

# BASIC FINANCIAL STATEMENTS



# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**State of Indiana**  
**Statement of Net Assets**  
**June 30, 2005**  
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets:</b>				
Current assets:				
Cash, cash equivalents and investments	\$ 3,168,339	\$ 1,040,579	\$ 4,208,918	\$ 1,629,266
Securities lending collateral	1,408,038	-	1,408,038	710,875
Receivables (net)	1,562,368	61,344	1,623,712	395,339
Inventory	5,954	566	6,520	36,495
Prepaid expenses	2,189	32	2,221	18,111
Loans	80,260	41,274	121,534	7,232
Intergovernmental loans	-	-	-	755,806
Due from primary government	-	-	-	46,695
Due from component unit	27,068	-	27,068	-
Investment in direct financing lease	-	-	-	560
Funds held in trust by others	-	-	-	63,385
Other current assets	-	-	-	33,473
<b>Total current assets</b>	<b>6,254,216</b>	<b>1,143,795</b>	<b>7,398,011</b>	<b>3,697,237</b>
Noncurrent assets:				
Cash, cash equivalents and investments - restricted	188,231	528,354	716,585	2,022,146
Taxes, interest, and penalties receivable	520,941	-	520,941	5,500
Other receivables	91,617	-	91,617	1,469,532
Investments - unrestricted	-	-	-	2,877,143
Loans	392,853	996,279	1,389,132	225
Bond issuance costs net of amortization	8,809	-	8,809	42,734
Intergovernmental loans	-	-	-	1,467,548
Due from primary government	-	-	-	1,548,843
Investment in direct financing lease	-	-	-	241,907
Net pension assets	226,805	-	226,805	-
Other noncurrent assets	15	11,197	11,212	74,926
Capital assets:				
Land	1,195,389	-	1,195,389	266,405
Infrastructure	7,530,607	-	7,530,607	423,445
Construction in progress	541,907	-	541,907	409,163
Property, plant, and equipment	2,622,133	23,020	2,645,153	6,566,124
Less accumulated depreciation	(1,053,362)	(11,127)	(1,064,489)	(2,969,432)
<b>Total capital assets, net of depreciation</b>	<b>10,836,674</b>	<b>11,893</b>	<b>10,848,567</b>	<b>4,695,705</b>
<b>Total noncurrent assets</b>	<b>12,265,945</b>	<b>1,547,723</b>	<b>13,813,668</b>	<b>14,446,209</b>
<b>Total assets</b>	<b>18,520,161</b>	<b>2,691,518</b>	<b>21,211,679</b>	<b>18,143,446</b>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	296,730	5,360	302,090	272,143
Claims payable	-	2,091	2,091	-
Interest payable	30,078	29,126	59,204	79,570
Current portion of long-term debt	57,637	-	57,637	1,013,818
Line of credit	-	-	-	78,975
Intergovernmental payable	1,756,089	-	1,756,089	-
Due to primary government	-	-	-	27,068
Due to component unit	-	46,695	46,695	-
Capital lease payable	2,486	-	2,486	1,810
Accrued prize liability	-	-	-	55,459
Salaries, health, disability, and benefits payable	98,003	384	98,387	30,200
Tax refunds payable	50,278	-	50,278	-
Deferred revenue	101,824	7,347	109,171	238,822
Accrued liability for compensated absences	77,178	185	77,363	58,981
Securities lending payable	4,234	-	4,234	16
Securities lending collateral	1,408,038	-	1,408,038	710,875
Deposits held in custody for others	-	-	-	31,968
Other current liabilities	1,478	464	1,942	31,656
<b>Total current liabilities</b>	<b>3,884,053</b>	<b>91,652</b>	<b>3,975,705</b>	<b>2,631,361</b>

**State of Indiana**  
**Statement of Net Assets**  
**June 30, 2005**  
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Long-term liabilities:				
Accrued liability for compensated absences	\$ 53,214	\$ 140	\$ 53,354	\$ 36,763
Claims payable	-	38,417	38,417	-
Interest payable	12,308	-	12,308	-
Construction retention	2,962	-	2,962	-
Accrued prize liability	-	-	-	68,231
Net pension obligations	7,310	-	7,310	-
Due to component unit	151,702	1,397,141	1,548,843	-
Capital lease payable	20,306	-	20,306	31,178
Funds held in trust for others	-	-	-	106,899
Advances from federal government	295	-	295	20,721
Revenue bonds/notes payable	2,296,245	-	2,296,245	6,376,001
Other noncurrent liabilities	-	-	-	109,328
Total long-term liabilities	2,544,342	1,435,698	3,980,040	6,749,121
<b>Total liabilities</b>	<b>6,428,395</b>	<b>1,527,350</b>	<b>7,955,745</b>	<b>9,380,482</b>
<b>Net Assets:</b>				
Invested in capital assets net of related debt	8,678,840	11,893	8,690,733	2,783,775
Restricted-nonexpendable:				
Grants/constitutional restrictions	524,256	-	524,256	-
Permanent funds	4,719	-	4,719	-
Instruction and research	-	-	-	125,085
Student aid	-	-	-	103,504
Other purposes	-	-	-	94,605
Total restricted-nonexpendable	528,975	-	528,975	323,194
Restricted-expendable:				
Instruction and research	-	-	-	131,134
Grants/constitutional restrictions	-	-	-	3,851
Future debt service	89,425	-	89,425	185,168
Pension fund distribution	-	-	-	5,211
Public safety programs	5,671	-	5,671	-
Transportation programs	-	-	-	9,414
Student aid	-	-	-	102,954
Auxiliary enterprises	-	-	-	3,384
Capital projects	-	-	-	226,701
Unemployment compensation	-	452,708	452,708	-
Other purposes	-	-	-	1,340,061
Total restricted-expendable	95,096	452,708	547,804	2,007,878
Unrestricted	2,788,855	699,567	3,488,422	3,648,117
<b>Total net assets</b>	<b>\$ 12,091,766</b>	<b>\$ 1,164,168</b>	<b>\$ 13,255,934</b>	<b>\$ 8,762,964</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, 2005**  
(amounts expressed in thousands)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions		Primary Government			Component Units
			Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total		
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 3,951,222	\$ 444,845	\$ 219,907	\$ -	\$ (3,286,470)	\$ -	\$ (3,286,470)	\$ -
Public safety	1,226,752	603,470	112,364	15,470	(495,448)	-	(495,448)	-
Health	426,565	32,963	277,006	85	(116,511)	-	(116,511)	-
Welfare	7,312,867	116,832	4,988,914	-	(2,207,121)	-	(2,207,121)	-
Conservation, culture and development	516,107	102,410	230,376	-	(183,321)	-	(183,321)	-
Education	6,599,329	1,637	748,944	-	(5,848,748)	-	(5,848,748)	-
Transportation	1,589,231	3,973	811,241	32	(773,985)	-	(773,985)	-
Unallocated interest expense	121,223	-	-	-	(121,223)	-	(121,223)	-
Other	(270)	-	-	-	270	-	270	-
Total governmental activities	<u>21,743,026</u>	<u>1,306,130</u>	<u>7,388,752</u>	<u>15,587</u>	<u>(13,032,557)</u>	<u>-</u>	<u>(13,032,557)</u>	<u>-</u>
Business-type activities								
State Revolving Fund	72,405	76,244	-	34,714	-	38,553	38,553	-
Unemployment Compensation Fund	713,120	599,437	-	-	-	(113,683)	(113,683)	-
Other	31,827	31,367	-	-	-	(460)	(460)	-
Total business-type activities	<u>817,352</u>	<u>707,048</u>	<u>-</u>	<u>34,714</u>	<u>-</u>	<u>(75,590)</u>	<u>(75,590)</u>	<u>-</u>
Total primary government	<u>\$ 22,560,378</u>	<u>\$ 2,013,178</u>	<u>\$ 7,388,752</u>	<u>\$ 50,301</u>	<u>(13,032,557)</u>	<u>(75,590)</u>	<u>(13,108,147)</u>	<u>-</u>
<b>Component units:</b>								
Governmental and proprietary	1,245,668	907,757	339,522	64	-	-	-	1,675
Colleges and universities	4,707,852	2,197,099	1,228,805	85,713	-	-	-	(1,196,235)
Total component units	<u>\$ 5,953,520</u>	<u>\$ 3,104,856</u>	<u>\$ 1,568,327</u>	<u>\$ 85,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,194,560)</u>
General Revenues:								
Income tax					5,127,828	-	5,127,828	-
Sales tax					4,963,327	-	4,963,327	-
Fuels tax					831,010	-	831,010	-
Gaming tax					791,228	-	791,228	-
Inheritance tax					166,825	-	166,825	-
Alcohol & Tobacco tax					359,066	-	359,066	-
Insurance tax					190,253	-	190,253	-
Financial Institutions tax					70,067	-	70,067	-
Other tax					204,328	-	204,328	-
Total taxes					<u>12,703,932</u>	<u>-</u>	<u>12,703,932</u>	<u>-</u>
Revenue not restricted to specific programs								
Investment earnings					81,612	32,907	114,519	314,253
Payments from State of Indiana					-	-	-	1,336,479
Other					35,759	720	36,479	86,824
Transfers within primary government					(958)	958	-	-
Total general revenues and transfers					<u>12,820,345</u>	<u>34,585</u>	<u>12,854,930</u>	<u>1,737,556</u>
Changes in net assets					(212,212)	(41,005)	(253,217)	542,996
Net assets - beginning, as restated					12,303,978	1,205,173	13,509,151	8,219,968
Net assets - ending					<u>\$ 12,091,766</u>	<u>\$ 1,164,168</u>	<u>\$ 13,255,934</u>	<u>\$ 8,762,964</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, 2005**

(amounts expressed in thousands)

	<u>General Fund</u>	<u>Motor Vehicle Highway Fund</u>	<u>Medicaid Assistance Fund</u>	<u>Build Indiana Fund</u>
<b>Assets:</b>				
Cash, cash equivalents and investments-unrestricted	\$ 926,124	\$ 5,514	\$ -	\$ 21,958
Securities lending collateral	1,062,851	-	-	-
Receivables:				
Taxes (net of allowance for uncollectible accounts)	1,322,280	18,711	-	-
Securities lending	3,083	-	-	-
Accounts	8,748	-	-	-
Grants	4,232	194	50,492	-
Interest	3,714	-	-	-
Interfund loans	50,188	-	-	-
Due from component unit	-	-	-	27,068
Prepaid expenditures	287	1,805	-	-
Loans	24,659	-	-	2,905
	<u>3,406,166</u>	<u>26,224</u>	<u>50,492</u>	<u>51,931</u>
Total assets	<u>\$ 3,406,166</u>	<u>\$ 26,224</u>	<u>\$ 50,492</u>	<u>\$ 51,931</u>
<b>Liabilities:</b>				
Accounts payable	\$ 56,590	\$ 546	\$ 49	\$ 95
Salaries and benefits payable	34,856	4,754	-	-
Interfund loans	-	-	37,095	-
Interfund services used	1,862	823	-	-
Intergovernmental payable	333,921	30,728	-	-
Tax refunds payable	47,406	4	-	-
Deferred revenue	623,668	7,141	-	-
Accrued liability for compensated absences-current	2,684	62	-	-
Securities lending payable	3,083	-	-	-
Securities lending collateral	1,062,851	-	-	-
	<u>2,166,921</u>	<u>44,058</u>	<u>37,144</u>	<u>95</u>
Total liabilities	<u>2,166,921</u>	<u>44,058</u>	<u>37,144</u>	<u>95</u>
<b>Fund balance:</b>				
Reserved:				
Encumbrances	34,164	7,398	-	954
Special purposes	4,232	194	50,492	-
Tuition support	290,500	-	-	-
Interfund loans	50,188	-	-	-
Long-term loans and advances	23,667	-	-	2,898
Unreserved fund balance reported in:				
General fund	836,494	-	-	-
Special revenue funds	-	(25,426)	(37,144)	47,984
Capital projects funds	-	-	-	-
Permanent funds	-	-	-	-
	<u>1,239,245</u>	<u>(17,834)</u>	<u>13,348</u>	<u>51,836</u>
Total fund balance	<u>1,239,245</u>	<u>(17,834)</u>	<u>13,348</u>	<u>51,836</u>
<b>Total liabilities and fund balance</b>	<u>\$ 3,406,166</u>	<u>\$ 26,224</u>	<u>\$ 50,492</u>	<u>\$ 51,931</u>

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



<u>State Highway Department Fund</u>	<u>Property Tax Replacement Fund</u>	<u>Tobacco Settlement Fund</u>	<u>Non-major Governmental Funds</u>	<u>Total</u>
\$ 317,545	\$ -	\$ 216,848	\$ 1,419,394	\$ 2,907,383
4,017	-	16,372	324,798	1,408,038
-	302,498	-	154,049	1,797,538
10	-	56	1,085	4,234
1,075	-	-	20,133	29,956
-	-	-	68,721	123,639
3	-	11	859	4,587
9,265	-	-	436	59,889
-	-	-	-	27,068
-	-	-	25	2,117
8,215	-	-	437,335	473,114
<u>\$ 340,130</u>	<u>\$ 302,498</u>	<u>\$ 233,287</u>	<u>\$ 2,426,835</u>	<u>\$ 6,837,563</u>
\$ 14,335	\$ -	\$ 1,991	\$ 146,784	\$ 220,390
8,477	-	45	23,027	71,159
-	-	-	8,227	45,322
148	-	1	2,379	5,213
-	1,308,406	-	83,034	1,756,089
-	-	-	2,868	50,278
43,948	85,126	-	81,070	840,953
726	-	-	1,934	5,406
10	-	56	1,085	4,234
4,017	-	16,372	324,798	1,408,038
<u>71,661</u>	<u>1,393,532</u>	<u>18,465</u>	<u>675,206</u>	<u>4,407,082</u>
834,766	-	4,135	187,795	1,069,212
-	-	-	69,263	124,181
-	-	-	-	290,500
9,265	-	-	436	59,889
8,215	-	-	432,962	467,742
-	-	-	-	836,494
(583,777)	(1,091,034)	210,687	855,884	(622,826)
-	-	-	81,284	81,284
-	-	-	124,005	124,005
<u>268,469</u>	<u>(1,091,034)</u>	<u>214,822</u>	<u>1,751,629</u>	<u>2,430,481</u>
<u>\$ 340,130</u>	<u>\$ 302,498</u>	<u>\$ 233,287</u>	<u>\$ 2,426,835</u>	<u>\$ 6,837,563</u>

**State of Indiana**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Assets**  
**June 30, 2005**  
(amounts expressed in thousands)

**Total fund balances-governmental funds** \$ 2,430,481

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$	1,138,082	
Infrastructure assets		7,530,607	
Construction in progress		436,391	
Property, plant, and equipment		1,624,920	
Accumulated depreciation		<u>(817,797)</u>	
Total capital assets			9,912,203

The State's pension funds have net pension assets not reported as assets in the funds. 226,805

Recreational Development Commission startup is a noncurrent asset not reported in the funds 500

Some of the state's revenues 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. 922,591

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds. (168,509)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 205,528

Revenue bonds in internal service funds which are offset by a direct financing lease are eliminated. The revenue bonds eliminated are included in the statement of net assets. (1,245,552)

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		(122,874)	
Loan from the Indiana Board for Depositories		(50,000)	
Capital lease payable		(12,097)	
Net pension obligations		<u>(7,310)</u>	
Total long-term liabilities			<u>(192,281)</u>

**Net assets of governmental activities** \$ 12,091,766

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, 2005**  
(amounts expressed in thousands)

	<u>General Fund</u>	<u>Motor Vehicle Highway Fund</u>	<u>Medicaid Assistance Fund</u>	<u>Build Indiana Fund</u>
<b>Revenues:</b>				
Taxes:				
Income	\$ 4,942,205	\$ -	\$ -	\$ -
Sales	2,386,526	-	-	-
Fuels	-	482,135	-	-
Gaming	84,519	-	-	-
Inheritance	166,825	-	-	-
Alcohol and tobacco	300,777	-	-	-
Insurance	187,671	-	-	-
Financial Institutions	-	-	-	-
Other	155,386	-	-	-
Total taxes	<u>8,223,909</u>	<u>482,135</u>	<u>-</u>	<u>-</u>
Current service charges	170,956	16,607	-	156,808
Investment income	63,344	-	-	-
Sales/rents	1,250	319	-	-
Grants	9,124	19,474	3,044,336	-
Other	34,726	61,241	3,087	142
Total revenues	<u>8,503,309</u>	<u>579,776</u>	<u>3,047,423</u>	<u>156,950</u>
<b>Expenditures:</b>				
Current:				
General government	1,128,976	289,004	-	11,305
Public safety	622,966	180,816	-	-
Health	99,624	-	-	-
Welfare	366,067	-	4,611,366	-
Conservation, culture and development	80,183	-	-	1,091
Education	5,555,431	259	-	-
Transportation	1,936	4,553	-	58
Total expenditures	<u>7,855,183</u>	<u>474,632</u>	<u>4,611,366</u>	<u>12,454</u>
Excess (deficiency) of revenues over expenditures	<u>648,126</u>	<u>105,144</u>	<u>(1,563,943)</u>	<u>144,496</u>
<b>Other financing sources (uses):</b>				
Transfers in	2,548,487	267,352	1,654,000	120,463
Transfers (out)	<u>(3,100,077)</u>	<u>(363,861)</u>	<u>(83,342)</u>	<u>(236,287)</u>
Total other financing sources (uses)	<u>(551,590)</u>	<u>(96,509)</u>	<u>1,570,658</u>	<u>(115,824)</u>
<b>Net change in fund balances</b>	96,536	8,635	6,715	28,672
<b>Fund Balance July 1, as restated</b>	<u>1,142,709</u>	<u>(26,469)</u>	<u>6,633</u>	<u>23,164</u>
<b>Fund Balance June 30</b>	<u>\$ 1,239,245</u>	<u>\$ (17,834)</u>	<u>\$ 13,348</u>	<u>\$ 51,836</u>

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

<u>State Highway Department Fund</u>	<u>Property Tax Replacement Fund</u>	<u>Tobacco Settlement Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 170,255	\$ 5,112,460
-	2,451,619	-	105,530	4,943,675
2	-	-	345,818	827,955
-	-	-	706,713	791,232
-	-	-	-	166,825
-	-	-	58,132	358,909
-	-	-	2,582	190,253
-	-	-	84,968	84,968
-	-	-	140,128	295,514
<u>2</u>	<u>2,451,619</u>	<u>-</u>	<u>1,614,126</u>	<u>12,771,791</u>
13,504	-	130,001	799,920	1,287,796
150	-	11,506	18,043	93,043
2,192	-	-	21,285	25,046
675,309	-	415	3,219,994	6,968,652
70,234	-	146	266,830	436,406
<u>761,391</u>	<u>2,451,619</u>	<u>142,068</u>	<u>5,940,198</u>	<u>21,582,734</u>
68	1,996,807	24,170	597,336	4,047,666
-	-	-	413,370	1,217,152
-	-	36,638	289,959	426,221
-	-	76	2,330,017	7,307,526
-	-	65	434,766	516,105
-	-	-	950,234	6,505,924
1,337,134	-	-	212,235	1,555,916
<u>1,337,202</u>	<u>1,996,807</u>	<u>60,949</u>	<u>5,227,917</u>	<u>21,576,510</u>
<u>(575,811)</u>	<u>454,812</u>	<u>81,119</u>	<u>712,281</u>	<u>6,224</u>
490,323	1,306,222	77	1,596,525	7,983,449
(4,477)	(1,765,310)	(117,441)	(2,311,087)	(7,981,882)
<u>485,846</u>	<u>(459,088)</u>	<u>(117,364)</u>	<u>(714,562)</u>	<u>1,567</u>
(89,965)	(4,276)	(36,245)	(2,281)	7,791
358,434	(1,086,758)	251,067	1,753,910	2,422,690
<u>\$ 268,469</u>	<u>\$ (1,091,034)</u>	<u>\$ 214,822</u>	<u>\$ 1,751,629</u>	<u>\$ 2,430,481</u>

**State of Indiana**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2005**  
(amounts expressed in thousands)

Net change in fund balances-total governmental funds	\$	7,791
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.		93,688
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 depreciation (\$50,634) exceeds net capital outlays (\$29,754) in the current period.		(20,880)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(58,800)
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.		(208,079)
Payment delays to colleges and universities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		(101,702)
The change in net pension assets and net pension obligations do not provide or require the use of current financial resources:		
Decrease in net pension assets		(4,583)
Decrease in net pension obligations		64,204
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 certain internal service funds is reported with governmental activities.		<u>16,149</u>
Change in net assets of governmental activities.	<u>\$</u>	<u>(212,212)</u>

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



**State of Indiana**  
**Statement of Fund Net Assets**  
**Proprietary Funds**  
**June 30, 2005**

(amounts expressed in thousands)

	Enterprise Funds				
	State Revolving Fund	Unemployment Compensation Fund	Other Enterprise Funds	Total	Internal Service Funds
<b>Assets</b>					
Current assets:					
Cash, cash equivalents and investments - unrestricted	\$ 571,622	\$ 425,263	\$ 43,694	\$ 1,040,579	\$ 260,957
Receivables:					
Accounts	-	-	410	410	32,758
Taxes	-	31,951	-	31,951	-
Interest	28,267	-	563	28,830	409
Grants	-	153	-	153	-
Interfund services provided	-	-	-	-	5,213
Loans	41,274	-	-	41,274	-
Inventory	-	-	566	566	5,954
Prepaid expenses	-	-	32	32	72
Total current assets	<u>641,163</u>	<u>457,367</u>	<u>45,265</u>	<u>1,143,795</u>	<u>305,363</u>
Noncurrent assets:					
Cash, cash equivalents and investments - restricted	528,354	-	-	528,354	188,231
Interest receivable - restricted	-	-	-	-	460
Loans	996,279	-	-	996,279	-
Bond issuance costs - net of amortization	-	-	-	-	8,809
Capital assets:					
Land	-	-	-	-	57,307
Construction in progress	-	-	-	-	105,516
Property, plant, and equipment	-	-	23,020	23,020	997,213
Less accumulated depreciation	-	-	(11,127)	(11,127)	(235,565)
Total capital assets, net of depreciation	-	-	11,893	11,893	924,471
Other assets	11,197	-	-	11,197	15
Total noncurrent assets	<u>1,535,830</u>	<u>-</u>	<u>11,893</u>	<u>1,547,723</u>	<u>1,121,986</u>
<b>Total assets</b>	<b><u>2,176,993</u></b>	<b><u>457,367</u></b>	<b><u>57,158</u></b>	<b><u>2,691,518</u></b>	<b><u>1,427,349</u></b>
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	197	4,659	504	5,360	10,192
Claims payable	-	-	2,091	2,091	-
Interfund loans	-	-	-	-	14,567
Salaries and benefits payable	-	-	384	384	689
Interest payable	29,126	-	-	29,126	30,078
Capital lease payable	-	-	-	-	712
Current portion of long-term debt	-	-	-	-	34,357
Health/disability benefits payable	-	-	-	-	25,497
Accrued liability for compensated absences	-	-	185	185	1,213
Due to component unit	46,695	-	-	46,695	-
Deferred revenue	-	-	7,347	7,347	2,118
Other liabilities	-	-	464	464	1,478
Total current liabilities	<u>76,018</u>	<u>4,659</u>	<u>10,975</u>	<u>91,652</u>	<u>120,901</u>
Noncurrent liabilities:					
Construction retention	-	-	-	-	2,962
Accrued liability for compensated absences	-	-	140	140	899
Capital lease payable	-	-	-	-	9,983
Claim payable	-	-	38,417	38,417	-
Interest payable	-	-	-	-	12,308
Due to component unit	1,397,141	-	-	1,397,141	-
Interfund loans	-	-	-	-	500
Amount due federal government	-	-	-	-	295
Revenue bonds/notes payable	-	-	-	-	1,073,973
Total noncurrent liabilities	<u>1,397,141</u>	<u>-</u>	<u>38,557</u>	<u>1,435,698</u>	<u>1,100,920</u>
<b>Total liabilities</b>	<b><u>1,473,159</u></b>	<b><u>4,659</u></b>	<b><u>49,532</u></b>	<b><u>1,527,350</u></b>	<b><u>1,221,821</u></b>
<b>Net assets</b>					
Invested in capital assets net of related debt	-	-	11,893	11,893	12,188
Restricted-expendable:					
Future debt service	-	-	-	-	89,425
Unemployment compensation	-	452,708	-	452,708	-
Unrestricted	703,834	-	(4,267)	699,567	103,915
Total net assets	<b><u>\$ 703,834</u></b>	<b><u>\$ 452,708</u></b>	<b><u>\$ 7,626</u></b>	<b><u>\$ 1,164,168</u></b>	<b><u>\$ 205,528</u></b>

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



**State of Indiana**  
**Statement of Revenues, Expenses and**  
**Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2005**

(amounts expressed in thousands)

	Enterprise Funds				Internal Service Funds
	State Revolving Fund	Unemployment Compensation Fund	Other Enterprise Funds	Total	
<b>Operating revenues:</b>					
Sales/rents/premiums	\$ -	\$ -	\$ 31,234	\$ 31,234	\$ 519,798
Interest income	76,244	-	-	76,244	-
Employer contributions	-	573,075	-	573,075	-
Charges for services	-	-	-	-	1,462
Other	720	-	133	853	233
	<u>76,964</u>	<u>573,075</u>	<u>31,367</u>	<u>681,406</u>	<u>521,493</u>
Total operating revenues	76,964	573,075	31,367	681,406	521,493
Cost of sales	-	-	3,260	3,260	34,061
	<u>76,964</u>	<u>573,075</u>	<u>28,107</u>	<u>678,146</u>	<u>487,432</u>
Gross margin	76,964	573,075	28,107	678,146	487,432
<b>Operating expenses:</b>					
General and administrative expense	3,672	-	18,338	22,010	76,088
Interest expense	67,536	-	-	67,536	-
Claims expense	-	-	9,510	9,510	-
Health / disability benefit payments	-	-	-	-	245,467
Unemployment compensation benefits	-	713,120	-	713,120	-
Depreciation and amortization	1,197	-	584	1,781	28,925
Other	-	-	135	135	-
	<u>72,405</u>	<u>713,120</u>	<u>28,567</u>	<u>814,092</u>	<u>350,480</u>
Total operating expenses	72,405	713,120	28,567	814,092	350,480
Operating income (loss)	4,559	(140,045)	(460)	(135,946)	136,952
<b>Nonoperating revenues (expenses):</b>					
Interest and other investment income	-	32,286	621	32,907	7,814
Interest and other investment expense	-	-	-	-	(121,223)
Capital outlay reimbursement	-	-	-	-	(4,394)
Gain (Loss) on disposition of assets	-	-	-	-	(684)
Other	-	26,362	-	26,362	-
	<u>-</u>	<u>58,648</u>	<u>621</u>	<u>59,269</u>	<u>(118,487)</u>
Total nonoperating revenues (expenses)	-	58,648	621	59,269	(118,487)
Income before contributions and transfers	4,559	(81,397)	161	(76,677)	18,465
Capital contributions	34,714	-	-	34,714	209
Transfers in	-	-	958	958	8,373
Transfers (out)	-	-	-	-	(10,898)
	<u>39,273</u>	<u>(81,397)</u>	<u>1,119</u>	<u>(41,005)</u>	<u>16,149</u>
Change in net assets	39,273	(81,397)	1,119	(41,005)	16,149
Total net assets, July 1, as restated	664,561	534,105	6,507	1,205,173	189,379
Total net assets, June 30	<u>\$ 703,834</u>	<u>\$ 452,708</u>	<u>\$ 7,626</u>	<u>\$ 1,164,168</u>	<u>\$ 205,528</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, 2005**

(amounts expressed in thousands)

	Enterprise Funds				
	State Revolving Fund	Unemployment Compensation Fund	Other Enterprise Funds	Total	Internal Service Funds
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ -	\$ 570,357	\$ 30,898	\$ 601,255	\$ 521,817
Cash received from federal government	-	-	-	-	5
Cash paid for general and administrative	(3,623)	-	(18,486)	(22,109)	(77,146)
Cash paid for salary/health/disability benefit payments	-	-	-	-	(247,898)
Cash paid for swap option agreement	-	-	-	-	(12,250)
Cash paid to suppliers	-	-	(3,276)	(3,276)	(34,562)
Cash paid for claims expense	-	(720,944)	(3,798)	(724,742)	-
Other operating income	719	-	-	719	-
Net cash provided (used) by operating activities	(2,904)	(150,587)	5,338	(148,153)	149,966
<b>Cash flows from noncapital financing activities:</b>					
Transfers in	-	-	-	-	8,373
Transfers out	-	-	-	-	(10,898)
Principal payments to reduce indebtedness	(39,365)	-	-	(39,365)	-
Payment of debt issue costs	(825)	-	-	(825)	-
Increase in amount due to federal government	(847)	-	-	(847)	-
Interest paid on bonds and note payable	(64,574)	-	-	(64,574)	-
Other	-	26,332	-	26,332	-
Net cash provided (used) by noncapital financing activities	(105,611)	26,332	-	(79,279)	(2,525)
<b>Cash flows from capital and related financing activities:</b>					
Acquisition/construction of capital assets	-	-	(402)	(402)	(309,297)
Proceeds from sale of assets	-	-	-	-	327,315
Proceeds from issuance of notes payable/bonds payable	-	-	-	-	147,426
Principal payments -- capital leases	-	-	-	-	(995)
Principal payments -- bonds/notes	-	-	-	-	(393,238)
Repayment of interfund payable	-	-	-	-	(12,060)
Interfund loan	-	-	-	-	8,076
Capital contributions	75,418	-	958	76,376	-
Payment to refunded bond escrow agent	-	-	-	-	(7,623)
Interest paid	-	-	-	-	(115,201)
Debt issue expense	-	-	-	-	(1,460)
Net cash provided (used) by capital and related financing activities	75,418	-	556	75,974	(357,057)
<b>Cash flows from investing activities:</b>					
Proceeds from sales of investments	60,005	-	4,577	64,582	218,815
Purchase of investments	(192,365)	-	(13,367)	(205,732)	(252,876)
Interest income (expense) on investments	76,244	32,286	1,353	109,883	5,203
Net cash provided (used) by investing activities	(56,116)	32,286	(7,437)	(31,267)	(28,858)
<b>Net increase (decrease) in cash and cash equivalents</b>	(89,213)	(91,969)	(1,543)	(182,725)	(238,474)
<b>Cash and cash equivalents, July 1, as restated</b>	660,835	517,232	4,816	1,182,883	499,221
<b>Cash and cash equivalents, June 30</b>	<b>\$ 571,622</b>	<b>\$ 425,263</b>	<b>\$ 3,273</b>	<b>\$ 1,000,158</b>	<b>\$ 260,747</b>
<b>Reconciliation of cash, cash equivalents and investments:</b>					
Cash and cash equivalents unrestricted at end of year	\$ 571,622	\$ 425,263	\$ 3,273	\$ 1,000,158	\$ 260,657
Cash and cash equivalents restricted at end of year	-	-	-	-	90
Investments unrestricted	-	-	40,421	40,421	300
Investments restricted	528,354	-	-	528,354	188,141
<b>Cash, cash equivalents and investments per balance sheet</b>	<b>\$ 1,099,976</b>	<b>\$ 425,263</b>	<b>\$ 43,694</b>	<b>\$ 1,568,933</b>	<b>\$ 449,188</b>
<b>Noncash investing, capital and financing activities:</b>					
Increase in fair value of investments	\$ -	\$ -	\$ 928	\$ 928	\$ -

**State of Indiana**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended**  
**June 30, 2005**

(amounts expressed in thousands)

	Enterprise Funds				Internal Service Funds
	State Revolving Fund	Unemployment Compensation Fund	Other Enterprise Funds	Total	
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 4,559	\$ (140,045)	\$ (460)	\$ (135,946)	\$ 136,952
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation/amortization expense	1,196	-	584	1,780	28,925
(Increase) decrease in receivables	(8,709)	(2,718)	(12)	(11,439)	(13,003)
(Increase) decrease in interfund services provided	-	-	-	-	1,817
(Increase) decrease in inventory	-	-	(16)	(16)	648
(Increase) decrease in prepaid expenses	-	-	6	6	2,148
(Increase) decrease in claims payable	-	-	5,712	5,712	-
Increase (decrease) in benefits payable	-	-	-	-	(2,429)
Increase (decrease) in accounts payable	50	(7,824)	(11)	(7,785)	(4,262)
Increase (decrease) in deferred revenue	-	-	(458)	(458)	(738)
Increase (decrease) in salaries payable	-	-	40	40	(50)
Increase (decrease) in compensated absences	-	-	25	25	(42)
Increase (decrease) in other payables	-	-	(72)	(72)	-
Net cash provided (used) by operating activities	<u>\$ (2,904)</u>	<u>\$ (150,587)</u>	<u>\$ 5,338</u>	<u>\$ (148,153)</u>	<u>\$ 149,966</u>

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

**State of Indiana**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2005**  
(amounts expressed in thousands)

	Pension (and Other Employee Benefit) Trust Funds	Private-Purpose Trust Funds	Agency Funds
<b>Assets:</b>			
Cash, cash equivalents and non-pension investments	\$ 1,509,634	\$ 51,164	\$ 564,173
Securities lending collateral	3,211,320	5,173	75,750
Receivables:			
Taxes	-	-	6,805
Contributions	167,458	-	-
Interest	31,991	33	-
Securities lending	-	21	195
Member loans	8,121	-	-
Due from other funds	10,059	-	-
Due from component unit	495	-	-
From investment sales	1,218,266	-	-
Other	-	-	60
Pension and other employee benefit investments at fair value:			
US treasury and agency obligations	2,641,314	-	-
State and municipal obligations	867	-	-
Domestic corporate bonds and notes	1,740,790	-	-
Common stock and equity securities	11,860,147	-	-
Foreign bonds	141,937	-	-
Mortgage securities	2,244,862	-	-
Mutual funds	1,556,237	-	-
Asset backed	317,120	-	-
Commercial mortgage backed	151,571	-	-
Venture capital and partnerships	70,045	-	-
Real estate	260	-	-
Other	43,199	-	-
Total investments	<u>20,768,349</u>	<u>-</u>	<u>-</u>
Other assets	-	-	119,972
Property, plant and equipment net of accumulated depreciation	<u>3,226</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<b><u>26,928,919</u></b>	<b><u>56,391</u></b>	<b><u>766,955</u></b>
<b>Liabilities:</b>			
Accounts/escrows payable	13,656	4,295	645,629
Securities purchased payable	2,094,401	-	-
Salaries and benefits payable	519	-	-
Due to other funds	10,059	-	-
Securities lending payable	-	21	195
Due to component unit	495	-	-
Compensated absences	542	-	-
Securities lending collateral	3,211,320	5,173	75,750
Other	145	-	45,381
<b>Total liabilities</b>	<b><u>5,331,137</u></b>	<b><u>9,489</u></b>	<b><u>\$ 766,955</u></b>
<b>Net assets:</b>			
Held in trust for:			
Employees' post-employment benefits	21,597,782	-	-
Trust beneficiaries	-	46,902	-
<b>Total net assets</b>	<b><u>\$ 21,597,782</u></b>	<b><u>\$ 46,902</u></b>	<b><u>-</u></b>

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

**State of Indiana**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2005**

(amounts expressed in thousands)

	<b>Pension (and Other Employee Benefit) Trust Funds</b>	<b>Private-Purpose Trust Funds</b>
<b>Additions:</b>		
Member contributions	\$ 350,170	\$ 62,475
Employer contributions	836,285	-
Contributions from the State of Indiana	61,853	-
Net investment income (loss)	1,871,543	560
Less investment expense	(115,385)	-
Donations/escheats	-	57,670
Transfers in	6,954	-
Other	1,607	-
<b>Total additions</b>	<b>3,013,027</b>	<b>120,705</b>
<b>Deductions:</b>		
Pension benefits	1,169,833	-
Disability and other benefits	10,097	-
Payments to participants/beneficiaries	-	119,183
Refunds of contributions and interest	73,335	-
General government	-	222
Administrative	24,490	-
Pension relief distributions	115,228	-
Capital projects	594	-
Depreciation	24	-
Transfers out	6,954	-
Other	4,183	-
<b>Total deductions</b>	<b>1,404,738</b>	<b>119,405</b>
<b>Net increase (decrease) in net assets</b>	<b>1,608,289</b>	<b>1,300</b>
<b>Net assets held in trust, July 1, as restated</b>	<b>19,989,493</b>	<b>45,602</b>
<b>Net assets held in trust, June 30</b>	<b>\$ 21,597,782</b>	<b>\$ 46,902</b>

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

**State of Indiana**  
**Combining Statement of Net Assets**  
**Discretely Presented Component Units**  
**June 30, 2005**  
**(amounts expressed in thousands)**

	Governmental and Proprietary	Colleges and Universities	Total
<b>Assets:</b>			
<b>Current assets:</b>			
Cash, cash equivalents and investments	\$ 628,413	\$ 1,000,853	\$ 1,629,266
Securities lending collateral	214,772	496,103	710,875
Receivables (net)	111,414	283,925	395,339
Inventory	1,708	34,787	36,495
Prepaid expenses	3,274	14,837	18,111
Loans	7,232	-	7,232
Intergovernmental loans	755,806	-	755,806
Due from primary government	46,695	-	46,695
Investment in direct financing lease	560	-	560
Funds held in trust by others	-	63,385	63,385
Other current assets	3,517	29,956	33,473
<b>Total current assets</b>	<b>1,773,391</b>	<b>1,923,846</b>	<b>3,697,237</b>
<b>Noncurrent assets:</b>			
Cash, cash equivalents and investments - restricted	579,089	1,443,057	2,022,146
Taxes, interest, and penalties receivable	5,500	-	5,500
Other receivables	1,246,252	223,280	1,469,532
Investments - unrestricted	74,190	2,802,953	2,877,143
Loans	-	225	225
Bond issuance costs net of amortization	42,614	120	42,734
Intergovernmental loans	1,467,548	-	1,467,548
Due from primary government	1,447,141	101,702	1,548,843
Investment in direct financing lease	210,699	31,208	241,907
Other noncurrent assets	3,557	71,369	74,926
<b>Capital assets:</b>			
Land	107,429	158,976	266,405
Infrastructure	184,562	238,883	423,445
Construction in progress	34,276	374,887	409,163
Property, plant, and equipment	155,604	6,410,520	6,566,124
Less accumulated depreciation	(86,223)	(2,883,209)	(2,969,432)
Capital assets, net of accumulated depreciation	395,648	4,300,057	4,695,705
<b>Total noncurrent assets</b>	<b>5,472,238</b>	<b>8,973,971</b>	<b>14,446,209</b>
<b>Total assets</b>	<b>7,245,629</b>	<b>10,897,817</b>	<b>18,143,446</b>
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable	35,162	236,981	272,143
Interest payable	77,828	1,742	79,570
Current portion of long-term debt	919,638	94,180	1,013,818
Line of credit	78,975	-	78,975
Due to primary government	27,068	-	27,068
Capital lease payable	-	1,810	1,810
Accrued prize liability	55,459	-	55,459
Salaries, health, disability, and benefits payable	2,425	27,775	30,200
Deferred revenue	647	238,175	238,822
Accrued liability for compensated absences	-	58,981	58,981
Securities lending payable	16	-	16
Securities lending collateral	214,772	496,103	710,875
Deposits held in custody for others	1,452	30,516	31,968
Other current liabilities	1,956	29,700	31,656
<b>Total current liabilities</b>	<b>1,415,398</b>	<b>1,215,963</b>	<b>2,631,361</b>
<b>Long-term liabilities:</b>			
Accrued liability for compensated absences	-	36,763	36,763
Accrued prize liability	68,231	-	68,231
Capital lease payable	-	31,178	31,178
Funds held in trust for others	-	106,899	106,899
Advances from federal government	-	20,721	20,721
Revenue bonds/notes payable	4,742,507	1,633,494	6,376,001
Other noncurrent liabilities	6,328	103,000	109,328
<b>Total long-term liabilities</b>	<b>4,817,066</b>	<b>1,932,055</b>	<b>6,749,121</b>
<b>Total liabilities</b>	<b>6,232,464</b>	<b>3,148,018</b>	<b>9,380,482</b>
<b>Net Assets:</b>			
Invested in capital assets net of related debt	198,219	2,585,556	2,783,775
<b>Restricted-nonexpendable:</b>			
Instruction and research	-	125,085	125,085
Student aid	-	103,504	103,504
Other purposes	-	94,605	94,605
<b>Total restricted-nonexpendable</b>	<b>-</b>	<b>323,194</b>	<b>323,194</b>
<b>Restricted-expendable:</b>			
Instruction and research	-	131,134	131,134
Grants/constitutional restrictions	3,851	-	3,851
Future debt service	185,168	-	185,168
Pension fund distribution	5,211	-	5,211
Transportation programs	9,414	-	9,414
Student aid	-	102,954	102,954
Auxiliary enterprises	-	3,384	3,384
Capital projects	82,426	144,275	226,701
Other purposes	2	1,340,059	1,340,061
<b>Total restricted-expendable</b>	<b>286,072</b>	<b>1,721,806</b>	<b>2,007,878</b>
Unrestricted	528,874	3,119,243	3,648,117
<b>Total net assets</b>	<b>\$ 1,013,165</b>	<b>\$ 7,749,799</b>	<b>\$ 8,762,964</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, 2005  
(amounts expressed in thousands)**

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental and Proprietary</u>	<u>Colleges and Universities</u>	<u>Net (Expense) Revenue</u>
Governmental and proprietary	\$ 1,245,668	\$ 907,757	\$ 339,522	\$ 64	1,675	-	1,675
Colleges and universities	4,707,852	2,197,099	1,228,805	85,713	-	(1,196,235)	(1,196,235)
Total component units	<u>\$ 5,953,520</u>	<u>\$ 3,104,856</u>	<u>\$ 1,568,327</u>	<u>\$ 85,777</u>	1,675	(1,196,235)	(1,194,560)
		General Revenues:					
			Investment earnings		13,432	300,821	314,253
			Payments from State of Indiana		9,843	1,326,636	1,336,479
			Other		-	86,824	86,824
			Total general revenues		<u>23,275</u>	<u>1,714,281</u>	<u>1,737,556</u>
			Change in net assets		24,950	518,046	542,996
			Net assets - beginning, as restated		988,215	7,231,753	8,219,968
			Net assets - ending		<u>\$ 1,013,165</u>	<u>\$ 7,749,799</u>	<u>\$ 8,762,964</u>

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

**State of Indiana**  
**Combining Statement of Net Assets**  
**Discretely Presented Component Units -**  
**Governmental and Proprietary Funds**  
**June 30, 2005**  
(amounts expressed in thousands)

	Proprietary			
	Indiana Bond Bank	Indiana Housing Finance Authority	Transportation Finance Authority Toll Roads	Transportation Finance Authority Airport Facilities Bonds
<b>Assets</b>				
Current assets:				
Cash, cash equivalents and investments	\$ 72,868	\$ 59,311	\$ 110,552	\$ 6,235
Securities lending collateral	-	-	-	-
Receivables (net)	58,280	298	4,057	320
Inventory	-	-	1,368	-
Prepaid expenses	-	-	716	-
Loans	-	-	-	-
Intergovernmental loans	755,806	-	-	-
Due from primary government	46,695	-	-	-
Investment in direct financing lease	-	-	-	-
Other current assets	-	1,389	-	-
<b>Total current assets</b>	<b>933,649</b>	<b>60,998</b>	<b>116,693</b>	<b>6,555</b>
Noncurrent assets:				
Cash, cash equivalents and investments - restricted	68,916	370,298	59,856	-
Taxes, interest, and penalties receivable	-	5,500	-	-
Loans receivable	-	745,067	-	-
Investments - unrestricted	-	-	-	-
Bond issuance costs, net of amortization	33,681	7,633	1,300	-
Intergovernmental loans	1,467,548	-	-	-
Due from primary government	1,397,141	-	-	-
Investment in direct financing lease	-	-	-	201,974
Other noncurrent assets	-	415	-	-
Capital assets:				
Land	-	-	28,224	-
Infrastructure	-	-	184,066	-
Construction in progress	-	-	34,276	-
Property, plant, and equipment	104	1,770	98,454	-
Less accumulated depreciation	(83)	(1,533)	(65,399)	-
<b>Total capital assets, net of depreciation</b>	<b>21</b>	<b>237</b>	<b>279,621</b>	<b>-</b>
<b>Total noncurrent assets</b>	<b>2,967,307</b>	<b>1,129,150</b>	<b>340,777</b>	<b>201,974</b>
<b>Total assets</b>	<b>3,900,956</b>	<b>1,190,148</b>	<b>457,470</b>	<b>208,529</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	296	909	6,844	9
Interest payable	69,239	424	6,643	298
Current portion of long-term debt	884,954	14,376	13,745	-
Line of credit	-	50,625	-	-
Due to primary government	-	-	-	-
Accrued prize liability	-	-	-	-
Salaries, health, disability, and benefits payable	-	-	2,356	-
Deferred revenue	-	-	-	-
Securities lending payable	-	-	-	-
Securities lending collateral	-	-	-	-
Deposits held in custody for others	-	663	-	-
Other current liabilities	-	-	-	-
<b>Total current liabilities</b>	<b>954,489</b>	<b>66,997</b>	<b>29,588</b>	<b>307</b>
Long-term liabilities:				
Accrued prize liability	-	-	-	-
Revenue bonds/notes payable	2,933,539	932,862	184,981	204,550
Other noncurrent liabilities	512	1,395	-	-
<b>Total long-term liabilities</b>	<b>2,934,051</b>	<b>934,257</b>	<b>184,981</b>	<b>204,550</b>
<b>Total liabilities</b>	<b>3,888,540</b>	<b>1,001,254</b>	<b>214,569</b>	<b>204,857</b>
<b>Net assets</b>				
Invested in capital assets net of related debt	21	237	82,195	-
Restricted-expendable				
Grants/constitutional restrictions	-	3,851	-	-
Future debt service	1,374	123,814	52,965	2,594
Pension fund distribution	-	-	-	-
Transportation programs	-	-	9,414	-
Capital projects	-	-	81,455	-
Other purposes	-	-	-	-
<b>Total restricted-expendable</b>	<b>1,374</b>	<b>127,665</b>	<b>143,834</b>	<b>2,594</b>
Unrestricted (deficit)	11,021	60,992	16,872	1,078
<b>Total net assets</b>	<b>\$ 12,416</b>	<b>\$ 188,894</b>	<b>\$ 242,901</b>	<b>\$ 3,672</b>

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



Proprietary				
Board for Depositories	Secondary Market for Education Loans	State Lottery Commission	Non-Major Governmental and Proprietary	Total Component Units
\$ 180,049	\$ 71,223	\$ 67,503	\$ 60,672	\$ 628,413
208,522	-	-	6,250	214,772
1,390	15,546	30,538	985	111,414
-	-	319	21	1,708
-	-	2,449	109	3,274
-	-	-	7,232	7,232
-	-	-	-	755,806
-	-	-	-	46,695
-	-	-	560	560
-	2,128	-	-	3,517
389,961	88,897	100,809	75,829	1,773,391
-	-	79,644	375	579,089
-	-	-	-	5,500
-	501,185	-	-	1,246,252
74,190	-	-	-	74,190
-	-	-	-	42,614
-	-	-	-	1,467,548
50,000	-	-	-	1,447,141
-	-	-	8,725	210,699
-	3,142	-	-	3,557
-	-	-	79,205	107,429
-	-	-	496	184,562
-	-	-	-	34,276
487	-	12,545	42,244	155,604
(474)	-	(9,551)	(9,183)	(86,223)
13	-	2,994	112,762	395,648
124,203	504,327	82,638	121,862	5,472,238
514,164	593,224	183,447	197,691	7,245,629
441	1,049	25,269	345	35,162
-	1,087	-	137	77,828
-	6,000	-	563	919,638
-	28,350	-	-	78,975
-	-	27,068	-	27,068
-	-	55,459	-	55,459
-	-	-	69	2,425
-	-	647	-	647
-	-	-	16	16
208,522	-	-	6,250	214,772
-	-	-	789	1,452
6	-	1,773	177	1,956
208,969	36,486	110,216	8,346	1,415,398
-	-	68,231	-	68,231
-	477,850	-	8,725	4,742,507
-	4,421	-	-	6,328
-	482,271	68,231	8,725	4,817,066
208,969	518,757	178,447	17,071	6,232,464
13	-	2,994	112,759	198,219
-	-	-	-	3,851
-	4,421	-	-	185,168
5,211	-	-	-	5,211
-	-	-	-	9,414
-	-	-	971	82,426
-	-	-	2	2
5,211	4,421	-	973	286,072
299,971	70,046	2,006	66,888	528,874
\$ 305,195	\$ 74,467	\$ 5,000	\$ 180,620	\$ 1,013,165

**State of Indiana  
Combining Statement of Activities  
Discretely Presented Component Units -  
Governmental and Proprietary Funds  
For the Fiscal Year Ended June 30, 2005**  
(amounts expressed in thousands)

	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Assets</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Indiana Bond Bank</u>	<u>Indiana Housing Finance Authority</u>	<u>Transportation Finance Authority Toll Roads</u>
Indiana Bond Bank	\$ 157,947	\$ 1,011	\$ 157,507	\$ -	571	-	-
Indiana Housing Finance Authority	204,584	56,174	142,322	-	-	(6,088)	-
Transportation Finance Authority Toll Roads	86,925	95,813	-	-	-	-	8,888
Transportation Finance Authority Airport Facilities Bonds	8,547	10,836	-	-	-	-	-
Board for Depositories	7,981	-	9,362	-	-	-	-
Secondary Market for Educational Loans	22,486	-	29,230	-	-	-	-
State Lottery Commission	743,430	739,633	-	-	-	-	-
Non-Major Governmental and Proprietary	13,768	4,290	1,101	64	-	-	-
<b>Total component units</b>	<b>\$ 1,245,668</b>	<b>\$ 907,757</b>	<b>\$ 339,522</b>	<b>\$ 64</b>	<b>571</b>	<b>(6,088)</b>	<b>8,888</b>
General revenues:							
Investment earnings					275	4,593	2,822
Payments from State of Indiana					-	-	-
Total general revenues					275	4,593	2,822
Change in net assets					846	(1,495)	11,710
Net assets - beginning					11,570	190,389	231,191
Net assets - ending					<b>\$ 12,416</b>	<b>\$ 188,894</b>	<b>\$ 242,901</b>

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

continued on next page

**State of Indiana**  
**Combining Statement of Activities**  
**Discretely Presented Component Units -**  
**Governmental and Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2005**  
(amounts expressed in thousands)

	<b>Net (Expense) Revenue and Changes in Net Assets</b>					
	<b>Transportation Finance Authority Airport Facilities Bonds</b>	<b>Board for Depositories</b>	<b>Secondary Market for Education Loans</b>	<b>State Lottery Commission</b>	<b>Non-Major Governmental and Proprietary</b>	<b>Net (Expense) Revenue</b>
Indiana Bond Bank	-	-	-	-	-	571
Indiana Housing Finance Authority	-	-	-	-	-	(6,088)
Transportation Finance Authority Toll Roads	-	-	-	-	-	8,888
Transportation Finance Authority Airport Facilities Bonds	2,289	-	-	-	-	2,289
Board for Depositories	-	1,381	-	-	-	1,381
Secondary Market for Educational Loans	-	-	6,744	-	-	6,744
State Lottery Commission	-	-	-	(3,797)	-	(3,797)
Non-Major Governmental and Proprietary	-	-	-	-	(8,313)	(8,313)
<b>Total component units</b>	<b>2,289</b>	<b>1,381</b>	<b>6,744</b>	<b>(3,797)</b>	<b>(8,313)</b>	<b>1,675</b>
General revenues:						
Investment earnings	170	-	-	3,909	1,663	13,432
Payments from State of Indiana	-	-	-	-	9,843	9,843
<b>Total general revenues</b>	<b>170</b>	<b>-</b>	<b>-</b>	<b>3,909</b>	<b>11,506</b>	<b>23,275</b>
Change in net assets	2,459	1,381	6,744	112	3,193	24,950
Net assets - beginning	1,213	303,814	67,723	4,888	177,427	988,215
<b>Net assets - ending</b>	<b>\$ 3,672</b>	<b>\$ 305,195</b>	<b>\$ 74,467</b>	<b>\$ 5,000</b>	<b>\$ 180,620</b>	<b>\$ 1,013,165</b>

**State of Indiana**  
**Combining Statement of Net Assets**  
**Discretely Presented Component Units -**  
**Colleges and Universities**  
**June 30, 2005**

(amounts expressed in thousands)

	Indiana University	Purdue University	Non-Major Colleges and Universities	Totals
<b>Assets</b>				
Current assets:				
Cash, cash equivalents and investments	\$ 425,088	\$ 316,265	\$ 259,500	\$ 1,000,853
Securities lending collateral	281,035	215,068	-	496,103
Receivables (net)	124,424	67,751	91,750	283,925
Inventory	17,324	6,886	10,577	34,787
Prepaid expenses	-	4,053	10,784	14,837
Funds held in trust by others	-	205	63,180	63,385
Other current assets	12,228	16,151	1,577	29,956
<b>Total current assets</b>	<b>860,099</b>	<b>626,379</b>	<b>437,368</b>	<b>1,923,846</b>
Noncurrent assets:				
Cash, cash equivalents and investments - restricted	58,687	1,376,020	67,037	1,501,744
Other receivables	78,894	65,961	19,738	164,593
Investments - unrestricted	1,600,482	719,603	482,868	2,802,953
Loans	-	225	-	225
Bond issuance costs net of amortization	-	-	120	120
Due from primary government	39,813	27,992	33,897	101,702
Investment in direct financing lease	31,208	-	-	31,208
Other noncurrent assets	-	46,386	24,983	71,369
Capital assets:				
Land	46,913	21,492	90,571	158,976
Infrastructure	132,844	45,206	60,833	238,883
Construction in progress	108,442	165,940	100,505	374,887
Property, plant, and equipment	2,820,278	2,011,420	1,578,822	6,410,520
Less accumulated depreciation	(1,292,576)	(921,298)	(669,335)	(2,883,209)
<b>Total capital assets, net of depreciation</b>	<b>1,815,901</b>	<b>1,322,760</b>	<b>1,161,396</b>	<b>4,300,057</b>
<b>Total noncurrent assets</b>	<b>3,624,985</b>	<b>3,558,947</b>	<b>1,790,039</b>	<b>8,973,971</b>
<b>Total assets</b>	<b>4,485,084</b>	<b>4,185,326</b>	<b>2,227,407</b>	<b>10,897,817</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	163,043	36,491	37,447	236,981
Interest payable	-	-	1,742	1,742
Current portion of long-term debt	33,410	27,043	33,727	94,180
Capital lease payable	1,778	-	32	1,810
Salaries, health, disability, and benefits payable	-	10,398	17,377	27,775
Deferred revenue	180,467	41,718	15,990	238,175
Accrued liability for compensated absences	30,928	21,686	6,367	58,981
Securities lending collateral	281,035	215,068	-	496,103
Deposits held in custody for others	-	20,872	9,644	30,516
Other current liabilities	-	22,573	7,127	29,700
<b>Total current liabilities</b>	<b>690,661</b>	<b>395,849</b>	<b>129,453</b>	<b>1,215,963</b>
Long-term liabilities:				
Accrued liability for compensated absences	7,910	17,014	11,839	36,763
Capital lease payable	31,041	-	137	31,178
Funds held in trust for others	46,625	56,328	3,946	106,899
Advances from federal government	-	20,721	-	20,721
Revenue bonds/notes payable	582,347	531,046	520,101	1,633,494
Other noncurrent liabilities	88,217	8,254	6,529	103,000
<b>Total long-term liabilities</b>	<b>756,140</b>	<b>633,363</b>	<b>542,552</b>	<b>1,932,055</b>
<b>Total liabilities</b>	<b>1,446,801</b>	<b>1,029,212</b>	<b>672,005</b>	<b>3,148,018</b>
<b>Net assets</b>				
Invested in capital assets net of related debt	1,205,240	727,659	652,657	2,585,556
Restricted-nonexpendable				
Instruction and research	-	125,085	-	125,085
Student aid	-	99,254	4,250	103,504
Other purposes	59,977	24,209	10,419	94,605
<b>Total restricted-nonexpendable</b>	<b>59,977</b>	<b>248,548</b>	<b>14,669</b>	<b>323,194</b>
Restricted-expendable				
Instruction and research	61,035	69,515	584	131,134
Student aid	18,560	60,239	24,155	102,954
Auxiliary enterprises	-	3,384	-	3,384
Capital projects	4,435	66,401	73,439	144,275
Other purposes	25,124	1,079,811	235,124	1,340,059
<b>Total restricted-expendable</b>	<b>109,154</b>	<b>1,279,350</b>	<b>333,302</b>	<b>1,721,806</b>
Unrestricted (deficit)	1,663,912	900,557	554,774	3,119,243
<b>Total net assets</b>	<b>\$ 3,038,283</b>	<b>\$ 3,156,114</b>	<b>\$ 1,555,402</b>	<b>\$ 7,749,799</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 Fiscal Year Ended June 30, 2005**  
(amounts expressed in thousands)

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Indiana University	Purdue University	Non-Major Colleges and Universities	Net (Expense) Revenue
Indiana University	\$ 2,202,468	\$ 1,135,417	\$ 590,294	\$ 16,774	(459,983)	-	-	(459,983)
Purdue University	1,440,931	660,924	349,351	65,873	-	(364,783)	-	(364,783)
Non-Major Colleges and Universities	1,064,453	400,758	289,160	3,066	-	-	(371,469)	(371,469)
<b>Total component units</b>	<b>\$ 4,707,852</b>	<b>\$ 2,197,099</b>	<b>\$ 1,228,805</b>	<b>\$ 85,713</b>	<b>(459,983)</b>	<b>(364,783)</b>	<b>(371,469)</b>	<b>(1,196,235)</b>
General revenues:								
Investment earnings					132,859	125,378	42,584	300,821
Payments from State of Indiana					530,565	358,957	437,114	1,326,636
Other					1,758	82,068	2,998	86,824
Total general revenues					665,182	566,403	482,696	1,714,281
Change in net assets					205,199	201,620	111,227	518,046
Net assets - beginning, as restated					2,833,084	2,954,494	1,444,175	7,231,753
Net assets - ending					<u>\$ 3,038,283</u>	<u>\$ 3,156,114</u>	<u>\$ 1,555,402</u>	<u>\$ 7,749,799</u>

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

