b>Total fund balance</b>	<b>959,604</b>	<b>4,617,936</b>
<b>Total liabilities, deferred inflow of resources, and fund balance</b>	<b>\$ 1,353,556</b>	<b>\$ 5,498,266</b>



**State of Indiana**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Non-Major Special Revenue Funds**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

	<u>STATE GAMING FUND</u>	<u>MOTOR VEHICLE HIGHWAY</u>	<u>MOTOR VEHICLE COMMISSION</u>	<u>STATE HIGHWAY FUND</u>
<b>Revenues:</b>				
Taxes:				
Sales	\$ -	\$ 52,345	\$ -	\$ 36,199
Fuels	-	1,051,745	-	282,178
Gaming	385,941	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Financial Institutions	-	-	-	-
Other	-	-	-	-
Total taxes	<u>385,941</u>	<u>1,104,090</u>	<u>-</u>	<u>318,377</u>
Current service charges	3,735	301,195	124,098	41,475
Investment income	-	80	-	74
Sales/rents	-	-	-	2,608
Grants	-	-	-	1
Other	-	-	-	63,528
	<u>389,676</u>	<u>1,405,365</u>	<u>124,098</u>	<u>426,063</u>
<b>Expenditures:</b>				
Current:				
General government	109,107	-	-	-
Public safety	-	10	110,080	-
Health	-	-	-	-
Welfare	-	-	-	-
Conservation, culture and development	-	-	-	-
Education	-	-	-	-
Transportation	-	524,706	-	553,404
Debt service:				
Capital lease principal	-	-	-	63,344
Capital lease interest	-	-	-	38,511
	<u>109,107</u>	<u>524,716</u>	<u>110,080</u>	<u>655,259</u>
Excess (deficiency) of revenues over expenditures	<u>280,569</u>	<u>880,649</u>	<u>14,018</u>	<u>(229,196)</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,574	-	-	1,142,687
Transfers (out)	(282,827)	(852,039)	(10,046)	(999,891)
Issuance of capital lease	-	-	-	101
	<u>(281,253)</u>	<u>(852,039)</u>	<u>(10,046)</u>	<u>142,897</u>
<b>Net change in fund balances</b>	(684)	28,610	3,972	(86,299)
<b>Fund Balance July 1, as restated</b>	<u>19,002</u>	<u>121,166</u>	<u>50,100</u>	<u>565,135</u>
<b>Fund Balance June 30</b>	<u>\$ 18,318</u>	<u>\$ 149,776</u>	<u>\$ 54,072</u>	<u>\$ 478,836</u>

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**State of Indiana**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Non-Major Special Revenue Funds**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

	<b>MAJOR MOVES CONSTRUCTION FUND</b>	<b>INDIANA CHECK- UP PLAN</b>	<b>FUND 6000 PROGRAMS</b>	<b>PATIENTS COMPENSATION FUND</b>
<b>Revenues:</b>				
Taxes:				
Sales	\$ -	\$ -	\$ 2,786	\$ -
Fuels	-	-	-	-
Gaming	-	-	105	-
Alcohol and tobacco	-	107,356	-	-
Insurance	-	-	-	-
Financial Institutions	-	-	215,437	-
Other	-	-	1,073	-
Total taxes	-	107,356	219,401	-
Current service charges	300,000	305,797	124,377	139,991
Investment income	2,998	-	463	402
Sales/rents	-	-	6,508	-
Grants	-	-	5,504	-
Other	-	-	7,284	-
Total revenues	<u>302,998</u>	<u>413,153</u>	<u>363,537</u>	<u>140,393</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	112,264	-
Public safety	-	-	52,417	187,984
Health	-	10,755	2,338	-
Welfare	-	-	-	-
Conservation, culture and development	9,307	-	7,183	-
Education	-	-	6,783	-
Transportation	250,645	-	1,613	-
Debt service:				
Capital lease principal	-	-	864	-
Capital lease interest	-	-	95	-
Total expenditures	<u>259,952</u>	<u>10,755</u>	<u>183,557</u>	<u>187,984</u>
Excess (deficiency) of revenues over expenditures	<u>43,046</u>	<u>402,398</u>	<u>179,980</u>	<u>(47,591)</u>
<b>Other financing sources (uses):</b>				
Transfers in	248,471	-	37,348	-
Transfers (out)	(295,098)	(357,445)	(219,265)	(30)
Issuance of capital lease	-	-	742	-
Total other financing sources (uses)	<u>(46,627)</u>	<u>(357,445)</u>	<u>(181,175)</u>	<u>(30)</u>
<b>Net change in fund balances</b>	<b>(3,581)</b>	<b>44,953</b>	<b>(1,195)</b>	<b>(47,621)</b>
<b>Fund Balance July 1, as restated</b>	<b>747,982</b>	<b>232,567</b>	<b>290,698</b>	<b>282,436</b>
<b>Fund Balance June 30</b>	<b><u>\$ 744,401</u></b>	<b><u>\$ 277,520</u></b>	<b><u>\$ 289,503</u></b>	<b><u>\$ 234,815</u></b>

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**State of Indiana**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Non-Major Special Revenue Funds**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

	ROAD & STREET, PRIMARY HIGHWAY	TOBACCO SETTLEMENT FUND	COMMON SCHOOL FUND	US DEPARTMENT OF AGRICULTURE
<b>Revenues:</b>				
Taxes:				
Sales	\$ -	-	-	-
Fuels	141,897	-	-	-
Gaming	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Financial Institutions	-	-	-	-
Other	-	-	-	-
Total taxes	141,897	-	-	-
Current service charges	7,716	146,245	1,929	-
Investment income	-	40	-	-
Sales/rents	-	-	-	-
Grants	-	3	-	2,389,880
Other	-	-	6	-
Total revenues	149,613	146,288	1,935	2,389,880
<b>Expenditures:</b>				
Current:				
General government	-	-	983	483
Public safety	-	-	-	4,643
Health	-	69,429	-	140,890
Welfare	-	10,911	-	1,947,270
Conservation, culture and development	-	-	-	2,656
Education	-	6,789	-	451,355
Transportation	141,376	-	-	-
Debt service:				
Capital lease principal	-	-	-	-
Capital lease interest	-	-	-	-
Total expenditures	141,376	87,129	983	2,547,297
Excess (deficiency) of revenues over expenditures	8,237	59,159	952	(157,417)
<b>Other financing sources (uses):</b>				
Transfers in	-	8,483	-	92,358
Transfers (out)	-	(67,764)	-	(4,653)
Issuance of capital lease	-	-	-	-
Total other financing sources (uses)	-	(59,281)	-	87,705
<b>Net change in fund balances</b>	8,237	(122)	952	(69,712)
<b>Fund Balance July 1, as restated</b>	26,213	131,013	589,989	48,710
<b>Fund Balance June 30</b>	<b>\$ 34,450</b>	<b>\$ 130,891</b>	<b>\$ 590,941</b>	<b>\$ (21,002)</b>

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**State of Indiana**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Non-Major Special Revenue Funds**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

	US DEPARTMENT OF LABOR	US DEPARTMENT OF TRANSPORTATION	US DEPARTMENT OF EDUCATION	US DEPARTMENT OF HOMELAND SECURITY
<b>Revenues:</b>				
Taxes:				
Sales	-	-	-	-
Fuels	-	-	-	-
Gaming	-	-	-	-
Alcohol and tobacco	-	-	-	-
Insurance	-	-	-	-
Financial Institutions	-	-	-	-
Other	-	-	-	-
Total taxes	-	-	-	-
Current service charges	-	-	-	-
Investment income	-	-	-	-
Sales/rents	-	-	-	-
Grants	141,692	1,292,224	729,732	467,281
Other	-	25	-	-
Total revenues	141,692	1,292,249	729,732	467,281
<b>Expenditures:</b>				
Current:				
General government	-	1,179	506	-
Public safety	6,169	22,197	1,405	17,209
Health	-	275	-	308
Welfare	-	-	78,659	-
Conservation, culture and development	136,906	570	26,893	385,295
Education	-	-	666,388	-
Transportation	-	2,040,192	-	-
Debt service:				
Capital lease principal	104	-	-	-
Capital lease interest	1	-	-	-
Total expenditures	143,180	2,064,413	773,851	402,812
Excess (deficiency) of revenues over expenditures	(1,488)	(772,164)	(44,119)	64,469
<b>Other financing sources (uses):</b>				
Transfers in	4,074	834,636	30,749	2,454
Transfers (out)	(1,086)	(14,436)	(1,305)	-
Issuance of capital lease	-	-	-	-
Total other financing sources (uses)	2,988	820,200	29,444	2,454
<b>Net change in fund balances</b>	1,500	48,036	(14,675)	66,923
<b>Fund Balance July 1, as restated</b>	(6,586)	624,269	(47,079)	3,423
<b>Fund Balance June 30</b>	<b>\$ (5,086)</b>	<b>\$ 672,305</b>	<b>\$ (61,754)</b>	<b>\$ 70,346</b>

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**State of Indiana**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Non-Major Special Revenue Funds**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

	<b>OTHER NON- MAJOR SPECIAL REVENUE FUNDS</b>	<b>Total</b>
<b>Revenues:</b>		
Taxes:		
Sales	11,771	103,101
Fuels	81,114	1,556,934
Gaming	37,321	423,367
Alcohol and tobacco	38,189	145,545
Insurance	5,303	5,303
Financial Institutions	-	215,437
Other	15,124	16,197
Total taxes	188,822	2,465,884
Current service charges	806,530	2,303,088
Investment income	2,285	6,342
Sales/rents	9,586	18,702
Grants	243,930	5,270,247
Other	8,118	78,961
	1,259,271	10,143,224
<b>Total revenues</b>		
<b>Expenditures:</b>		
Current:		
General government	147,739	372,261
Public safety	252,132	654,246
Health	8,521	232,516
Welfare	19,517	2,056,357
Conservation, culture and development	249,951	818,761
Education	8,556	1,139,871
Transportation	129,575	3,641,511
Debt service:		
Capital lease principal	-	64,312
Capital lease interest	-	38,607
	815,991	9,018,442
<b>Total expenditures</b>		
Excess (deficiency) of revenues over expenditures	443,280	1,124,782
<b>Other financing sources (uses):</b>		
Transfers in	284,095	2,686,929
Transfers (out)	(522,757)	(3,628,642)
Issuance of capital lease	-	843
	(238,662)	(940,870)
<b>Total other financing sources (uses)</b>		
<b>Net change in fund balances</b>	204,618	183,912
<b>Fund Balance July 1, as restated</b>	754,986	4,434,024
<b>Fund Balance June 30</b>	\$ 959,604	\$ 4,617,936

**State of Indiana**  
**Combining Balance Sheet**  
**Non-Major Capital Project Funds**  
**June 30, 2021**  
(amounts expressed in thousands)

	<u>Post War Construction</u>	<u>State Construction</u>	<u>Other Non-Major Capital Projects Funds</u>	<u>Total</u>
<b>ASSETS</b>				
Cash, cash equivalents and investments-unrestricted	\$ 17,505	\$ 62,754	\$ 12,766	\$ 93,025
Receivables:				
Taxes (net of allowance for uncollectible accounts)	-	2,042	-	2,042
Accounts	-	92	-	92
Prepaid expenditures	8,079	-	-	8,079
<b>Total assets</b>	<b>\$ 25,584</b>	<b>\$ 64,888</b>	<b>\$ 12,766</b>	<b>\$ 103,238</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 565	\$ 597	\$ 193	\$ 1,355
Salaries and benefits payable	-	-	144	144
Interfunds services used	-	-	9	9
Accrued liability for compensated absences-current	-	-	11	11
<b>Total liabilities</b>	<b>565</b>	<b>597</b>	<b>357</b>	<b>1,519</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable revenue	-	3	-	3
<b>Total deferred inflow of resources</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>3</b>
<b>FUND BALANCE</b>				
Nonspendable	8,079	-	-	8,079
Assigned	16,940	64,288	12,409	93,637
<b>Total fund balance</b>	<b>25,019</b>	<b>64,288</b>	<b>12,409</b>	<b>101,716</b>
<b>Total liabilities, deferred inflow of resources, and fund balance</b>	<b>\$ 25,584</b>	<b>\$ 64,888</b>	<b>\$ 12,766</b>	<b>\$ 103,238</b>

**State of Indiana**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Non-Major Capital Projects Funds**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

	<u>Post War Construction</u>	<u>State Construction</u>	<u>Other Non-Major Capital Projects Funds</u>	<u>Total</u>
<b>Revenues:</b>				
Taxes:				
Alcohol and tobacco	\$ -	\$ 23,138	\$ -	\$ 23,138
Total taxes	-	23,138	-	23,138
Current service charges	-	2,210	2,729	4,939
Sales/rents	-	-	20	20
Grants	-	-	1,214	1,214
Other	246	-	25	271
	<u>246</u>	<u>-</u>	<u>25</u>	<u>271</u>
Total revenues	<u>246</u>	<u>25,348</u>	<u>3,988</u>	<u>29,582</u>
<b>Expenditures:</b>				
Capital outlay	-	7,339	7,276	14,615
	<u>-</u>	<u>7,339</u>	<u>7,276</u>	<u>14,615</u>
Total expenditures	<u>-</u>	<u>7,339</u>	<u>7,276</u>	<u>14,615</u>
Excess (deficiency) of revenues over (under) expenditures	<u>246</u>	<u>18,009</u>	<u>(3,288)</u>	<u>14,967</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	107	1,983	2,090
Transfers (out)	(107)	(21)	-	(128)
	<u>(107)</u>	<u>86</u>	<u>1,983</u>	<u>1,962</u>
Total other financing sources (uses)	<u>(107)</u>	<u>86</u>	<u>1,983</u>	<u>1,962</u>
<b>Net change in fund balances</b>	<u>139</u>	<u>18,095</u>	<u>(1,305)</u>	<u>16,929</u>
<b>Fund Balance July 1, as restated</b>	<u>24,880</u>	<u>46,193</u>	<u>13,714</u>	<u>84,787</u>
<b>Fund Balance June 30</b>	<u>\$ 25,019</u>	<u>\$ 64,288</u>	<u>\$ 12,409</u>	<u>\$ 101,716</u>

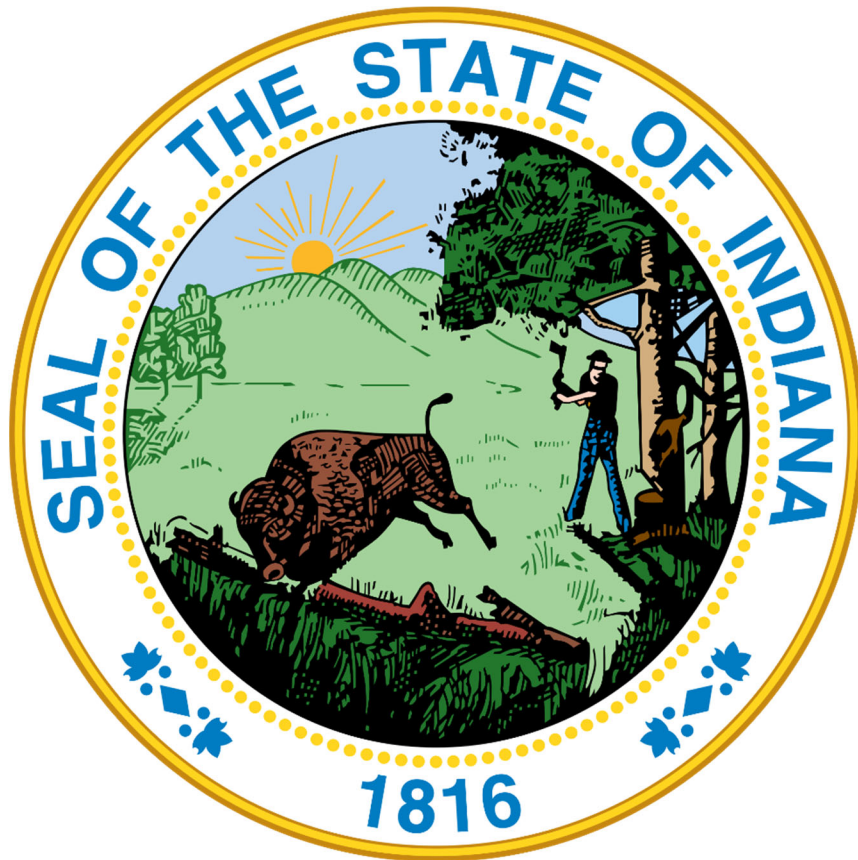
**State of Indiana**  
**Combining Balance Sheet**  
**Non-Major Permanent Funds**  
**June 30, 2021**  
(amounts expressed in thousands)

	Next Level/Generation Trust Fund	Other Non-Major Permanent Funds	Total
<b>ASSETS</b>			
Cash, cash equivalents and investments-unrestricted	\$ 538,027	\$ 3,649	\$ 541,676
Other	3	-	3
<b>Total assets</b>	<b>\$ 538,030</b>	<b>\$ 3,649</b>	<b>\$ 541,679</b>
<b>LIABILITIES</b>			
Other payables	\$ 3	\$ -	\$ 3
Total liabilities	3	-	3
<b>FUND BALANCE</b>			
Nonspendable	500,000	2,835	502,835
Committed	38,027	814	38,841
Total fund balance	538,027	3,649	541,676
<b>Total liabilities and fund balance</b>	<b>\$ 538,030</b>	<b>\$ 3,649</b>	<b>\$ 541,679</b>

**State of Indiana**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Non-Major Permanent Funds**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

	Next Level/Generation Trust Fund	Other Non-Major Permanent Funds	Total
<b>Revenues:</b>			
Investment income	\$ 28,463	\$ 488	\$ 28,951
Total revenues	<u>28,463</u>	<u>488</u>	<u>28,951</u>
<b>Expenditures:</b>			
Current:			
General government	-	31	31
Conservation, culture and development	-	55	55
Transportation	245	-	245
Total expenditures	<u>245</u>	<u>86</u>	<u>331</u>
Excess (deficiency) of revenues over (under) expenditures	<u>28,218</u>	<u>402</u>	<u>28,620</u>
<b>Other financing sources (uses):</b>			
Transfers (out)	<u>(90,217)</u>	<u>-</u>	<u>(90,217)</u>
Total other financing sources (uses)	<u>(90,217)</u>	<u>-</u>	<u>(90,217)</u>
<b>Net change in fund balances</b>	(61,999)	402	(61,597)
<b>Fund Balance July 1, as restated</b>	<u>600,026</u>	<u>3,247</u>	<u>603,273</u>
<b>Fund Balance June 30</b>	<u>\$ 538,027</u>	<u>\$ 3,649</u>	<u>\$ 541,676</u>





**State of Indiana**  
**Combining Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**(Budgetary Basis)**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

	State Gaming Fund				Motor Vehicle Highway Fund			
	Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes:								
Sales	\$ -	\$ -	\$ -	\$ -	\$ 54,983	\$ 54,983	\$ 48,979	\$ (6,004)
Fuels	-	-	-	-	976,392	976,392	1,041,986	65,594
Gaming	385,437	385,437	389,394	3,957	-	-	-	-
Alcohol and tobacco	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Financial institutions	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total taxes	385,437	385,437	389,394	3,957	1,031,375	1,031,375	1,090,965	59,590
Current service charges	1,904	1,904	3,729	1,825	276,205	276,205	308,297	32,092
Investment income	-	-	-	-	61	61	66	5
Sales/rents	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>387,341</b>	<b>387,341</b>	<b>393,123</b>	<b>5,782</b>	<b>1,307,641</b>	<b>1,307,641</b>	<b>1,399,328</b>	<b>91,687</b>
<b>Expenditures:</b>								
Current:								
General government	3,363	551,003	108,505	442,498	-	3,900	-	3,900
Public safety	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-
Conservation, culture and development	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	2,141	1,360,389	511,015	849,374
Debt service:								
Capital lease principal	-	-	-	-	-	-	-	-
Capital lease interest	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>3,363</b>	<b>551,003</b>	<b>108,505</b>	<b>442,498</b>	<b>2,141</b>	<b>1,364,289</b>	<b>511,015</b>	<b>853,274</b>
Excess of revenues over (under) expenditures	383,978	(163,662)	284,618	(448,280)	1,305,500	(56,648)	888,313	(944,961)
<b>Other financing sources (uses):</b>								
Transfers in	1,574	1,574	1,574	-	-	-	-	-
Transfers (out)	(282,827)	(282,827)	(282,827)	-	(852,039)	(852,039)	(852,039)	-
<b>Total other financing sources (uses)</b>	<b>(281,253)</b>	<b>(281,253)</b>	<b>(281,253)</b>	<b>-</b>	<b>(852,039)</b>	<b>(852,039)</b>	<b>(852,039)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 102,725</b>	<b>\$ (444,915)</b>	<b>3,365</b>	<b>\$ 448,280</b>	<b>\$ 453,461</b>	<b>\$ (908,687)</b>	<b>36,274</b>	<b>\$ 944,961</b>
<b>Fund balances July 1, as restated</b>			<b>1,198</b>				<b>104,211</b>	
<b>Fund balances June 30</b>			<b>\$ 4,563</b>				<b>\$ 140,485</b>	

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**State of Indiana**  
**Combining Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**(Budgetary Basis)**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

	Motor Vehicle Commission				State Highway Fund			
	Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes:								
Sales	\$ -	\$ -	\$ -	\$ -	\$ 8,244	\$ 8,244	\$ 29,375	\$ 21,131
Fuels	-	-	-	-	266,889	266,889	281,969	15,080
Gaming	-	-	-	-	-	-	-	-
Alcohol and tobacco	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Financial institutions	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total taxes	-	-	-	-	275,133	275,133	311,344	36,211
Current service charges	99,535	99,535	122,550	23,015	41,028	41,028	41,478	450
Investment income	-	-	-	-	92	92	74	(18)
Sales/rents	-	-	-	-	2,714	2,714	3,013	299
Grants	-	-	-	-	130	130	1	(129)
Other	-	-	-	-	87,543	87,543	63,441	(24,102)
<b>Total revenues</b>	<b>99,535</b>	<b>99,535</b>	<b>122,550</b>	<b>23,015</b>	<b>406,640</b>	<b>406,640</b>	<b>419,351</b>	<b>12,711</b>
<b>Expenditures:</b>								
Current:								
General government	-	-	-	-	13,307	571	-	571
Public safety	179,549	64,977	110,387	(45,410)	-	-	-	-
Health	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-
Conservation, culture and development	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	1,459,495	654,925	548,914	106,011
Debt service:								
Capital lease principal	-	-	-	-	-	-	63,344	(63,344)
Capital lease interest	-	-	-	-	-	-	38,511	(38,511)
<b>Total expenditures</b>	<b>179,549</b>	<b>64,977</b>	<b>110,387</b>	<b>(45,410)</b>	<b>1,472,802</b>	<b>655,496</b>	<b>650,769</b>	<b>4,727</b>
Excess of revenues over (under) expenditures	(80,014)	34,558	12,163	22,395	(1,066,162)	(248,856)	(231,418)	(17,438)
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	1,142,687	1,142,687	1,142,687	-
Transfers (out)	(10,046)	(10,046)	(10,046)	-	(999,891)	(999,891)	(999,891)	-
<b>Total other financing sources (uses)</b>	<b>(10,046)</b>	<b>(10,046)</b>	<b>(10,046)</b>	<b>-</b>	<b>142,796</b>	<b>142,796</b>	<b>142,796</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (90,060)</b>	<b>\$ 24,512</b>	<b>2,117</b>	<b>\$ (22,395)</b>	<b>\$ (923,366)</b>	<b>\$ (106,060)</b>	<b>(88,622)</b>	<b>\$ 17,438</b>
<b>Fund balances July 1, as restated</b>			<b>51,177</b>				<b>591,960</b>	
<b>Fund balances June 30</b>			<b>\$ 53,294</b>				<b>\$ 503,338</b>	

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**State of Indiana**  
**Combining Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**(Budgetary Basis)**  
**For the Year Ended June 30, 2021**  
 (amounts expressed in thousands)

	Major Moves Construction Fund				Indiana Check-Up Plan			
	Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes:								
Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuels	-	-	-	-	-	-	-	-
Gaming	-	-	-	-	-	-	-	-
Alcohol and tobacco	-	-	-	-	108,288	108,288	108,152	(136)
Insurance	-	-	-	-	-	-	-	-
Financial institutions	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total taxes	-	-	-	-	108,288	108,288	108,152	(136)
Current service charges	300,000	300,000	300,000	-	261,691	261,691	305,797	44,106
Investment income	16,522	16,522	6,375	(10,147)	-	-	-	-
Sales/rents	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>316,522</b>	<b>316,522</b>	<b>306,375</b>	<b>(10,147)</b>	<b>369,979</b>	<b>369,979</b>	<b>413,949</b>	<b>43,970</b>
<b>Expenditures:</b>								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Health	-	-	-	-	119,920	122,278	10,689	111,589
Welfare	-	-	-	-	-	-	-	-
Conservation, culture and development	40,171	39,830	8,743	31,087	-	-	-	-
Education	-	-	-	-	-	-	-	-
Transportation	569,704	211,684	253,272	(41,588)	-	-	-	-
Debt service:								
Capital lease principal	-	-	-	-	-	-	-	-
Capital lease interest	-	-	-	-	-	-	-	-
Total expenditures	609,875	251,514	262,015	(10,501)	119,920	122,278	10,689	111,589
Excess of revenues over (under) expenditures	(293,353)	65,008	44,360	20,648	250,059	247,701	403,260	(155,559)
<b>Other financing sources (uses):</b>								
Transfers in	248,471	248,471	248,471	-	-	-	-	-
Transfers (out)	(295,098)	(295,098)	(295,098)	-	(357,445)	(357,445)	(357,445)	-
Total other financing sources (uses)	(46,627)	(46,627)	(46,627)	-	(357,445)	(357,445)	(357,445)	-
<b>Net change in fund balances</b>	<b>\$ (339,980)</b>	<b>\$ 18,381</b>	<b>(2,267)</b>	<b>\$ (20,648)</b>	<b>\$ (107,386)</b>	<b>\$ (109,744)</b>	<b>45,815</b>	<b>\$ 155,559</b>
<b>Fund balances July 1, as restated</b>			<b>759,125</b>				<b>223,093</b>	
<b>Fund balances June 30</b>			<b>\$ 756,858</b>				<b>\$ 268,908</b>	

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**State of Indiana**  
**Combining Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**(Budgetary Basis)**

**For the Year Ended June 30, 2021**

(amounts expressed in thousands)

	Fund 6000 Programs				Patients Compensation Fund			
	Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes:								
Sales	\$ 2,433	\$ 2,433	\$ 2,766	\$ 333	\$ -	\$ -	\$ -	\$ -
Fuels	-	-	-	-	-	-	-	-
Gaming	211	211	105	(106)	-	-	-	-
Alcohol and tobacco	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Financial institutions	131,507	131,507	234,893	103,386	-	-	-	-
Other	1,289	1,289	890	(399)	-	-	-	-
Total taxes	135,440	135,440	238,654	103,214	-	-	-	-
Current service charges	150,376	150,376	128,784	(21,592)	129,902	129,902	142,838	12,936
Investment income	1,024	1,024	616	(408)	5,970	5,970	1,713	(4,257)
Sales/rents	5,425	5,425	6,630	1,205	-	-	-	-
Grants	19,424	19,424	5,507	(13,917)	-	-	-	-
Other	12,410	12,410	7,380	(5,030)	-	-	-	-
Total revenues	324,099	324,099	387,571	63,472	135,872	135,872	144,551	8,679
<b>Expenditures:</b>								
Current:								
General government	22,117	405,358	111,776	293,582	-	-	-	-
Public safety	37,115	90,895	52,518	38,377	2,931	426,645	192,249	234,396
Health	1,414	5,344	2,302	3,042	-	-	-	-
Welfare	1,974	3,763	-	3,763	-	-	-	-
Conservation, culture and development	3,709	23,250	7,152	16,098	-	-	-	-
Education	3,704	13,337	5,921	7,416	-	-	-	-
Transportation	4,691	2,235	1,613	622	-	-	-	-
Debt service:								
Capital lease principal	-	-	864	(864)	-	-	-	-
Capital lease interest	-	-	95	(95)	-	-	-	-
Total expenditures	74,724	544,182	182,241	361,941	2,931	426,645	192,249	234,396
Excess of revenues over (under) expenditures	249,375	(220,083)	205,330	(425,413)	132,941	(290,773)	(47,698)	(243,075)
<b>Other financing sources (uses):</b>								
Transfers in	37,348	37,348	37,348	-	-	-	-	-
Transfers (out)	(219,265)	(219,265)	(219,265)	-	(30)	(30)	(30)	-
Total other financing sources (uses)	(181,917)	(181,917)	(181,917)	-	(30)	(30)	(30)	-
<b>Net change in fund balances</b>	<u>\$ 67,458</u>	<u>\$ (402,000)</u>	<u>23,413</u>	<u>\$ 425,413</u>	<u>\$ 132,911</u>	<u>\$ (290,803)</u>	<u>(47,728)</u>	<u>\$ 243,075</u>
<b>Fund balances July 1, as restated</b>			<u>266,131</u>				<u>283,856</u>	
<b>Fund balances June 30</b>			<u>\$ 289,544</u>				<u>\$ 236,128</u>	

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**State of Indiana**  
**Combining Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**(Budgetary Basis)**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

	Road and Street, Primary Highway				Tobacco Settlement Fund			
	Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes:								
Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuels	123,188	123,188	138,659	15,471	-	-	-	-
Gaming	-	-	-	-	-	-	-	-
Alcohol and tobacco	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Financial institutions	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total taxes	123,188	123,188	138,659	15,471	-	-	-	-
Current service charges	7,229	7,229	7,981	752	130,484	130,484	146,245	15,761
Investment income	-	-	-	-	262	262	6	(256)
Sales/rents	-	-	-	-	-	-	-	-
Grants	-	-	-	-	11	11	13	2
Other	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>130,417</b>	<b>130,417</b>	<b>146,640</b>	<b>16,223</b>	<b>130,757</b>	<b>130,757</b>	<b>146,264</b>	<b>15,507</b>
<b>Expenditures:</b>								
Current:								
General government	-	-	-	-	12,048	-	-	-
Public safety	-	-	-	-	-	-	-	-
Health	-	-	-	-	104,668	81,361	79,629	1,732
Welfare	-	-	-	-	68,212	13,811	12,256	1,555
Conservation, culture and development	-	-	-	-	-	-	-	-
Education	-	-	-	-	13,399	14,164	6,624	7,540
Transportation	-	554,365	138,299	416,066	-	-	-	-
Debt service:								
Capital lease principal	-	-	-	-	-	-	-	-
Capital lease interest	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>554,365</b>	<b>138,299</b>	<b>416,066</b>	<b>198,327</b>	<b>109,336</b>	<b>98,509</b>	<b>10,827</b>
Excess of revenues over (under) expenditures	130,417	(423,948)	8,341	(432,289)	(67,570)	21,421	47,755	(26,334)
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	8,483	8,483	8,483	-
Transfers (out)	-	-	-	-	(67,764)	(67,764)	(67,764)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(59,281)</b>	<b>(59,281)</b>	<b>(59,281)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 130,417</b>	<b>\$ (423,948)</b>	<b>8,341</b>	<b>\$ 432,289</b>	<b>\$ (126,851)</b>	<b>\$ (37,860)</b>	<b>(11,526)</b>	<b>\$ 26,334</b>
<b>Fund balances July 1, as restated</b>			<b>22,369</b>				<b>138,025</b>	
<b>Fund balances June 30</b>			<b>\$ 30,710</b>				<b>\$ 126,499</b>	

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**State of Indiana**  
**Combining Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**(Budgetary Basis)**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

	Common School Fund				U.S. Department of Agriculture			
	Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes:								
Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuels	-	-	-	-	-	-	-	-
Gaming	-	-	-	-	-	-	-	-
Alcohol and tobacco	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Financial institutions	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total taxes	-	-	-	-	-	-	-	-
Current service charges	2,180	2,180	1,929	(251)	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Sales/rents	-	-	-	-	-	-	-	-
Grants	-	-	-	-	1,629,553	1,629,553	2,410,395	780,842
Other	105	105	6	(99)	-	-	-	-
<b>Total revenues</b>	<b>2,285</b>	<b>2,285</b>	<b>1,935</b>	<b>(350)</b>	<b>1,629,553</b>	<b>1,629,553</b>	<b>2,410,395</b>	<b>780,842</b>
<b>Expenditures:</b>								
Current:								
General government	-	16,402	-	16,402	1,317	10,164	525	9,639
Public safety	-	-	-	-	22	6,373	4,619	1,754
Health	-	-	-	-	22,012	135,146	140,484	(5,338)
Welfare	-	-	-	-	8,922	3,471,474	1,946,844	1,524,630
Conservation, culture and development	-	-	-	-	762	11,027	2,693	8,334
Education	-	-	-	-	1,580	648,554	437,548	211,006
Transportation	-	-	-	-	-	-	-	-
Debt service:								
Capital lease principal	-	-	-	-	-	-	-	-
Capital lease interest	-	-	-	-	-	-	-	-
Total expenditures	-	16,402	-	16,402	34,615	4,282,738	2,532,713	1,750,025
Excess of revenues over (under) expenditures	2,285	(14,117)	1,935	(16,052)	1,594,938	(2,653,185)	(122,318)	(2,530,867)
<b>Other financing sources (uses):</b>								
Transfers in	-	-	-	-	92,358	92,358	92,358	-
Transfers (out)	-	-	-	-	(4,653)	(4,653)	(4,653)	-
Total other financing sources (uses)	-	-	-	-	87,705	87,705	87,705	-
<b>Net change in fund balances</b>	<b>\$ 2,285</b>	<b>\$ (14,117)</b>	<b>1,935</b>	<b>\$ 16,052</b>	<b>\$ 1,682,643</b>	<b>\$ (2,565,480)</b>	<b>(34,613)</b>	<b>\$ 2,530,867</b>
<b>Fund balances July 1, as restated</b>			<b>589,210</b>				<b>53,146</b>	
<b>Fund balances June 30</b>			<b>\$ 591,145</b>				<b>\$ 18,533</b>	

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**State of Indiana**  
**Combining Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**(Budgetary Basis)**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

	U.S. Department of Labor				U.S. Department of Transportation			
	Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes:								
Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuels	-	-	-	-	-	-	-	-
Gaming	-	-	-	-	-	-	-	-
Alcohol and tobacco	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Financial institutions	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total taxes	-	-	-	-	-	-	-	-
Current service charges	82	82	-	(82)	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Sales/rents	-	-	-	-	-	-	-	-
Grants	115,537	115,537	141,551	26,014	1,161,268	1,161,268	1,293,676	132,408
Other	-	-	-	-	1,867	1,867	25	(1,842)
<b>Total revenues</b>	<b>115,619</b>	<b>115,619</b>	<b>141,551</b>	<b>25,932</b>	<b>1,163,135</b>	<b>1,163,135</b>	<b>1,293,701</b>	<b>130,566</b>
<b>Expenditures:</b>								
Current:								
General government	-	-	-	-	461	3,261	1,179	2,082
Public safety	63	12,153	6,103	6,050	7,005	72,716	22,458	50,258
Health	-	-	-	-	70	765	264	501
Welfare	-	3,933	-	3,933	-	13	-	13
Conservation, culture and development	37,560	276,745	135,354	141,391	4,159	2,594	630	1,964
Education	-	525	-	525	-	-	-	-
Transportation	-	-	-	-	1,952,088	3,642,789	2,084,907	1,557,882
Debt service:								
Capital lease principal	-	-	104	(104)	-	-	-	-
Capital lease interest	-	-	1	(1)	-	-	-	-
Total expenditures	37,623	293,356	141,562	151,794	1,963,783	3,722,138	2,109,438	1,612,700
Excess of revenues over (under) expenditures	77,996	(177,737)	(11)	(177,726)	(800,648)	(2,559,003)	(815,737)	(1,743,266)
<b>Other financing sources (uses):</b>								
Transfers in	4,074	4,074	4,074	-	834,636	834,636	834,636	-
Transfers (out)	(1,086)	(1,086)	(1,086)	-	(14,436)	(14,436)	(14,436)	-
Total other financing sources (uses)	2,988	2,988	2,988	-	820,200	820,200	820,200	-
<b>Net change in fund balances</b>	<b>\$ 80,984</b>	<b>\$ (174,749)</b>	<b>2,977</b>	<b>\$ 177,726</b>	<b>\$ 19,552</b>	<b>\$ (1,738,803)</b>	<b>4,463</b>	<b>\$ 1,743,266</b>
<b>Fund balances July 1, as restated</b>			<b>(536)</b>				<b>735,764</b>	
<b>Fund balances June 30</b>			<b>\$ 2,441</b>				<b>\$ 740,227</b>	

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**State of Indiana**  
**Combining Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**(Budgetary Basis)**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

	U.S. Department of Education				U.S. Department of Homeland Security			
	Budget		Actual	Variance to Final Budget	Budget		Actual	Variance to Final Budget
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes:								
Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuels	-	-	-	-	-	-	-	-
Gaming	-	-	-	-	-	-	-	-
Alcohol and tobacco	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-
Financial institutions	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total taxes	-	-	-	-	-	-	-	-
Current service charges	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Sales/rents	-	-	-	-	-	-	-	-
Grants	717,112	717,112	729,732	12,620	20,303	20,303	470,120	449,817
Other	-	-	-	-	-	-	-	-
Total revenues	<u>717,112</u>	<u>717,112</u>	<u>729,732</u>	<u>12,620</u>	<u>20,303</u>	<u>20,303</u>	<u>470,120</u>	<u>449,817</u>
<b>Expenditures:</b>								
Current:								
General government	-	1,633	505	1,128	-	993	-	993
Public safety	535	3,189	1,467	1,722	26,393	114,572	16,931	97,641
Health	-	-	-	-	2	829	306	523
Welfare	31,170	291,516	78,817	212,699	-	58	-	58
Conservation, culture and development	7,733	36,273	26,898	9,375	1,160	11,379	385,202	(373,823)
Education	93,240	960,926	649,922	311,004	-	36	-	36
Transportation	-	-	-	-	-	1,396	-	1,396
Debt service:								
Capital lease principal	-	-	-	-	-	-	-	-
Capital lease interest	-	-	-	-	-	-	-	-
Total expenditures	<u>132,678</u>	<u>1,293,537</u>	<u>757,609</u>	<u>535,928</u>	<u>27,555</u>	<u>129,263</u>	<u>402,439</u>	<u>(273,176)</u>
Excess of revenues over (under) expenditures	584,434	(576,425)	(27,877)	(548,548)	(7,252)	(108,960)	67,681	(176,641)
<b>Other financing sources (uses):</b>								
Transfers in	30,749	30,749	30,749	-	-	-	-	-
Transfers (out)	(1,305)	(1,305)	(1,305)	-	-	-	-	-
Total other financing sources (uses)	<u>29,444</u>	<u>29,444</u>	<u>29,444</u>	<u>-</u>	<u>2,454</u>	<u>2,454</u>	<u>2,454</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ 613,878</u>	<u>\$ (546,981)</u>	<u>1,567</u>	<u>\$ 548,548</u>	<u>\$ (4,798)</u>	<u>\$ (106,506)</u>	<u>\$ 70,135</u>	<u>\$ 176,641</u>
<b>Fund balances July 1, as restated</b>			<u>25,775</u>				<u>\$ 6,706</u>	
<b>Fund balances June 30</b>			<u>\$ 27,342</u>				<u>\$ 76,841</u>	

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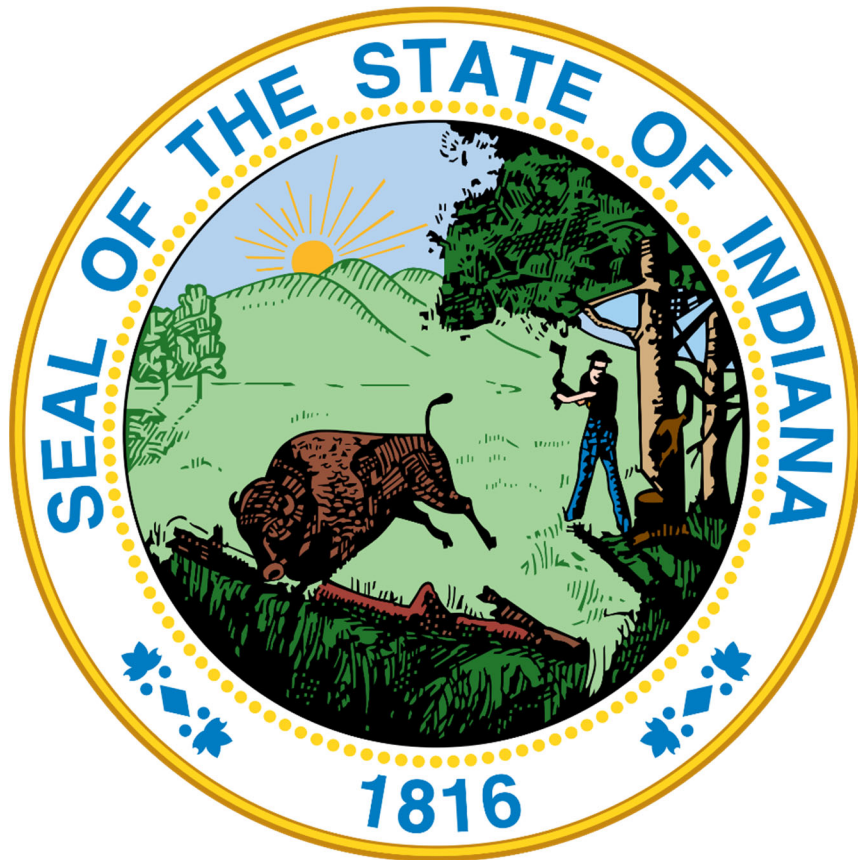
**State of Indiana**  
**Combining Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**(Budgetary Basis)**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

	Other Non-Major Special Revenue Funds			
	Budget		Actual	Variance to Final Budget
	Original	Final		
<b>Revenues:</b>				
Taxes:				
Sales	\$ 10,281	\$ 10,281	\$ 11,689	\$ 1,408
Fuels	80,341	80,341	80,789	448
Gaming	23,735	23,735	29,570	5,835
Alcohol and tobacco	35,821	35,821	38,185	2,364
Insurance	5,084	5,084	5,303	219
Financial institutions	-	-	-	-
Other	15,456	15,456	15,115	(341)
Total taxes	170,718	170,718	180,651	9,933
Current service charges	658,686	658,686	786,210	127,524
Investment income	3,963	3,963	952	(3,011)
Sales/rents	9,075	9,075	3,993	(5,082)
Grants	286,370	286,370	290,316	3,946
Other	1,465	1,465	8,094	6,629
Total revenues	<u>1,130,277</u>	<u>1,130,277</u>	<u>1,270,216</u>	<u>139,939</u>
<b>Expenditures:</b>				
Current:				
General government	158,702	714,473	147,801	566,672
Public safety	318,683	538,657	246,816	291,841
Health	10,888	19,789	7,254	12,535
Welfare	91,932	932,996	57,785	875,211
Conservation, culture and development	240,584	524,463	243,880	280,583
Education	8,062	23,579	7,678	15,901
Transportation	110,931	191,113	129,709	61,404
Debt service:				
Capital lease principal	-	-	-	-
Capital lease interest	-	-	-	-
Total expenditures	<u>939,782</u>	<u>2,945,070</u>	<u>840,923</u>	<u>2,104,147</u>
Excess of revenues over (under) expenditures	190,495	(1,814,793)	429,293	(2,244,086)
<b>Other financing sources (uses):</b>				
Transfers in	284,095	284,095	284,095	-
Transfers (out)	(522,757)	(522,757)	(522,757)	-
Total other financing sources (uses)	<u>(238,662)</u>	<u>(238,662)</u>	<u>(238,662)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ (48,167)</u>	<u>\$ (2,053,455)</u>	190,631	<u>\$ 2,244,086</u>
<b>Fund balances July 1, as restated</b>			<u>741,453</u>	
<b>Fund balances June 30</b>			<u>\$ 932,084</u>	

## Budget/GAAP Reconciliation Nonmajor Special Revenue Funds

The cash basis of accounting (budgetary basis) is applied to each budget. The budgetary basis differs from GAAP. The major differences between budgetary (non-GAAP) basis and GAAP basis are:

(amounts expressed in thousands)	Nonmajor Special Revenue Funds
Net change in fund balances (budgetary basis)	\$ 206,277
Adjustments necessary to convert the results of operations on a budgetary basis to a GAAP basis are:	
Revenues are recorded when earned (GAAP) as opposed to when cash is received (budgetary)	(84,198)
Expenditures are recorded when the liability is incurred (GAAP) as opposed to when payment is made (budgetary)	39,894
Funds not subject to legally adopted budget	<u>21,939</u>
<b>Net change in fund balances (GAAP basis)</b>	<b><u>\$ 183,912</u></b>



## NON-MAJOR PROPRIETARY FUNDS

### ENTERPRISE FUNDS

Enterprise Funds account for operations established to provide services to the general public in a manner similar to private business enterprises. Cost of providing the goods or services are financed or recovered primarily through fees and user charges. The non-major enterprise funds are as follows:

**Residual Malpractice Insurance Authority** – IC 34-18-17 created the Residual Malpractice Insurance Authority to make malpractice liability insurance available to those who cannot obtain this coverage through other insurers. The Indiana Department of Insurance is the designated residual malpractice insurance authority per State law. Revenues are from the premiums collected.

**Inns and Concessions** - This fund accounts for the operations of various State Park Inns which provide lodging throughout the year for park tourists, and for the restaurant and concessions at Fort Benjamin Harrison.

**State of Indiana**  
**Combining Statement of Fund Net Position**  
**Non-Major Enterprise Funds**  
**June 30, 2021**  
(amounts expressed in thousands)

	<b>Residual Malpractice Insurance Authority</b>	<b>Inns and Concessions</b>	<b>Total</b>
<b>Assets</b>			
Current assets:			
Cash, cash equivalents and investments - unrestricted	\$ 71,288	\$ 17,506	\$ 88,794
Receivables:			
Accounts	50	316	366
Interest	235	-	235
Inventory	-	543	543
Prepaid expenses	-	62	62
Other assets	32	-	32
	<u>71,605</u>	<u>18,427</u>	<u>90,032</u>
Noncurrent assets:			
Capital assets being depreciated/amortized	-	1,075	1,075
less accumulated depreciation/amortization	-	(732)	(732)
Total capital assets, net of depreciation/amortization	-	343	343
Total noncurrent assets	-	343	343
	<u>71,605</u>	<u>18,770</u>	<u>90,375</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	-	561	561
Claims payable	1,069	-	1,069
Salaries and benefits payable	-	658	658
Accrued liability for compensated absences	-	263	263
Unearned revenue	554	4,840	5,394
Other liabilities	8	272	280
Total current liabilities	<u>1,631</u>	<u>6,594</u>	<u>8,225</u>
Noncurrent liabilities:			
Accrued liability for compensated absences	-	535	535
Claims payable	21,655	-	21,655
Total noncurrent liabilities	<u>21,655</u>	<u>535</u>	<u>22,190</u>
	<u>23,286</u>	<u>7,129</u>	<u>30,415</u>
<b>Net position</b>			
Net investment in capital assets	-	343	343
Restricted-expendable:			
Unrestricted (deficit)	48,319	11,298	59,617
	<u>\$ 48,319</u>	<u>\$ 11,641</u>	<u>\$ 59,960</u>

**State of Indiana**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Fund Net Position**  
**Non-Major Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2021**  
(amounts expressed in thousands)

	<b>Residual Malpractice Insurance Authority</b>	<b>Inns and Concessions</b>	<b>Total</b>
<b>Operating revenues:</b>			
Sales/rents/premiums	\$ 768	\$ 23,594	\$ 24,362
Other	-	372	372
Total operating revenues	<u>768</u>	<u>23,966</u>	<u>24,734</u>
<b>Operating expenses:</b>			
General and administrative expense	559	16,178	16,737
Cost of sales and services	-	5,391	5,391
Claims expense	557	-	557
Depreciation and amortization	-	77	77
Other	-	25	25
Total operating expenses	<u>1,116</u>	<u>21,671</u>	<u>22,787</u>
Operating income (loss)	<u>(348)</u>	<u>2,295</u>	<u>1,947</u>
<b>Nonoperating revenues (expenses):</b>			
Interest and other investment income	-	52	52
Interest and other investment expense	(831)	-	(831)
Gain (Loss) on disposition of assets	-	5	5
Total nonoperating revenues (expenses)	<u>(831)</u>	<u>57</u>	<u>(774)</u>
Income before contributions and transfers	<u>(1,179)</u>	<u>2,352</u>	<u>1,173</u>
Transfers (out)	<u>-</u>	<u>(555)</u>	<u>(555)</u>
<b>Change in net position</b>	<u>(1,179)</u>	<u>1,797</u>	<u>618</u>
Total net position, July 1, as restated	<u>49,498</u>	<u>9,844</u>	<u>59,342</u>
<b>Total net position, June 30</b>	<u><b>\$ 48,319</b></u>	<u><b>\$ 11,641</b></u>	<u><b>\$ 59,960</b></u>

**State of Indiana**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2021**

(amounts expressed in thousands)

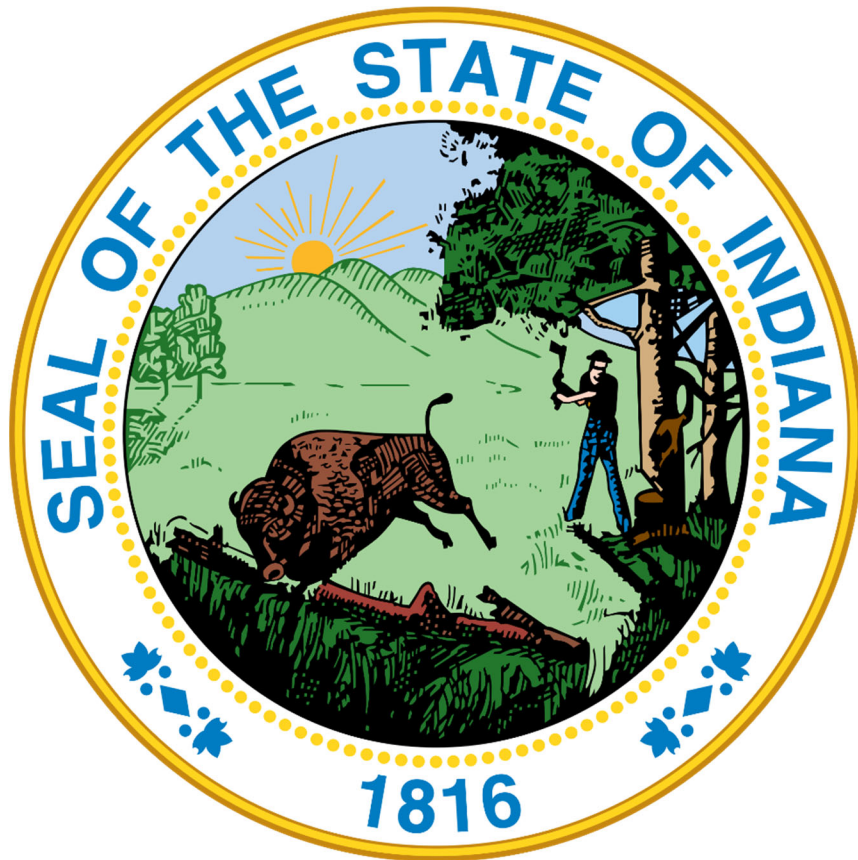
	<b>Residual Malpractice Insurance Authority</b>	<b>Inns and Concessions</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 869	\$ 24,550	\$ 25,419
Cash paid for general and administrative	(579)	(15,877)	(16,456)
Cash paid to suppliers	-	(5,310)	(5,310)
Cash paid for claims expense	(912)	-	(912)
Net cash provided (used) by operating activities	<u>(622)</u>	<u>3,363</u>	<u>2,741</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers out	-	(555)	(555)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(555)</u>	<u>(555)</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition/construction of capital assets activities	-	(33)	(33)
	<u>-</u>	<u>(33)</u>	<u>(33)</u>
<b>Cash flows from investing activities:</b>			
Proceeds from sales of investments	3,638	300	3,938
Purchase of investments	(6,176)	-	(6,176)
Interest income (expense) on investments	1,043	52	1,095
Net cash provided (used) by investing activities	<u>(1,495)</u>	<u>352</u>	<u>(1,143)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,117)</b>	<b>3,127</b>	<b>1,010</b>
<b>Cash and cash equivalents, July 1</b>	<b>3,341</b>	<b>13,544</b>	<b>16,885</b>
<b>Cash and cash equivalents, June 30</b>	<b>\$ 1,224</b>	<b>\$ 16,671</b>	<b>\$ 17,895</b>
<b>Reconciliation of cash , cash equivalents and investments:</b>			
Cash and cash equivalents unrestricted at end of year	\$ 1,224	\$ 16,671	\$ 17,895
Investments unrestricted	70,064	835	70,899
<b>Cash, cash equivalents and investments per balance sheet</b>	<b>\$ 71,288</b>	<b>\$ 17,506</b>	<b>\$ 88,794</b>

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**State of Indiana**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2021**  
(amounts expressed in thousands)

	<u>Residual Malpractice Insurance Authority</u>	<u>Inns and Concessions</u>	<u>Total</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (348)	\$ 2,295	\$ 1,947
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation/amortization expense	-	77	77
(Increase) decrease in receivables	21	(154)	(133)
(Increase) decrease in inventory	-	81	81
(Increase) decrease in prepaid expenses	-	30	30
Increase (decrease) in claims payable	(356)	-	(356)
Increase (decrease) in accounts payable	-	30	30
Increase (decrease) in unearned revenue	79	739	818
Increase (decrease) in salaries payable	-	169	169
Increase (decrease) in compensated absences	-	34	34
Increase (decrease) in other payables	(18)	62	44
Net cash provided (used) by operating activities	<u>\$ (622)</u>	<u>\$ 3,363</u>	<u>\$ 2,741</u>



## INTERNAL SERVICE FUNDS

Internal Service Funds account for the operations of State agencies that supply goods or services to other agencies of governmental units on a cost-reimbursement basis.

**Institutional Industries** – This fund accounts for revenues and expenses incurred from the operation of inmate employment programs. Goods produced or manufactured as a result of such programs are sold to state agencies and political subdivisions of the State as well as to the general public.

**Administrative Services Revolving** – This fund is used to account for the following rotary funds.

**Information Technology Services** provides telecommunications and data processing services to State agencies. Revenues consist of charges to user agencies.

**Motor Pool Rotary Fund** accounts for the operation and maintenance of State garages including the servicing and repair of all automotive equipment owned or controlled by the State. Revenues consist of charges to user agencies.

**Printing Rotary Fund** accounts for the operation of the State Print Shop, which provides printing services to other State agencies. Revenues consist of charges to user agencies.

**General Services Rotary** accounts for postal service charges to agencies. Revenues consist of charges to user agencies.

**Aviation Rotary Fund** accounts for the operation and maintenance of state aircraft. Revenues consist of charges to user agencies.

**State Police Health Insurance Fund** – This fund administers health insurance for state police personnel.

**State Employee Disability Fund** – This fund administers certain disability benefits for state employees.

**State Employee Health Insurance Fund** – This fund administers health insurance for state employees as well as certain school corporations.

**Conservation and Excise Officers Health Insurance Fund** – This fund administers health insurance for conservation and excise police officers.

**State Personnel Department** – This fund accounts for revenues and expenses incurred by the Indiana State Personnel Department for providing human resource services to the executive branch of the government.

**Accounting Centralization** – This fund accounts for revenues and expenses incurred by the Indiana State Budget Agency for providing centralized accounting services to some smaller state agencies.

**State of Indiana**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2021**  
(amounts expressed in thousands)

	Institutional Industries	Administrative Services Revolving	State Police Health Insurance Fund	State Employee Disability Fund	State Employee Health Insurance Fund	Conservation and Excise Officers Health Insurance Fund	State Personnel Department Fund	Accounting Centralization	Total
<b>Assets</b>									
Current assets:									
Cash, cash equivalents and investments - unrestricted	\$ 2,694	\$ 38,460	\$ 20,831	\$ 22,086	\$ 160,202	\$ 2,519	\$ 572	\$ 82	\$ 247,446
Receivables:									
Accounts	3,349	2,082	1,712	1,588	21,073	271	58	-	30,133
Interfund services provided	526	10,539	-	-	-	-	-	-	11,065
Inventory	4,006	132	-	-	-	-	-	-	4,138
Prepaid expenses	-	2,385	-	-	-	-	-	-	2,385
Total current assets	<u>10,575</u>	<u>53,598</u>	<u>22,543</u>	<u>23,674</u>	<u>181,275</u>	<u>2,790</u>	<u>630</u>	<u>82</u>	<u>295,167</u>
Noncurrent assets:									
Capital assets:									
Capital assets being depreciated/amortized	12,962	128,080	-	-	1,280	-	-	-	142,322
less accumulated depreciation/amortization	(9,993)	(72,155)	-	-	(297)	-	-	-	(82,445)
Total capital assets, net of depreciation/amortization	<u>2,969</u>	<u>55,925</u>	<u>-</u>	<u>-</u>	<u>983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,877</u>
Total noncurrent assets	<u>2,969</u>	<u>55,925</u>	<u>-</u>	<u>-</u>	<u>983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,877</u>
<b>Total assets</b>	<b><u>13,544</u></b>	<b><u>109,523</u></b>	<b><u>22,543</u></b>	<b><u>23,674</u></b>	<b><u>182,258</u></b>	<b><u>2,790</u></b>	<b><u>630</u></b>	<b><u>82</u></b>	<b><u>355,044</u></b>
<b>Deferred Outflows of Resources</b>									
Related to pensions	1,332	4,716	-	-	-	-	1,137	55	7,240
Related to OPEB	67	236	-	-	-	-	57	3	363
<b>Total deferred outflows of resources</b>	<b><u>1,399</u></b>	<b><u>4,952</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,194</u></b>	<b><u>58</u></b>	<b><u>7,603</u></b>
<b>Liabilities</b>									
Current liabilities:									
Accounts payable	2,947	-	3,503	3,581	38,660	799	-	-	49,490
Salaries and benefits payable	473	1,924	-	-	76	-	505	19	2,997
Accrued liability for compensated absences	194	1,981	-	-	43	-	380	20	2,618
Unearned revenue	5	-	-	-	-	-	-	-	5
Other liabilities	4	-	-	-	-	-	-	-	4
Total current liabilities	<u>3,623</u>	<u>3,905</u>	<u>3,503</u>	<u>3,581</u>	<u>38,779</u>	<u>799</u>	<u>885</u>	<u>39</u>	<u>55,114</u>
Noncurrent liabilities:									
Accrued liability for compensated absences	333	3,523	-	-	69	-	651	30	4,606
Net pension liability	3,777	13,379	-	-	-	-	3,227	157	20,540
OPEB Liability	25	88	-	-	-	-	21	1	135
Total noncurrent liabilities	<u>4,135</u>	<u>16,990</u>	<u>-</u>	<u>-</u>	<u>69</u>	<u>-</u>	<u>3,899</u>	<u>188</u>	<u>25,281</u>
<b>Total liabilities</b>	<b><u>7,758</u></b>	<b><u>20,895</u></b>	<b><u>3,503</u></b>	<b><u>3,581</u></b>	<b><u>38,848</u></b>	<b><u>799</u></b>	<b><u>4,784</u></b>	<b><u>227</u></b>	<b><u>80,395</u></b>
<b>Deferred Inflows of Resources</b>									
Related to pensions	845	2,992	-	-	-	-	722	35	4,594
Related to OPEB	46	163	-	-	-	-	39	2	250
<b>Total deferred inflows of resources</b>	<b><u>891</u></b>	<b><u>3,155</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>761</u></b>	<b><u>37</u></b>	<b><u>4,844</u></b>
<b>Net position</b>									
Net investment in capital assets	2,969	55,925	-	-	983	-	-	-	59,877
Restricted-expendable:									
Unrestricted (deficit)	3,325	34,500	19,040	20,093	142,427	1,991	(3,721)	(124)	217,531
<b>Total net position</b>	<b><u>\$ 6,294</u></b>	<b><u>\$ 90,425</u></b>	<b><u>\$ 19,040</u></b>	<b><u>\$ 20,093</u></b>	<b><u>\$ 143,410</u></b>	<b><u>\$ 1,991</u></b>	<b><u>\$ (3,721)</u></b>	<b><u>\$ (124)</u></b>	<b><u>\$ 277,408</u></b>

**State of Indiana**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2021**  
(amounts expressed in thousands)

	Institutional Industries	Administrative Services Revolving	State Police Health Insurance Fund	State Employee Disability Fund	State Employee Health Insurance Fund	Conservation and Excise Officers Health Insurance Fund	State Personnel Department Fund	Accounting Centralization	Total
<b>Operating revenues:</b>									
Sales/rents/premiums	\$ 39,886	\$ 136,262	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 176,148
Charges for services	-	6	-	-	-	-	11,604	490	12,100
Insurance premiums	-	-	37,837	21,789	386,191	5,561	-	-	451,378
Other	-	-	-	844	1,314	1	-	-	2,159
Total operating revenues	39,886	136,268	37,837	22,633	387,505	5,562	11,604	490	641,785
<b>Operating expenses:</b>									
General and administrative expense	14,019	138,540	1,911	688	20,465	236	11,316	467	187,642
Cost of sales and services	20,738	2,539	-	-	-	-	-	-	23,277
Health / disability benefit payments	-	-	26,981	16,922	344,908	4,521	-	-	393,332
Depreciation and amortization	344	9,713	-	-	30	-	-	-	10,087
Contributions to other postemployment benefits	-	-	8,561	372	4,116	1,208	-	-	14,257
Total operating expenses	35,101	150,792	37,453	17,982	369,519	5,965	11,316	467	628,595
Operating income (loss)	4,785	(14,524)	384	4,651	17,986	(403)	288	23	13,190
<b>Nonoperating revenues (expenses):</b>									
Gain (Loss) on disposition of assets	-	1,075	-	-	-	-	-	-	1,075
Other	-	8	-	-	-	-	-	-	8
Total nonoperating revenues (expenses)	-	1,083	-	-	-	-	-	-	1,083
Income before contributions and transfers	4,785	(13,441)	384	4,651	17,986	(403)	288	23	14,273
Capital contributions	-	18,547	-	-	-	-	-	-	18,547
Transfers (out)	(4,023)	-	-	-	-	-	-	-	(4,023)
Income before special item	(4,023)	18,547	-	-	-	-	-	-	14,524
<b>Change in net position</b>	762	5,106	384	4,651	17,986	(403)	288	23	28,797
<b>Total net position, July 1</b>	5,532	85,319	18,656	15,442	125,424	2,394	(4,009)	(147)	248,611
<b>Total net position, June 30</b>	<b>\$ 6,294</b>	<b>\$ 90,425</b>	<b>\$ 19,040</b>	<b>\$ 20,093</b>	<b>\$ 143,410</b>	<b>\$ 1,991</b>	<b>\$ (3,721)</b>	<b>\$ (124)</b>	<b>\$ 277,408</b>

**State of Indiana**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2021**  
(amounts expressed in thousands)

	Institutional Industries	Administrative Services Revolving	State Police Health Insurance Fund	State Employee Disability Fund	State Employee Health Insurance Fund	Conservation and Excise Officers Health Insurance Fund	State Personnel Department Fund	Accounting Centralization	Total
<b>Cash flows from operating activities:</b>									
Cash received from customers	\$ 34,998	\$ 12,019	\$ 37,729	\$ 21,903	\$ 382,901	\$ 5,550	\$ 11,596	\$ 490	\$ 507,186
Cash received from interfund services provided	4,742	123,376	-	-	-	-	-	-	128,118
Cash paid for general and administrative	(14,768)	(139,287)	(1,911)	(688)	(20,463)	(235)	(11,919)	(409)	(189,680)
Cash paid for salary/health/disability benefit payments	-	-	(27,411)	(17,535)	(346,622)	(4,462)	-	-	(396,030)
Contributions to OPEB plans	-	-	(8,561)	(372)	(4,116)	(1,208)	-	-	(14,257)
Cash paid to suppliers	(21,131)	(2,538)	-	-	-	-	-	-	(23,669)
Other operating income	-	-	-	844	1,314	-	-	-	2,158
Net cash provided (used) by operating activities	<u>3,841</u>	<u>(6,430)</u>	<u>(154)</u>	<u>4,152</u>	<u>13,014</u>	<u>(355)</u>	<u>(323)</u>	<u>81</u>	<u>13,826</u>
<b>Cash flows from noncapital financing activities:</b>									
Transfers out	(4,023)	-	-	-	-	-	-	-	(4,023)
Other	-	8	-	-	-	-	-	-	8
Net cash provided (used) by noncapital financing activities	<u>(4,023)</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,015)</u>
<b>Cash flows from capital and related financing activities:</b>									
Acquisition/construction of capital assets	4	(17,292)	-	-	-	-	-	-	(17,288)
Proceeds from sale of assets	1	1,465	-	-	-	-	-	-	1,466
Capital contributions	-	18,547	-	-	-	-	-	-	18,547
Net cash provided (used) by capital and related financing activities	<u>5</u>	<u>2,720</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,725</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(177)</b>	<b>(3,702)</b>	<b>(154)</b>	<b>4,152</b>	<b>13,014</b>	<b>(355)</b>	<b>(323)</b>	<b>81</b>	<b>12,536</b>
<b>Cash and cash equivalents, July 1</b>	<b>2,871</b>	<b>42,162</b>	<b>20,985</b>	<b>17,934</b>	<b>147,188</b>	<b>2,874</b>	<b>895</b>	<b>1</b>	<b>234,910</b>
<b>Cash and cash equivalents, June 30</b>	<b><u>\$ 2,694</u></b>	<b><u>\$ 38,460</u></b>	<b><u>\$ 20,831</u></b>	<b><u>\$ 22,086</u></b>	<b><u>\$ 160,202</u></b>	<b><u>\$ 2,519</u></b>	<b><u>\$ 572</u></b>	<b><u>\$ 82</u></b>	<b><u>\$ 247,446</u></b>
<b>Reconciliation of cash, cash equivalents and investments:</b>									
Cash and cash equivalents unrestricted at end of year	\$ 2,694	\$ 38,460	\$ 20,831	\$ 22,086	\$ 160,202	\$ 2,519	\$ 572	\$ 82	\$ 247,446
<b>Cash, cash equivalents and investments per balance sheet</b>	<b><u>\$ 2,694</u></b>	<b><u>\$ 38,460</u></b>	<b><u>\$ 20,831</u></b>	<b><u>\$ 22,086</u></b>	<b><u>\$ 160,202</u></b>	<b><u>\$ 2,519</u></b>	<b><u>\$ 572</u></b>	<b><u>\$ 82</u></b>	<b><u>\$ 247,446</u></b>

continued on next page

**State of Indiana**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2021**  
(amounts expressed in thousands)

	Institutional Industries	Administrative Services Revolving	State Police Health Insurance Fund	State Employee Disability Fund	State Employee Health Insurance Fund	Conservation and Excise Officers Health Insurance Fund	State Personnel Department Fund	Accounting Centralization	Total
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>									
Operating income (loss)	\$ 4,785	\$ (14,524)	\$ 8,945	\$ 5,023	\$ 22,102	\$ 805	\$ 288	\$ 23	\$ 27,447
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:									
Depreciation/amortization expense	344	9,713	-	-	30	-	-	-	10,087
Contributions to OPEB plans	-	-	(8,561)	(372)	(4,116)	(1,208)	-	-	(14,257)
(Increase) decrease in receivables	(103)	(491)	(107)	114	(3,290)	(11)	(8)	-	(3,896)
(Increase) decrease in interfund services provided	6	(336)	-	-	-	-	-	-	(330)
(Increase) decrease in inventory	(220)	1	-	-	-	-	-	-	(219)
(Increase) decrease in prepaid expenses	-	380	-	-	-	-	-	-	380
(Increase) decrease in deferred outflows	(375)	(1,619)	-	-	-	-	(331)	(38)	(2,363)
Increase (decrease) in accounts payable	(173)	-	(431)	(613)	(1,736)	59	(76)	-	(2,970)
Increase (decrease) in unearned revenue	1	(43)	-	-	-	-	-	-	(42)
Increase (decrease) in salaries payable	71	78	-	-	9	-	15	9	182
Increase (decrease) in compensated absences	(43)	530	-	-	15	-	117	(7)	612
Increase (decrease) in net pension liabilities	(589)	(831)	-	-	-	-	(454)	71	(1,803)
Increase (decrease) in net OPEB liabilities	(32)	(98)	-	-	-	-	(27)	-	(157)
Increase (decrease) in deferred inflows	170	810	-	-	-	-	153	23	1,156
Increase (decrease) in other payables	(1)	-	-	-	-	-	-	-	(1)
Net cash provided (used) by operating activities	<u>\$ 3,841</u>	<u>\$ (6,430)</u>	<u>\$ (154)</u>	<u>\$ 4,152</u>	<u>\$ 13,014</u>	<u>\$ (355)</u>	<u>\$ (323)</u>	<u>\$ 81</u>	<u>\$ 13,826</u>

## FIDUCIARY FUNDS

Fiduciary funds account for assets held by the state where it acts in a trustee or custodial capacity.

### PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS

Pension and other employee benefit trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, and other post-employment benefit plans.

**State Police Pension Fund** – This fund is used to account for assets held for a defined benefit, single-employer public employee retirement system administered by the Indiana State Police.

**State Police Supplemental Trust** – This fund is used to account for a defined benefit, single-employer public employee retirement system that provides additional benefits under the supplemental pension trust agreement administered by the Treasurer of the State of Indiana with the Indiana State Police.

**State Employee Retiree Health Benefit Trust Fund-DB** – This fund is used to account for assets held for the State's defined benefit, single-employer OPEB plans: the State Personnel Plan (SPP) administered by the State Personnel Department; Indiana State Police Plan (ISPP) administered by the Indiana State Police; and the Conservation and Excise Police Plan (CEPP) administered by the Indiana State Excise Police and Indiana Conservation Officers Health Insurance Committee.

**Indiana Public Retirement System** – INPRS administers sixteen funds consisting of eight defined benefit funds and five defined contribution funds, two other postemployment benefit funds, and one custodial fund.

### PRIVATE-PURPOSE TRUST FUNDS

Private-Purpose trust funds are used to account for trust arrangements in which both the principal and interest may be spent for the benefit of individuals, private organizations, or other governments.

**Abandoned Property Fund** – This fund is used to administer abandoned property of individuals, private organizations and other governments held by the State.

**Private-Purpose Trust Fund** – This fund is used to account for a group of fund centers under which principal and interest benefit individuals, private organizations, or other governments.



## CUSTODIAL FUNDS

Custodial funds are used to report fiduciary activities that are not required to be reported in pension and other employee benefit trust funds, investment trust funds, or private-purpose trust funds. They are amounts held by the State of Indiana on behalf of individuals, organizations, and other governments.

**Local Distributions Fund** – This fund is composed of accounts used to distribute revenue collections to local units of government based upon statutory formulas.

**Child Support Fund** – This fund is used for the collection and distribution of child support payments.

**Other Custodial Funds** – This fund comprises various revenue collections for which the State acts in a fiduciary capacity until proper disposition of the assets can be made.

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**State of Indiana**  
**Combining Statement of Fiduciary Net Position**  
**Pension and Other Employee Benefit Trust Funds**  
**June 30, 2021**  
(amounts expressed in thousands)

	Primary Government			Fiduciary in Nature Component Unit	
	State Police Pension Fund	State Police Supplemental Trust	State Employee Retiree Health Benefit Trust Fund DB	Indiana Public Retirement System	Total
<b>Assets</b>					
Cash, cash equivalents and non-pension investments	\$ 33,295	\$ -	\$ 7,791	\$ 5,702	\$ 46,788
Securities lending collateral	-	-	-	199,190	199,190
Receivables:					
Contributions	260	33	375	76,924	77,592
Interest	388	-	40	98,232	98,660
Member loans	61	-	-	-	61
From investment sales	22	-	-	7,154,260	7,154,282
Other	7	-	-	-	7
Total receivables	738	33	415	7,329,416	7,330,602
Pension and other employee benefit investments at fair value:					
Short term investments	-	-	-	2,916,912	2,916,912
Equity Securities	191,330	-	-	12,134,425	12,325,755
Debt Securities	256,143	-	218,742	14,867,383	15,342,268
Mutual Funds and Collective Trust Funds	-	-	27,862	-	27,862
Other	139,597	-	3,362	17,795,118	17,938,077
Total investments at fair value	587,070	-	249,966	47,713,838	48,550,874
Other assets	-	-	-	321	321
Property, plant and equipment net of accumulated depreciation	15	-	-	4,473	4,488
<b>Total assets</b>	<b>621,118</b>	<b>33</b>	<b>258,172</b>	<b>55,252,940</b>	<b>56,132,263</b>
<b>Liabilities</b>					
Accounts/escrows payable	107	-	-	13,811	13,918
Benefits payable	-	26	990	114,646	115,662
Investment purchases payable	156	-	-	8,669,862	8,670,018
Securities purchased payable	-	-	-	463,610	463,610
Securities lending collateral	-	-	-	199,190	199,190
Other	-	7	-	1,529	1,536
<b>Total liabilities</b>	<b>263</b>	<b>33</b>	<b>990</b>	<b>9,462,648</b>	<b>9,463,934</b>
<b>Net Position</b>					
Restricted for:					
Employees' pension benefits	620,855	-	-	45,326,406	45,947,261
OPEB benefits	-	-	257,182	449,759	706,941
Future death benefits	-	-	-	14,127	14,127
<b>Total net position</b>	<b>\$ 620,855</b>	<b>\$ -</b>	<b>\$ 257,182</b>	<b>\$ 45,790,292</b>	<b>\$ 46,668,329</b>

**State of Indiana**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Pension and Other Employee Benefit Trust Funds**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

	Primary Government			Fiduciary in Nature Component Unit	Total
	State Police Pension Fund	State Police Supplemental Trust	State Employee Retiree Health Benefit Trust Fund DB	Indiana Public Retirement System	
<b>Additions:</b>					
Member contributions	\$ 5,339	\$ -	\$ -	\$ 387,169	\$ 392,508
Employer contributions	36,748	4,200	31,830	1,058,451	1,131,229
Contributions from the State of Indiana	-	-	-	1,800,274	1,800,274
Net investment income (loss)	121,073	-	2,046	9,366,985	9,490,104
Less investment expense	(1,593)	-	-	(270,906)	(272,499)
Federal reimbursements	-	-	5	-	5
Other	-	-	175	190	365
Total additions	161,567	4,200	34,056	12,342,163	12,541,986
<b>Deductions:</b>					
Pension and disability benefits	38,522	3,466	-	2,556,608	2,598,596
Retiree health benefits	-	-	9,088	16,658	25,746
Retiree health forfeitures	-	-	-	10,722	10,722
Death benefits	-	-	-	3,030	3,030
Refunds of contributions and interest	92	-	-	580,409	580,501
Administrative	808	100	752	41,527	43,187
Pension relief distributions	-	-	-	205,821	205,821
Other	-	634	-	70	704
Total deductions	39,422	4,200	9,840	3,414,845	3,468,307
Net increase (decrease) in net position	122,145	-	24,216	8,927,318	9,073,679
Net position restricted for pension and other employee benefits, July 1, as restated:	498,710	-	232,966	36,862,974	37,594,650
<b>Net position restricted for pension and other employee benefits, June 30, as restated</b>	<b>\$ 620,855</b>	<b>\$ -</b>	<b>\$ 257,182</b>	<b>\$ 45,790,292</b>	<b>\$ 46,668,329</b>

**State of Indiana**  
**Combining Statement of Fiduciary Net Position**  
**Private-Purpose Trust Funds**  
**June 30, 2021**  
(amounts expressed in thousands)

	<u>Abandoned Property Fund</u>	<u>Private Purpose Trust Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash, cash equivalents and non-pension investments	\$ 72,483	\$ 2,815	\$ 75,298
Receivables:			
Accounts	2,169	177	2,346
Total receivables	<u>2,169</u>	<u>177</u>	<u>2,346</u>
<b>Total assets</b>	<b><u>74,652</u></b>	<b><u>2,992</u></b>	<b><u>77,644</u></b>
<b>LIABILITIES</b>			
Accounts payable	72	2	74
Salaries and benefits payable	149	-	149
<b>Total liabilities</b>	<b><u>221</u></b>	<b><u>2</u></b>	<b><u>223</u></b>
<b>NET POSITION</b>			
Restricted for:			
Trust beneficiaries	74,431	2,990	77,421
<b>Total net position</b>	<b><u>\$ 74,431</u></b>	<b><u>\$ 2,990</u></b>	<b><u>\$ 77,421</u></b>

**State of Indiana**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Private-Purpose Trust Funds**  
**For the Year Ended June 30, 2021**  
(amounts expressed in thousands)

	<u>Abandoned Property Fund</u>	<u>Private-Purpose Trust Funds</u>	<u>Total</u>
<b>Additions:</b>			
Current Service Charge	\$ -	\$ 10,850	\$ 10,850
Investment Income	5,081	12	5,093
Member Contributions	-	191	191
Donations/escheats	125,628	-	125,628
	<u>130,709</u>	<u>11,053</u>	<u>141,762</u>
<b>Deductions:</b>			
Payments to participants/beneficiaries	<u>103,450</u>	<u>10,796</u>	<u>114,246</u>
	<u>103,450</u>	<u>10,796</u>	<u>114,246</u>
Net increase (decrease) in net position	27,259	257	27,516
<b>Net position, July 1, as restated</b>	<u>47,172</u>	<u>2,733</u>	<u>49,905</u>
<b>Net position, June 30</b>	<u>\$ 74,431</u>	<u>\$ 2,990</u>	<u>\$ 77,421</u>

**State of Indiana**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2021**  
(amounts expressed in thousands)

	<u>Local Distributions</u>	<u>Child Support</u>	<u>Other Custodial Funds</u>	<u>Total</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 841,487	\$ 26,453	\$ 39,239	\$ 907,179
Receivables:				
Taxes for other governments	17,925	-	-	17,925
Total receivables	<u>17,925</u>	<u>-</u>	<u>-</u>	<u>17,925</u>
<b>Total assets</b>	<b><u>859,412</u></b>	<b><u>26,453</u></b>	<b><u>39,239</u></b>	<b><u>925,104</u></b>
<b>Liabilities</b>				
Accounts payable	-	26,453	8,195	34,648
Due to other governments	643,136	-	-	643,136
<b>Total liabilities</b>	<b><u>643,136</u></b>	<b><u>26,453</u></b>	<b><u>8,195</u></b>	<b><u>677,784</u></b>
<b>Net Position</b>				
Restricted for:				
Individuals, organizations, and other governments	216,276	-	31,044	247,320
<b>Total net position</b>	<b><u>\$ 216,276</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 31,044</u></b>	<b><u>\$ 247,320</u></b>

**State of Indiana**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Fiscal Year Ended June 30, 2021**  
(amounts expressed in thousands)

	<u>Local Distributions</u>	<u>Child Support</u>	<u>Other Custodial Funds</u>	<u>Total</u>
<b>Additions:</b>				
Investment Earnings:				
Investment income (loss)	\$ 2,499	\$ -	\$ -	\$ 2,499
Revenue collections for other governments	4,087,022	-	-	4,087,022
Loan repayment collections	-	-	33,542	33,542
Child support collections	-	836,107	-	836,107
Receipts of individuals in state care	-	-	80,201	80,201
	<hr/>	<hr/>	<hr/>	<hr/>
Total additions	4,089,521	836,107	113,743	5,039,371
<b>Deductions:</b>				
Payments to participants/beneficiaries	-	836,107	99,341	935,448
Distributions to other governments	3,873,245	-	-	3,873,245
	<hr/>	<hr/>	<hr/>	<hr/>
Total deductions	3,873,245	836,107	99,341	4,808,693
Net increase (decrease) in fiduciary net position	216,276	-	14,402	230,678
Net position, July 1, as restated	-	-	16,642	16,642
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net position, June 30</b>	<b>\$ 216,276</b>	<b>\$ -</b>	<b>\$ 31,044</b>	<b>\$ 247,320</b>

## NON-MAJOR DISCRETELY PRESENTED COMPONENT UNITS

### GOVERNMENTAL FUNDS

Governmental component units represent funds that are legally separate from the State of Indiana, but provide valuable and beneficial services to the State and its citizens. The non-major discretely presented component unit consists of the following governmental funds:

**Indiana Economic Development Corporation** – The responsibility of this corporation is to improve the quality of life for the citizens of Indiana by encouraging the diversification of Indiana’s economy, by the orderly economic development and growth of Indiana, the creation of new jobs, the growth and modernization of existing industry, and the promotion of Indiana.

**Indiana Destination Development Corporation** – The responsibility of this corporation is to assist in the development and promotion of Indiana’s tourist resources, facilities, attractions, and activities.

### PROPRIETARY FUNDS

Proprietary component units represent funds that are legally separate from the State of Indiana, but provide valuable and beneficial services to the State and its citizens. The non-major discretely presented component units consist of the following proprietary funds:

**Indiana Stadium and Convention Building Authority** – The authority’s responsibility is to finance, design, construct and own the new Indiana Stadium in Indianapolis and the expansion of the adjacent Indiana Convention Center.

**Indiana Bond Bank** – The Bond Bank issues debt obligations and invests the proceeds in various projects of State and local governments.

**Indiana Housing and Community Development Authority** – The authority’s purpose is to finance residential housing for persons and families of low and moderate incomes.

**Indiana Board for Depositories** – The board is responsible to ensure the safekeeping and prompt payment of all public funds deposited in Indiana banks. It provides insurance on public funds in excess of the Federal Deposit Insurance Corporation limit.

**Indiana Secondary Market for Education Loans Inc.** – The company is responsible for purchasing education loans in the secondary market.

**White River State Park Development Commission** – The responsibility of this commission is to design and implement a plan for the establishment and development of park, exposition, educational, athletic, and recreational projects to be located within one mile from the banks of the Indiana White River in a consolidated first-class city and county.

**Ports of Indiana** – The responsibility of this commission is to construct, maintain, and operate public ports with terminal facilities and traffic exchange points for all forms of transportation on Lake Michigan and the Ohio and Wabash Rivers.

**State Fair Commission** – This commission is responsible for holding the annual Indiana State Fair and for operating and maintaining the State Fairgrounds and other properties it owns.



**Indiana Comprehensive Health Insurance Association** – The responsibility of this Association is to assure that health insurance is made available throughout the year to each eligible Indiana resident applying to the Association for coverage.

**Indiana Political Subdivision Risk Management Commission** – This commission is responsible for administering the Basic and Catastrophic funds that aid political subdivisions in protecting themselves against liabilities.

**Indiana State Museum and Historic Sites Corporation** – The responsibility of this corporation is to operate and administer the state historic sites including the Indiana State Museum which collects, conserves and exhibits artifacts and materials reflecting the cultural and natural history of Indiana.

**Indiana Motorsports Commission** – The commission is responsible for financing and leasing real and personal property improvements for the benefit of an owner of a qualified motorsports facility within a motorsports investment district.

## COLLEGES AND UNIVERSITIES

College and university funds are used to account for the operations of state-supported colleges and universities. The non-major discretely presented component units consist of the following institutions:

Ball State University  
Indiana State University  
Ivy Tech Community College of Indiana  
University of Southern Indiana  
Vincennes University

**State of Indiana**  
**Combining Statement of Net Position**  
**Non-Major Discretely Presented Component Units -**  
**Governmental Funds**  
**June 30, 2021**  
(amounts expressed in thousands)

	Indiana Economic Development Corporation	Indiana Destination Development Corporation	Totals
<b>Assets</b>			
Current assets:			
Cash, cash equivalents and investments - unrestricted	\$ 13,244	\$ 4,193	\$ 17,437
Cash, cash equivalents and investments - restricted	174,920	-	174,920
Receivables (net)	1,719	-	1,719
Total current assets	<u>189,883</u>	<u>4,193</u>	<u>194,076</u>
Noncurrent assets:			
Loans	92,750	-	92,750
Capital assets not being depreciated/amortized	25,500	-	25,500
Capital assets being depreciated/amortized	507	-	507
less accumulated depreciation/amortization	(365)	-	(365)
Total capital assets, net of depreciation/amortization	<u>25,642</u>	<u>-</u>	<u>25,642</u>
Total noncurrent assets	<u>118,392</u>	<u>-</u>	<u>118,392</u>
<b>Total assets</b>	<b><u>308,275</u></b>	<b><u>4,193</u></b>	<b><u>312,468</u></b>
<b>Deferred Outflows of Resources</b>			
Related to pensions	1,031	-	1,031
<b>Total deferred outflows of resources</b>	<b><u>1,031</u></b>	<b><u>-</u></b>	<b><u>1,031</u></b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	8,589	145	8,734
Unearned revenue	83,240	-	83,240
Accrued liability for compensated absences	616	18	634
Total current liabilities	<u>92,445</u>	<u>163</u>	<u>92,608</u>
Noncurrent liabilities:			
Accrued liability for compensated absences	-	34	34
Net pension and OPEB liabilities	3,449	-	3,449
Total noncurrent liabilities	<u>3,449</u>	<u>34</u>	<u>3,483</u>
<b>Total liabilities</b>	<b><u>95,894</u></b>	<b><u>197</u></b>	<b><u>96,091</u></b>
<b>Deferred inflows of resources</b>			
Related to pensions	923	-	923
<b>Total deferred inflows of resources</b>	<b><u>923</u></b>	<b><u>-</u></b>	<b><u>923</u></b>
<b>NET POSITION</b>			
Net investment in capital assets	25,642	-	25,642
Restricted - expendable:			
Grants/constitutional restrictions	178,802	-	178,802
Unrestricted	8,045	3,996	12,041
<b>Total net position</b>	<b><u>\$ 212,489</u></b>	<b><u>\$ 3,996</u></b>	<b><u>\$ 216,485</u></b>

**State of Indiana**  
**Combining Statement of Activities**  
**Non-Major Discretely Presented Component Units -**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2021**  
(amounts expressed in thousands)

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Indiana Economic Development Corporation	Indiana Destination Development Corporation	Total
Indiana Economic Development Corporation	\$ 274,374	\$ -	\$ 198,598	\$ (75,776)	\$ -	\$ (75,776)
Indiana Destination Development Corporation	7,093	584	-	-	(6,509)	(6,509)
Total component units	<u>\$ 281,467</u>	<u>\$ 584</u>	<u>\$ 198,598</u>	<u>(75,776)</u>	<u>(6,509)</u>	<u>(82,285)</u>
General Revenues:						
Gaming tax				680	-	680
Total taxes				680	-	680
Revenue not restricted to specific programs						
Investment earnings				13	-	13
Payments from State of Indiana				70,437	6,212	76,649
Total general revenues				<u>71,130</u>	<u>6,212</u>	<u>77,342</u>
Changes in net position				(4,646)	(297)	(4,943)
Net position - beginning				217,135	4,293	221,428
<b>Net position - ending</b>				<u>\$ 212,489</u>	<u>\$ 3,996</u>	<u>\$ 216,485</u>

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State of Indiana  
 Combining Statement of Net Position  
 Non-Major Discretely Presented Component Units -  
 Proprietary Funds  
 June 30, 2021  
 (amounts expressed in thousands)

	Indiana Stadium and Convention Building Authority	Indiana Bond Bank	Indiana Housing and Community Development Authority	Indiana Board for Depositories
<b>Assets</b>				
Current assets:				
Cash, cash equivalents and investments - unrestricted	\$ -	\$ 9,934	\$ 136,510	\$ 143,106
Cash, cash equivalents and investments - restricted	65,474	30,141	245,482	-
Receivables (net)	1,738	205,020	19,994	-
Due from primary government	-	-	-	5,000
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
Loans	-	-	4,313	-
Investment in direct financing lease	12,985	-	-	-
Other assets	-	-	95	667
<b>Total current assets</b>	<b>80,197</b>	<b>245,095</b>	<b>406,394</b>	<b>148,773</b>
Noncurrent assets:				
Cash, cash equivalents and investments - unrestricted	-	5,000	88,077	164,626
Cash, cash equivalents and investments - restricted	-	33,930	548,931	-
Receivables (net)	-	404,856	-	-
Due from primary government	-	-	-	5,000
Loans	-	-	98,912	-
Investment in direct financing lease	907,290	-	-	-
Other assets	-	-	-	-
Capital assets:				
Capital assets not being depreciated/amortized	-	-	-	-
Capital assets being depreciated/amortized	-	-	14,752	686
less accumulated depreciation/amortization	-	-	(8,451)	(397)
<b>Total capital assets, net of depreciation/amortization</b>	<b>-</b>	<b>-</b>	<b>6,301</b>	<b>289</b>
<b>Total noncurrent assets</b>	<b>907,290</b>	<b>443,786</b>	<b>742,221</b>	<b>169,915</b>
<b>Total assets</b>	<b>987,487</b>	<b>688,881</b>	<b>1,148,615</b>	<b>318,688</b>
<b>Deferred Outflows of Resources</b>				
Accumulated decrease in fair value of hedging derivatives	109,557	1,867	2,873	-
Debt refunding loss	644	4,702	1,319	-
Related to pensions	-	93	764	2
Deferred swap termination	50,236	-	-	-
<b>Total deferred outflows of resources</b>	<b>160,437</b>	<b>6,662</b>	<b>4,956</b>	<b>2</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	9	727	12,680	34
Interest payable	15,359	7,014	7,003	-
Unearned revenue	-	-	39,467	-
Advances from federal government	-	-	568	-
Other liabilities	-	36,714	-	-
Current portion of long-term liabilities	12,985	221,914	15,615	-
<b>Total current liabilities</b>	<b>28,353</b>	<b>266,369</b>	<b>75,333</b>	<b>34</b>
Noncurrent liabilities:				
Accrued liability for compensated absences	-	-	-	-
Net pension and OPEB liabilities	-	189	3,091	2
Advances from federal government	-	-	31,817	-
Revenue bonds/notes payable	984,021	411,531	560,273	-
Derivative instrument liability	109,557	1,867	2,873	-
Other noncurrent liabilities	835	-	5,162	-
<b>Total noncurrent liabilities</b>	<b>1,094,413</b>	<b>413,587</b>	<b>603,216</b>	<b>2</b>
<b>Total liabilities</b>	<b>1,122,766</b>	<b>679,956</b>	<b>678,549</b>	<b>36</b>
<b>Deferred Inflows of Resources</b>				
Advanced payment for service concession agreement	-	-	-	-
Related to pensions	-	42	686	1
Related to irrevocable split interest agreements	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>42</b>	<b>686</b>	<b>1</b>
<b>Net Position</b>				
Net investment in capital assets	-	-	719	289
Restricted - nonexpendable:				
Permanent funds	-	-	-	-
Restricted - expendable:				
Grants/constitutional restrictions	-	-	122,910	-
Future debt service	-	745	123,799	-
Endowments	-	-	-	-
Capital projects	25,158	-	-	-
Unrestricted	-	14,800	226,908	318,364
<b>Total net position</b>	<b>\$ 25,158</b>	<b>\$ 15,545</b>	<b>\$ 474,336</b>	<b>\$ 318,653</b>

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**State of Indiana**  
**Combining Statement of Net Position**  
**Non-Major Discretely Presented Component Units -**  
**Proprietary Funds**  
**June 30, 2021**  
(amounts expressed in thousands)

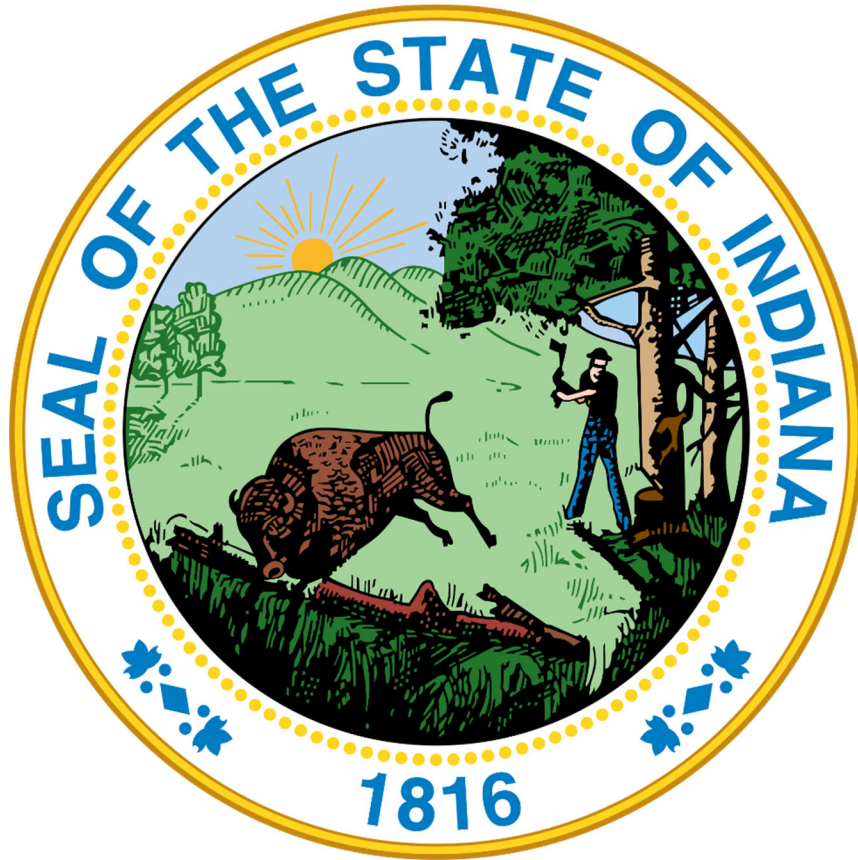
	Indiana Secondary Market for Education Loans Inc.	White River State Park Development Commission	Ports of Indiana	Indiana State Fair Commission
<b>Assets</b>				
Current assets:				
Cash, cash equivalents and investments - unrestricted	\$ 107,660	\$ 2,777	\$ 28,432	\$ 4,964
Cash, cash equivalents and investments - restricted	2,407	1,698	-	1,941
Receivables (net)	4,266	185	2,696	565
Due from primary government	-	-	-	-
Inventory	-	14	-	-
Prepaid expenses	230	51	435	-
Loans	6,883	-	-	-
Investment in direct financing lease	-	-	-	-
Other assets	-	-	-	-
<b>Total current assets</b>	<b>121,446</b>	<b>4,725</b>	<b>31,563</b>	<b>7,470</b>
Noncurrent assets:				
Cash, cash equivalents and investments - unrestricted	15,998	-	22,000	-
Cash, cash equivalents and investments - restricted	-	-	-	959
Receivables (net)	4,733	-	-	-
Due from primary government	-	-	-	-
Loans	114,480	-	-	-
Investment in direct financing lease	-	-	-	-
Other assets	-	-	-	-
Capital assets:				
Capital assets not being depreciated/amortized	-	58,710	53,702	5,255
Capital assets being depreciated/amortized	435	105,543	149,402	169,293
less accumulated depreciation/amortization	(375)	(27,832)	(92,274)	(99,847)
<b>Total capital assets, net of depreciation/amortization</b>	<b>60</b>	<b>136,421</b>	<b>110,830</b>	<b>74,701</b>
<b>Total noncurrent assets</b>	<b>135,271</b>	<b>136,421</b>	<b>132,830</b>	<b>75,660</b>
<b>Total assets</b>	<b>256,717</b>	<b>141,146</b>	<b>164,393</b>	<b>83,130</b>
<b>Deferred Outflows of Resources</b>				
Accumulated decrease in fair value of hedging derivatives	-	-	-	-
Debt refunding loss	-	-	-	3,505
Related to pensions	-	154	350	582
Deferred swap termination	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>154</b>	<b>350</b>	<b>4,087</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	1,095	1,365	1,474	1,178
Interest payable	7	-	-	-
Unearned revenue	-	-	-	1,548
Advances from federal government	-	-	-	-
Other liabilities	23,136	-	4,878	10
Current portion of long-term liabilities	6,382	36	-	2,833
<b>Total current liabilities</b>	<b>30,620</b>	<b>1,401</b>	<b>6,352</b>	<b>5,369</b>
Noncurrent liabilities:				
Accrued liability for compensated absences	-	-	-	116
Net pension and OPEB liabilities	-	368	1,323	2,722
Advances from federal government	-	-	-	-
Revenue bonds/notes payable	51,866	170	-	-
Derivative instrument liability	-	-	-	-
Other noncurrent liabilities	-	-	-	44,251
<b>Total noncurrent liabilities</b>	<b>51,866</b>	<b>538</b>	<b>1,323</b>	<b>47,089</b>
<b>Total liabilities</b>	<b>82,486</b>	<b>1,939</b>	<b>7,675</b>	<b>52,458</b>
<b>Deferred Inflows of Resources</b>				
Advanced payment for service concession agreement	-	8,257	4,079	-
Related to pensions	-	82	368	688
Related to irrevocable split interest agreements	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>8,339</b>	<b>4,447</b>	<b>688</b>
<b>Net Position</b>				
Net investment in capital assets	60	127,959	105,951	31,336
Restricted - nonexpendable:				
Permanent funds	-	-	-	-
Restricted - expendable:				
Grants/constitutional restrictions	-	-	-	1,135
Future debt service	2,407	-	-	609
Endowments	-	-	-	-
Capital projects	-	1,157	-	1,093
Unrestricted	171,764	1,906	46,670	(102)
<b>Total net position</b>	<b>\$ 174,231</b>	<b>\$ 131,022</b>	<b>\$ 152,621</b>	<b>\$ 34,071</b>

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**State of Indiana**  
**Combining Statement of Net Position**  
**Non-Major Discretely Presented Component Units -**  
**Proprietary Funds**  
**June 30, 2021**  
(amounts expressed in thousands)

	Indiana Comprehensive Health Insurance Association	Indiana Political Subdivision Risk Management	Indiana State Museum and Historic Sites Corporation	Indiana Motorsports Commission	Totals
<b>Assets</b>					
<b>Current assets:</b>					
Cash, cash equivalents and investments - unrestricted	\$ 11,433	\$ 4,792	\$ 8,984	\$ -	\$ 458,592
Cash, cash equivalents and investments - restricted	-	-	-	6,006	353,149
Receivables (net)	1,472	26	418	-	236,380
Due from primary government	-	-	-	-	5,000
Inventory	-	-	217	-	231
Prepaid expenses	50	19	56	-	841
Loans	-	-	-	-	11,196
Investment in direct financing lease	-	-	-	3,800	16,785
Other assets	-	-	-	-	762
<b>Total current assets</b>	<b>12,955</b>	<b>4,837</b>	<b>9,675</b>	<b>9,806</b>	<b>1,082,936</b>
<b>Noncurrent assets:</b>					
Cash, cash equivalents and investments - unrestricted	-	-	1,578	-	297,279
Cash, cash equivalents and investments - restricted	-	-	3,428	-	587,248
Receivables (net)	-	-	-	-	409,589
Due from primary government	-	-	-	-	5,000
Loans	-	-	-	-	213,392
Investment in direct financing lease	-	-	-	71,720	979,010
Other assets	-	-	186	-	186
<b>Capital assets:</b>					
Capital assets not being depreciated/amortized	-	-	-	-	117,667
Capital assets being depreciated/amortized	-	-	1,796	-	441,907
less accumulated depreciation/amortization	-	-	(1,707)	-	(230,883)
<b>Total capital assets, net of depreciation/amortization</b>	<b>-</b>	<b>-</b>	<b>89</b>	<b>-</b>	<b>328,691</b>
<b>Total noncurrent assets</b>	<b>-</b>	<b>-</b>	<b>5,281</b>	<b>71,720</b>	<b>2,820,395</b>
<b>Total assets</b>	<b>12,955</b>	<b>4,837</b>	<b>14,956</b>	<b>81,526</b>	<b>3,903,331</b>
<b>Deferred Outflows of Resources</b>					
Accumulated decrease in fair value of hedging derivatives	-	-	-	-	114,297
Debt refunding loss	-	-	-	-	10,170
Related to pensions	-	-	888	-	2,833
Deferred swap termination	-	-	-	-	50,236
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>888</b>	<b>-</b>	<b>177,536</b>
<b>Liabilities</b>					
<b>Current liabilities:</b>					
Accounts payable	23	-	166	-	18,751
Interest payable	-	-	-	1,444	30,827
Unearned revenue	-	-	149	-	41,164
Advances from federal government	-	-	-	-	568
Other liabilities	-	-	-	-	64,738
Current portion of long-term liabilities	-	-	-	3,800	263,365
<b>Total current liabilities</b>	<b>23</b>	<b>-</b>	<b>315</b>	<b>5,244</b>	<b>419,413</b>
<b>Noncurrent liabilities:</b>					
Accrued liability for compensated absences	-	-	-	-	116
Net pension and OPEB liabilities	-	-	3,175	-	10,870
Advances from federal government	-	-	-	-	31,817
Revenue bonds/notes payable	-	-	-	71,020	2,078,881
Derivative instrument liability	-	-	-	-	114,297
Other noncurrent liabilities	-	-	-	-	50,248
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>3,175</b>	<b>71,020</b>	<b>2,286,229</b>
<b>Total liabilities</b>	<b>23</b>	<b>-</b>	<b>3,490</b>	<b>76,264</b>	<b>2,705,642</b>
<b>Deferred Inflows of Resources</b>					
Advanced payment for service concession agreement	-	-	-	-	12,336
Related to pensions	-	-	983	-	2,850
Related to irrevocable split interest agreements	-	-	186	-	186
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>1,169</b>	<b>-</b>	<b>15,372</b>
<b>Net Position</b>					
Net investment in capital assets	-	-	89	-	266,403
Restricted - nonexpendable:					
Permanent funds	-	-	782	-	782
Restricted - expendable:					
Grants/constitutional restrictions	-	-	4,091	5,262	133,398
Future debt service	-	-	-	-	127,560
Endowments	-	-	1,871	-	1,871
Capital projects	-	-	4,144	-	31,552
Unrestricted	12,932	4,837	208	-	798,287
<b>Total net position</b>	<b>\$ 12,932</b>	<b>\$ 4,837</b>	<b>\$ 11,185</b>	<b>\$ 5,262</b>	<b>\$ 1,359,853</b>



**State of Indiana**  
**Combining Statement of Activities**  
**Non-Major Discretely Presented Component Units -**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2021**  
(amounts expressed in thousands)

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Indiana Stadium and Convention Building Authority	Indiana Bond Bank	Indiana Housing and Community Development Authority	Indiana Board for Depositories
Indiana Stadium and Convention Building Authority	\$ 52,398	\$ 50,509	\$ 4,188	\$ -	\$ 2,299	\$ -	\$ -	\$ -
Indiana Bond Bank	27,233	1,852	25,517	-	-	136	-	-
Indiana Housing and Community Development Authority	460,359	30,223	440,154	-	-	-	10,018	-
Indiana Board for Depositories	583	-	510	-	-	-	-	(73)
Indiana Secondary Market for Education Loans Inc.	12,000	-	3,907	-	-	-	-	-
White River State Park Development Commission	4,363	1,087	68	410	-	-	-	-
Ports of Indiana	11,152	13,650	659	6,990	-	-	-	-
Indiana State Fair Commission	21,049	6,549	358	-	-	-	-	-
Indiana Comprehensive Health Insurance Association	143	6	-	-	-	-	-	-
Indiana Political Subdivision Risk Management Commission	116	-	-	-	-	-	-	-
Indiana State Museum and Historic Sites Corporation	10,746	1,365	2,612	-	-	-	-	-
Indiana Motorsports Commission	5,189	2,000	-	-	-	-	-	-
Total component units	<u>\$ 605,331</u>	<u>\$ 107,241</u>	<u>\$ 477,973</u>	<u>\$ 7,400</u>	<u>2,299</u>	<u>136</u>	<u>10,018</u>	<u>(73)</u>
General revenues:								
Investment earnings					40	131	25,653	-
Payments from State of Indiana					-	-	-	-
Other					-	-	-	-
Total general revenues					<u>40</u>	<u>131</u>	<u>25,653</u>	<u>-</u>
Change in net position					<u>2,339</u>	<u>267</u>	<u>35,671</u>	<u>(73)</u>
Net position - beginning, as restated					<u>22,819</u>	<u>15,278</u>	<u>438,665</u>	<u>318,726</u>
<b>Net position - ending</b>					<b><u>\$ 25,158</u></b>	<b><u>\$ 15,545</u></b>	<b><u>\$ 474,336</u></b>	<b><u>\$ 318,653</u></b>

continued on next page



State of Indiana  
Combining Statement of Activities  
Non-Major Discretely Presented Component Units -  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2021  
(amounts expressed in thousands)

Net (Expense) Revenue and Changes in Net Position

	Indiana Secondary Market for Education Loans Inc.	White River State Park Development Commission	Ports of Indiana	Indiana State Fair Commission	Indiana Comprehensive Health Insurance Association	Indiana Political Subdivision Risk Management Commission	Indiana State Museum and Historic Sites Corporation	Indiana Motorsports Commission	Total
Indiana Stadium and Convention Building Authority	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,299
Indiana Bond Bank	-	-	-	-	-	-	-	-	136
Indiana Housing and Community Development Authority	-	-	-	-	-	-	-	-	10,018
Indiana Board for Depositories	-	-	-	-	-	-	-	-	(73)
Indiana Secondary Market for Education Loans Inc.	(8,093)	-	-	-	-	-	-	-	(8,093)
White River State Park Development Commission	-	(2,798)	-	-	-	-	-	-	(2,798)
Ports of Indiana	-	-	10,147	-	-	-	-	-	10,147
Indiana State Fair Commission	-	-	-	(14,142)	-	-	-	-	(14,142)
Indiana Comprehensive Health Insurance Association	-	-	-	-	(137)	-	-	-	(137)
Indiana Political Subdivision Risk Management Commission	-	-	-	-	-	(116)	-	-	(116)
Indiana State Museum and Historic Sites Corporation	-	-	-	-	-	-	(6,769)	-	(6,769)
Indiana Motorsports Commission	-	-	-	-	-	-	-	(3,189)	(3,189)
Total component units	(8,093)	(2,798)	10,147	(14,142)	(137)	(116)	(6,769)	(3,189)	(12,717)
General revenues:									
Investment earnings	26,278	5	458	10	-	112	1,242	1	53,930
Payments from State of Indiana	-	869	-	14,430	-	-	8,858	3,300	27,457
Other	-	-	874	75	-	-	-	-	949
Total general revenues	26,278	874	1,332	14,515	-	112	10,100	3,301	82,336
Change in net position	18,185	(1,924)	11,479	373	(137)	(4)	3,331	112	69,619
Net position - beginning, as restated	156,046	132,946	141,142	33,698	13,069	4,841	7,854	5,150	1,290,234
<b>Net position - ending</b>	<b>\$ 174,231</b>	<b>\$ 131,022</b>	<b>\$ 152,621</b>	<b>\$ 34,071</b>	<b>\$ 12,932</b>	<b>\$ 4,837</b>	<b>\$ 11,185</b>	<b>\$ 5,262</b>	<b>\$ 1,359,853</b>

## 242 - State of Indiana - Annual Comprehensive Financial Report

**State of Indiana**  
**Combining Statement of Net Position**  
**Non-Major Discretely Presented Component Units -**  
**Colleges and Universities**  
**June 30, 2021**  
(amounts expressed in thousands)

	<b>Ball State University</b>	<b>Indiana State University</b>	<b>Ivy Tech Community College</b>	<b>University of Southern Indiana</b>	<b>Vincennes University</b>	<b>Totals</b>
<b>Assets</b>						
<b>Current assets:</b>						
Cash, cash equivalents and investments - unrestricted	\$ 131,279	\$ 65,949	\$ 265,992	\$ 93,799	\$ 81,556	\$ 638,575
Cash, cash equivalents and investments - restricted	70,065	4,419	35,207	-	13,882	123,573
Receivables (net)	52,831	24,301	77,023	10,381	18,351	182,887
Due from component unit	-	-	-	709	-	709
Inventory	1,330	7	6	507	1,408	3,258
Prepaid expenses	2,575	2,135	5,386	1,980	699	12,775
Loans	-	4,497	-	-	-	4,497
Other assets	28,392	3	24,057	64,930	16	117,398
<b>Total current assets</b>	<b>286,472</b>	<b>101,311</b>	<b>407,671</b>	<b>172,306</b>	<b>115,912</b>	<b>1,083,672</b>
<b>Noncurrent assets:</b>						
Cash, cash equivalents and investments - unrestricted	231,181	109,973	375,658	-	129,105	845,917
Cash, cash equivalents and investments - restricted	299,561	99,278	46,444	-	60,759	506,042
Receivables (net)	4,658	-	-	-	98	4,756
Loans	-	995	-	-	-	995
Net pension and OPEB assets	-	67,704	-	12,303	20,465	100,472
Other assets	10,930	2,799	301	208,540	226	222,796
<b>Capital assets:</b>						
Capital assets not being depreciated/amortized	177,242	48,844	98,662	12,188	43,538	380,474
Capital assets being depreciated/amortized	1,334,305	883,952	1,016,142	457,119	394,696	4,086,214
less accumulated depreciation/amortization	(559,054)	(346,394)	(455,028)	(243,590)	(159,515)	(1,763,581)
<b>Total capital assets, net of depreciation/amortization</b>	<b>952,493</b>	<b>586,402</b>	<b>659,776</b>	<b>225,717</b>	<b>278,719</b>	<b>2,703,107</b>
<b>Total noncurrent assets</b>	<b>1,498,823</b>	<b>867,151</b>	<b>1,082,179</b>	<b>446,560</b>	<b>489,372</b>	<b>4,384,085</b>
<b>Total assets</b>	<b>1,785,295</b>	<b>968,462</b>	<b>1,489,850</b>	<b>618,866</b>	<b>605,284</b>	<b>5,467,757</b>
<b>Deferred Outflows of Resources</b>						
Accumulated decrease in fair value of hedging derivatives	-	-	-	433	227	660
Debt refunding loss	-	300	-	1,851	-	2,151
Related to pensions	15,153	-	1,909	1,140	74	18,276
Related to OPEB	28,898	2,864	4,414	168	11,366	97,710
<b>Total deferred outflows of resources</b>	<b>94,051</b>	<b>3,164</b>	<b>6,323</b>	<b>3,592</b>	<b>11,667</b>	<b>118,797</b>
<b>Liabilities</b>						
<b>Current liabilities:</b>						
Accounts payable	41,498	10,156	57,832	2,549	5,460	117,495
Interest payable	8,385	2,276	-	-	194	10,855
Unearned revenue	534	5,670	12,110	6,932	5,279	30,525
Accrued liability for compensated absences	3,807	3,705	8,386	507	1,339	17,744
Other liabilities	12,173	5,160	-	7,553	5,928	30,814
Current portion of long-term liabilities	28,035	16,405	34,436	16,031	6,707	101,614
<b>Total current liabilities</b>	<b>94,432</b>	<b>43,372</b>	<b>112,764</b>	<b>33,572</b>	<b>24,907</b>	<b>309,047</b>
<b>Noncurrent liabilities:</b>						
Accrued liability for compensated absences	4,225	720	8,076	2,976	-	15,997
Net pension and OPEB liabilities	70,094	10,101	53,815	4,450	12	138,472
Advances from federal government	-	5,331	-	-	480	5,811
Revenue bonds/notes payable	459,102	227,159	260,192	126,527	35,923	1,108,903
Derivative instrument liability	-	-	-	433	227	660
Other noncurrent liabilities	7,678	26,184	-	1,318	-	35,180
<b>Total noncurrent liabilities</b>	<b>541,099</b>	<b>269,495</b>	<b>322,083</b>	<b>135,704</b>	<b>36,642</b>	<b>1,305,023</b>
<b>Total liabilities</b>	<b>635,531</b>	<b>312,867</b>	<b>434,847</b>	<b>169,276</b>	<b>61,549</b>	<b>1,614,070</b>
<b>Deferred Inflows of Resources</b>						
Service concession arrangement receipts	-	1,448	-	-	-	1,448
Related to pensions	17,339	3,328	3,947	1,552	183	26,349
Related to OPEB	45,128	15,734	6,956	8,230	20,773	96,821
<b>Total deferred inflows of resources</b>	<b>62,467</b>	<b>20,510</b>	<b>10,903</b>	<b>9,782</b>	<b>20,956</b>	<b>124,618</b>
<b>Net Position</b>						
Net investment in capital assets	533,817	333,094	338,386	127,256	235,139	1,567,692
<b>Restricted - nonexpendable:</b>						
Grants/constitutional restrictions	-	3,451	-	-	-	3,451
Permanent funds	-	854	-	-	-	854
Instruction and research	602	9,983	-	11,959	-	22,544
Student aid	43,288	34,302	-	35,660	24,076	137,326
Other purposes	33,809	8,432	-	11,097	6,284	59,622
<b>Restricted - expendable:</b>						
Grants/constitutional restrictions	12,736	2,492	-	-	10,998	26,226
Future debt service	4,156	-	-	-	-	4,156
Instruction and research	25,426	-	-	28,467	-	53,893
Student aid	82,425	18,851	-	63,808	15,184	180,268
Endowments	-	26,405	46,444	-	-	72,849
Capital projects	69,569	4,964	36,630	433	13,652	125,248
Other purposes	145,369	-	38,064	16,871	4,394	204,698
Unrestricted	230,151	195,421	590,899	147,849	224,719	1,389,039
<b>Total net position</b>	<b>\$ 1,181,348</b>	<b>\$ 638,249</b>	<b>\$ 1,050,423</b>	<b>\$ 443,400</b>	<b>\$ 534,446</b>	<b>\$ 3,847,866</b>

State of Indiana  
Combining Statement of Activities  
Non-Major Discretely Presented Component Units -  
Colleges and Universities  
For the Year Ended June 30, 2021  
(amounts expressed in thousands)

	Program Revenues				Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Ball State University	Indiana State University	Ivy Tech State College	University of Southern Indiana	Vincennes University	Net (Expense) Revenue
Ball State University	\$ 554,586	\$ 208,249	\$ 154,527	\$ 10,357	\$ (181,453)	\$ -	\$ -	\$ -	\$ -	\$ (181,453)
Indiana State University	238,538	91,292	25,687	-	-	(121,559)	-	-	-	(121,559)
Ivy Tech Community College	618,873	129,910	38,446	21,841	-	-	(428,676)	-	-	(428,676)
University of Southern Indiana	128,232	72,178	8,223	-	-	-	(47,831)	-	-	(47,831)
Vincennes University	121,494	39,332	63,462	18,653	-	-	-	-	(47)	(47)
<b>Total component units</b>	<b>\$ 1,661,723</b>	<b>\$ 540,961</b>	<b>\$ 290,345</b>	<b>\$ 50,851</b>	<b>(181,453)</b>	<b>(121,559)</b>	<b>(428,676)</b>	<b>(47,831)</b>	<b>(47)</b>	<b>(779,566)</b>
General revenues:										
Investment earnings					68,434	24,921	16,991	43,745	8,380	162,471
Payments from State of Indiana					193,223	85,139	270,272	61,574	53,322	663,530
Other					42,593	55,273	225,085	38,024	1,795	362,770
<b>Total general revenues</b>					<b>304,250</b>	<b>165,333</b>	<b>512,348</b>	<b>143,343</b>	<b>63,497</b>	<b>1,188,771</b>
Change in net position					122,797	43,774	83,672	95,512	63,450	409,205
Net position - beginning, as restated					1,058,551	594,475	966,751	347,888	470,996	3,438,661
<b>Net position - ending</b>					<b>\$ 1,181,348</b>	<b>\$ 638,249</b>	<b>\$ 1,050,423</b>	<b>\$ 443,400</b>	<b>\$ 534,446</b>	<b>\$ 3,847,866</b>

