

Vincennes University

# FINANCIAL REPORT

2023 - 2024

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# VINCENNES UNIVERSITY'S

# Mission & Vision

## Mission Statement

Vincennes University develops people and enhances communities through accessible, high-quality educational programs, strategic partnerships, and active engagement.

## Vision Statement

Vincennes University is a premier learning institution, widely recognized for leadership in innovation and delivery of successful educational experiences. A broad range of program offerings and a commitment to superior service ensure the University's role as an important link in Indiana's economic and cultural vitality. VU is a diverse community whose members all share responsibility for supporting the University's mission and are respected for their contributions.

## Values

- Personal growth and academic excellence for our students, faculty, and staff.
- Collaborative relationships with our stakeholders and communities.
- An environment that encourages open dialogue and cooperation.
- Continuous improvement through data-informed planning and evaluation.
- Cultural enrichment, diversity, and individual freedom.



VINCENNES UNIVERSITY

# Financial Report

2023-2024

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## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF VINCENNES UNIVERSITY, VINCENNES, INDIANA

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of Vincennes University (University), a component unit of the State of Indiana, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the Table of Contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of the University, as of June 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Vincennes University Foundation, Inc. (Foundation), a component unit of the University as described in Note 1, which represents 100 percent, 100 percent, and 100 percent, respectively, of the total assets, net position, and revenues of the discretely presented component unit as of June 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended. Those statements, which 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*, were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the University, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Emphasis of Matter***

As discussed in Note 1 to the financial statements, the University adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections*, in fiscal year 2024. Our opinion is not modified with respect to this matter.

As discussed in Note 18 to the financial statements, the University presented a prior period adjustment at June 30, 2023, to the business-type activities net position to restate unrestricted net position related to the University's net OPEB asset to restricted net position. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.



## INDEPENDENT AUDITOR'S REPORT (Continued)

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of Employer's Share of Net Pension Liability - Teachers' Retirement Fund Pre-1996 Accounts (TRF Pre-1996), the Schedule of Employer Contributions - Teachers' Retirement Fund Pre-1996 Accounts (TRF Pre-1996), the Schedule of Employer's Share of the Net Pension Liability - Teachers' Retirement Fund 1996 Accounts (TRF 1996), the Schedule of Employer Contributions Teachers' Retirement Fund 1996 Accounts (TRF 1996), the Schedule of Changes in Net OPEB Liability and Related Ratios - Vincennes University Health Care Plan, and the Schedule of the University's Contributions - Vincennes University Health Care Plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Treasurer's Report and Board of Trustees and University Officers, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

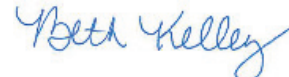
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024, on our consideration of the University'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 University'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 University's internal control over financial reporting and compliance.



Beth Kelley, CPA, CFE  
Deputy State Examiner

October 31, 2024



# VINCENNES UNIVERSITY

## Treasurer's Report

Dear Blazer Community,

On behalf of Vincennes University, it is my pleasure to present the audited financial statements for the fiscal year ending June 30, 2024. Consistent with prior years, the University has received an unqualified audit opinion from our external auditors who found our financial statements to be presented fairly and free from material misstatement.

Coming on the heels of a successful year, VU's educational mission and vision were marked by strong state support where we received significant funding for an array of transformative endeavors, including a new Center of Health Sciences and Active Learning facility which will feature state-of-the-art clinical simulations. The projected opening date for this new facility will be in the 2025-26 academic year. The University also received funds to expand the Aviation Maintenance program located at the Indianapolis airport. Both of these initiatives allow the University to develop current and future generations in high demand fields and showcase our dedication to offering career paths for Hoosiers.

With state funding, the University is also able to fund academic initiatives that promote access and affordability for the residents of Indiana and provide continued support for the maintenance and capital needs of our campuses. The University relies on tuition and fees to support the general operating budget, and with the added state support for fiscal year 2024, the University was able to mitigate tuition increases.

VU continues to be a leader in creating innovative solutions for industry partners across Indiana and throughout the country. During fiscal year 2024, the University officially opened the Jackson County Learning Center in collaboration with industry partners located in this region. This facility is bridging the gap between the demands of local workforces and their need for skilled technicians. Another commemorative milestone was the celebration of the 50th cohort of apprentices in the Mechatronics and Robotics Apprenticeship Program with Amazon. This partnership has produced numerous apprentices as the program continues to grow.

Despite the continued economic pressures faced by the University, there is a tremendous amount of excitement for the future. Along with our prudent stewardship, the guidance of our trustees, and the unwavering dedication of our faculty and staff to serve students, gives me assurance that Vincennes University will continue "blazing the trails" for years to come.

This report is a complete and permanent record of Vincennes University for the period stated.

Respectfully submitted,



**Timothy J. Eaton**  
University Treasurer/Vice President for Financial Services



# Management’s Discussion and Analysis

Vincennes University is pleased to present its financial statements for fiscal year 2024. The following discussion and analysis provides an overview of the financial position and activities of Vincennes University (the “University”) for the fiscal year ended June 30, 2024, along with comparative information for the fiscal years ended June 30, 2023 and June 30, 2022. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes following this section.

One of the first two-year colleges in America, Vincennes University is also Indiana’s oldest college. Located in Vincennes, the University is a comprehensive public institution of higher learning with a fall 2023 enrollment of approximately 9,054 full-time equivalents. The University offers a broad range of degrees including baccalaureate programs. These degrees include Bachelor of Science degrees in Homeland Security and Public Safety, Education (Science, Special Education and Math Concentrations), Nursing, and a growing number of Technology Concentrations. Vincennes University has a statewide mission and is a state-supported university. Major extension sites in Indiana are located in Fort Branch, Jasper, and Indianapolis. The University also offers over 1,000 courses through its Distance Education program and at five military sites across the United States. The University is accredited by the Higher Learning Commission.

The University remains committed to an open admission policy and recognizes that promoting individual growth and development must be its primary consideration. The report presented conveys the financial performance of the University. The financial analysis should be combined with non-financial data for a complete assessment of the University’s performance. The University recognizes its role as a key contributor for programs of community development, cultural enrichment, and services appropriate to a post-secondary educational institution.

## Using the Financial Statements

The University’s financial report includes the following financial statements:

1. The three basic financial statements of the University include: Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

2. The financial statements for the Vincennes University Foundation are presented discretely from the University’s Statement of Financial Position and the Statements of Activities and Changes in Net Assets.
3. The financial statements for the University’s fiduciary funds include: Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position.

The Management’s Discussion and Analysis focuses solely on the University. The notes to the financial statements provide additional information that is essential to a full understanding of the financial statements. The University’s financial statements are presented in accordance with Governmental Accounting Standards Board (GASB) principles, which establish standards for external financial reporting for public colleges and universities and require that financial statements be presented for aggregate operations which includes the Vincennes University Foundation, Incorporated and the University’s fiduciary funds.



## Statement of Net Position

The Statement of Net Position presents the financial position of the University at the end of the fiscal year by reporting all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at the end of the fiscal years presented. The difference between total assets/deferred outflows of resources and total liabilities/deferred inflows of resources, net position, is one indicator of the current financial condition of the University, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less an allowance for depreciation.

A comparison of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30, 2024, 2023, and 2022 is summarized as follows:

Statement of Net Position	2024 (in thousands)	Restated * 2023 (in thousands)	2022 (in thousands)
Current Assets	\$ 111,973	\$ 88,467	\$ 89,466
Non-current Assets			
Investments	163,838	157,133	152,364
Capital, Assets, net	282,164	286,814	288,352
Other	33,136	23,470	2,556
<b>Total Assets</b>	<b>\$ 591,111</b>	<b>\$ 555,884</b>	<b>\$ 532,738</b>
<b>Deferred Outflows</b>	<b>\$ 3,335</b>	<b>\$ 7,137</b>	<b>\$ 13,648</b>
Current Liabilities	\$ 23,334	\$ 22,585	\$ 23,744
Non-current Liabilities	25,613	32,073	35,919
<b>Total Liabilities</b>	<b>\$ 48,947</b>	<b>\$ 54,658</b>	<b>\$ 59,663</b>
<b>Deferred Inflows</b>	<b>\$ 17,248</b>	<b>\$ 19,532</b>	<b>\$ 9,756</b>
<b>Net Position</b>	<b>\$ 528,251</b>	<b>\$ 488,831</b>	<b>\$ 476,967</b>

\*Net position has been restated to comply with GASB's interpretation of restrictive OPEB funding.

### FISCAL YEAR 2024

As of June 30, 2024, the University's financial position remained solid, with an approximate 5.6 percent increase in total assets and deferred outflows from fiscal year 2023 to fiscal year 2024. This increase is primarily related to the \$28.1 million increase in cash and investments along with the increase of \$5.8 million in the OPEB assets and the OPEB deferred outflows

Current assets consist mainly of cash, short-term investments, inventory and net accounts receivable. As of June 30, 2024, and 2023, current assets covered current

liabilities by 4.8 times and 3.9 times, an indicator of good liquidity and the ability to weather short term demands on working capital.

Non-current assets increased \$11.7 million from 2023. The majority of this fluctuation is related to the \$9.6 million increase in the OPEB asset as a result of favorable market conditions. Capital projects consist of replacement, renovation and new construction of academic and auxiliary buildings. Capital assets, net of depreciation and amortization decreased \$4.7 million during fiscal year 2024 which was directly related to the increase in depreciation expense and aging of assets. Projects finalized during 2024 included the HVAC projects on the Vincennes and Jasper campuses along with several replacement and renovation projects. The University ended the fiscal year with \$5.3 million in building leases, net of depreciation and \$2.2 million in subscription-based information technology arrangements (SBITAs), net of depreciation. Construction in progress totaled \$5.1 million which was primarily related to the new health sciences building and several chiller and HVAC replacement and renovation projects. Long term investments increased \$6.7 million as a result of market conditions.

Deferred outflows of resources represent consumption of net assets that are applicable to a future reporting period. The deferred outflow of \$3.3 million is primarily a result of the amortization of the change in assumptions, the net difference between the expected and actual experience, and the net difference between projected and actual earnings in the plan investments of the OPEB plan. The deferred outflow will be amortized over 5 years as required by GASB 75.

Total current liabilities include all liabilities that are payable within the next fiscal year and consist primarily of accounts payable, bonds payable, accrued compensation, accrued vacation liability, deposits held in custody, and unearned revenue. Total current liabilities increased slightly from the previous year. Accounts payable and payroll liabilities increased \$2.6 million which was related to the timing of payments related to the construction projects. Other liabilities decreased \$1.1 million as a result of a decrease in the health insurance reserve.

The largest non-current liability for the University is outstanding bonds payable. Non-current liabilities decreased \$6.5 million which consist primarily of recognizing the current portion of bonds payable for \$5.5 million and the current portion of SBITAs and leases payable for \$1.0 million. More detailed information concerning the University's long-term debt, SBITAs and leases are presented in the Notes to the Financial Statements.



Deferred inflows of resources represent an acquisition of net assets applicable to a future reporting period and will not be recognized as revenue until that reporting period. The deferred inflows totaled \$17.2 million, representing the difference between the expected and actual experience of the OPEB plan and the change in assumptions, which will be amortized over a period of 5 years.



## FISCAL YEAR 2023

As of June 30, 2023, the University's financial position remained solid, with an approximate 3.0 percent increase in total assets and deferred outflows from fiscal year 2022 to fiscal year 2023. This increase is primarily related to the \$3.7 million increase in cash and investments along with the increase of \$14.5 million in the OPEB assets and the OPEB deferred outflows.

Current assets consist mainly of cash, short-term, inventory and net accounts receivable which decreased \$1.0 million from 2022 to 2023 as a result of moving funds to long-term investments.

Non-current assets increased \$24.1 million from 2022. The majority of this fluctuation is related to the \$21.0 million increase in the OPEB asset as a result of favorable market conditions and changes in the actuarial assumptions. Capital assets decreased \$1.5 million during fiscal year 2023 which was directly related to the increase

in depreciation expense. Projects finalized during 2023 included the HVAC projects on the Vincennes Campus along with several infrastructure projects. The University ended the fiscal year with \$5.6 million in building leases, net of depreciation and \$3.0 million in subscription-based information technology arrangements (SBITAs), net of depreciation. Construction in progress totaled \$1.8 million which was primarily related to the HVAC project at the Gibson Center and the partial renovation of Green Auditorium. Long term investments increased \$4.8 million as a result of market conditions.

Deferred outflows of resources represent consumption of net assets that are applicable to a future reporting period. The deferred outflow of \$7.1 million is primarily a result of the amortization of the change in assumptions, the net difference between the expected and actual experience, and the net difference between projected and actual earnings in the plan investments of the OPEB plan. The deferred outflow will be amortized over 5 years as required by GASB 75.

Total current liabilities include all liabilities that are payable within the next fiscal year and consist primarily of accounts payable, bonds payable, accrued compensation, accrued vacation liability, deposits held in custody, and unearned revenue. Total current liabilities decreased \$1.2 million from the previous year. Accounts payable and payroll liabilities decreased \$3.1 million which was related to the timing of payments. Other liabilities increased \$1.6 million as a result of an increase in the health insurance reserve. Current bonds payable decreased approximately \$650,000.

The largest non-current liability for the University is outstanding bonds payable. Non-current liabilities decreased \$3.8 million which consist primarily of recognizing the current portion of bonds payable for \$5.4 million and an increase totaling \$1.4 million for the SBITAs payable under GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. More detailed information concerning the University's long-term debt and leases are presented in the Notes to the Financial Statements.

Deferred inflows of resources represent an acquisition of net assets applicable to a future reporting period and will not be recognized as revenue until that reporting period. The deferred inflows totaled \$19.5 million, representing the difference between the expected and actual experience of the OPEB plan and the change in assumptions, which will be amortized over a period of 5 years.



# Net Position

Net position represents the residual interest in the University's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. A summarized comparison of the University's net position is presented below:

Summary of Net Position	2024 (in thousands)	Restated * 2023 (in thousands)	2022 (in thousands)
Net Investment in Capital Assets	\$ 250,072	\$ 248,199	\$ 245,903
<b>Restricted:</b>			
Non-expendable	2,380	2,379	2,379
Expendable	46,831	30,255	10,740
<b>Unrestricted:</b>			
Designated - Capital & Other	19,739	22,114	20,152
Designated for Quasi Endowment	19,906	19,285	19,462
General Operations	141,299	121,767	132,945
Auxiliary	48,024	44,832	45,386
<b>Total Net Position</b>	<b>\$ 528,251</b>	<b>\$ 488,831</b>	<b>\$ 476,967</b>

\*Net position has been restated to comply with GASB's interpretation of restrictive OPEB funding

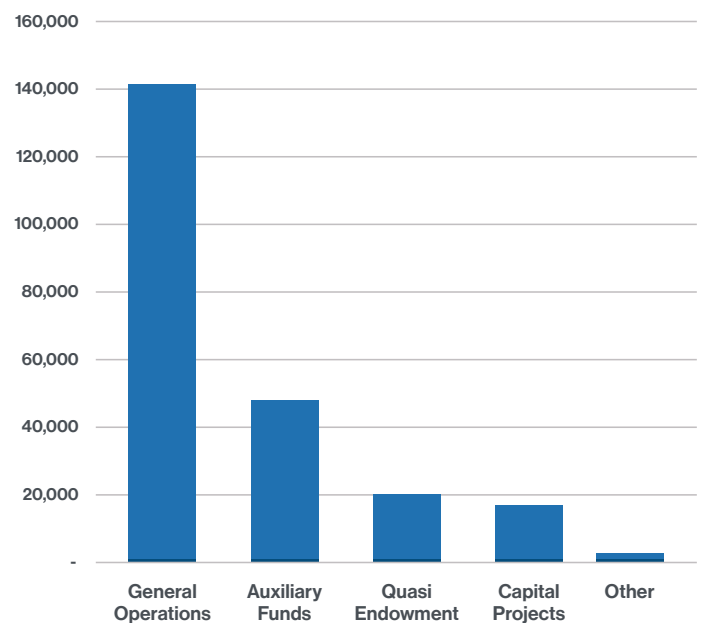
Net Investment in Capital Assets represents the institution's equity in property, plant and equipment net of accumulated depreciation, amortization, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets, or related debt, are included in this component of net position. Capital Assets, net of accumulated depreciation and amortization increased by \$1.9 million in 2024. This increase is largely attributable to the increase in the construction in progress totaling \$3.3 million which was offset by the amortization of the lease and SBITA contracts totaling \$1.6 million. The Net Investment in Capital Assets increased by \$2.3 million from 2022 to 2023 which was largely driven by the construction in progress totaling \$1.8 million as well as several HVAC renovations which were completed on the Vincennes campus during 2023.

Restricted net position is the restricted component of net position which consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted net position non-expendable primarily includes the University's permanent endowment funds.

The corpus of these resources is only available for investment purposes. This amount remains unchanged from the previous year. Restricted net position - expendable is subject to externally imposed restrictions governing its use. This category of net position includes funds restricted for capital projects, external loan funds, and scholarship funds. During fiscal years 2023 and 2024, capital appropriations totaling \$3.7 million and \$2.7 million were spent on the completion of several infrastructure projects. The OPEB Assets was reclassified from unrestricted to restricted as directed by GASB. This change was restated in 2023.

Unrestricted net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. Unrestricted net position is not subject to externally imposed stipulations. However, many of the University's unrestricted net assets have been designated or reserved for specific purposes such as auxiliaries, quasi endowment, dormitory reserves, and repair and replacement reserves for capital and infrastructure. Unrestricted net position decreased 4.6 percent from 2022 to 2023 which was attributable to the restatement of the OPEB Asset from unrestricted to restricted as directed by GASB. Unrestricted net position increased 10.0 percent from 2023 to 2024 largely due to a decrease in the unrealized losses on investments and University earnings.

**Unrestricted Net Position - 2024**  
(in thousands of dollars)



## Statement of Revenues, Expenses, and Changes in Net Position

Changes in total net position are the result of activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of this statement is to present the operating and non-operating revenues, operating and non-operating expenses, other revenues, expenses, gains, losses, and changes in net position. Governmental appropriations, while budgeted for operations, are considered non-operating revenues as defined by GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities – an amendment of GASB Statement No. 34*.

A condensed statement for the years ended June 30, 2024, 2023 and 2022 is provided below:

Statement of Revenues, Expenses, and Changes in Net Position	2024 (in thousands)	2023 (in thousands)	2022 (in thousands)
<b>Operating Revenues:</b>			
Tuition & Fees, Net	\$ 19,001	\$ 19,047	\$ 19,765
Auxiliary, Net	8,558	7,181	8,863
Grants and Contracts	26,679	26,786	23,739
Other	5,443	5,329	5,718
<b>Total Operating Revenues</b>	<b>\$ 59,681</b>	<b>\$ 58,343</b>	<b>\$ 58,085</b>
<b>Operating Expenses</b>	<b>118,434</b>	<b>125,468</b>	<b>138,061</b>
<b>Net Operating Loss</b>	<b>\$ (58,753)</b>	<b>\$ (67,125)</b>	<b>\$ (79,976)</b>
<b>Non-Operating Revenues (Expenses):</b>			
Governmental Appropriations	63,794	57,626	57,475
Federal and State Student Aid	15,353	13,604	13,924
State Grant Revenue	1,879	7,431	7,816
Other Grants and Contracts	-	2,781	15,773
Gifts (including endowment and capital)	690	425	560
Investment and Endowment Income	10,096	(3,165)	(14,365)
Gain (Loss) on Disposition of Capital Assets	(3)	10	178
Other Income and Expense	(646)	(728)	(1,187)
<b>Total Non-Operating Revenue</b>	<b>\$ 91,163</b>	<b>\$ 77,984</b>	<b>\$ 80,174</b>
<b>Income before Other Revenues, Expenses, Gains or Losses</b>	<b>\$ 32,410</b>	<b>\$ 10,859</b>	<b>\$ 198</b>
<b>Other Revenues, Expenses, Gains or Losses</b>			
Capital Appropriations	7,010	1,005	1,005
<b>Increase in Net Position</b>	<b>\$ 39,420</b>	<b>\$ 11,864</b>	<b>\$ 1,203</b>
<b>Net Position - Beginning of Year</b>	<b>488,831</b>	<b>476,967</b>	<b>475,764</b>
<b>Net Position - End of Year</b>	<b>\$ 528,251</b>	<b>\$ 488,831</b>	<b>\$ 476,967</b>



# Revenues

## FISCAL YEAR 2024

Total University revenues of \$158.5 million consist of operating revenue, non-operating revenue and capital appropriations. In general, operating revenues are earned from providing goods and services, including tuition and fees, housing and other auxiliary activity, grants and contracts, and other operating activities. Non-operating revenues include state appropriations, revenue from certain grants and contracts, gifts, and investment income.

Overall operating revenues increased \$1.3 million from the prior year. The changes in revenue are related to the following activities:

- Student tuition and fees, net of scholarship allowances and bad debt remained relatively flat. The increase in tuition rates of 3.5% was offset by the increase in scholarship allowance. Both Pell and state aid increased approximately \$1.0 million each from the previous year.
- Auxiliary revenues are generated primarily from student housing, bookstores, student activities, and workshops. Net auxiliary revenues increased \$1.4 million which was related to increased number of students in the Amazon program who reside in campus housing.
- Grants and contracts revenue remained relatively unchanged from 2023 to 2024. The University received an estimated 40 percent of grant and contract revenue from federal agencies, 34 percent from state agencies, and 26 percent from nongovernmental agencies in fiscal year 2024.
- Other revenue remained relatively unchanged from the prior year.

Non-operating revenue includes the revenue in the other revenues, expenses and gains or losses category along with the prior period adjustment. The investment and endowment income increased \$13.3 million due to higher rates of return on investments for the period. State and capital appropriations increased \$12.2 million which included the \$4.5 million received for the aviation training at VU's Aviation Tech Center in Indianapolis, the \$5.8 million draw for the new health sciences building and increased operating appropriations for the general fund and the dual credit programs. The state grant revenue decreased as a result of the State funding the TRF Pre-96 DB with a special appropriation totaling \$3.2 billion in fiscal year 2023. See the notes for additional information regarding the TRF plans.

## FISCAL YEAR 2023

Total University revenues of \$138.1 million consist of operating revenue, non-operating revenue and capital appropriations. In general, operating revenues are earned from providing goods and services, including tuition and fees, housing and other auxiliary activity, grants and contracts, and other operating activities. Non-operating revenues include state appropriations, revenue from certain grants and contracts, gifts, and investment income.

Overall operating revenues remained flat from the prior year. The changes in revenue are related to the following activities:

- Student tuition and fees, net of scholarship allowances and bad debt, decreased approximately \$718,000. The decrease in net tuition reflects the change in the methodology used to calculate the scholarship allowance. Scholarship allowance is the student aid applied by the University against tuition and fees and auxiliary housing charged to student accounts. Prior to 2023, the University utilized the Alternate Method as presented in NACUBO's Advisory Report 2000-05. With the University's robust accounting system, a methodology was adopted that matches the student aid with the student charges allowing for a more accurate calculation.
- Auxiliary revenues are generated primarily from student housing, bookstores, student activities, and workshops. Net auxiliary revenues decreased \$1.7 million. As mentioned beforehand, a majority of this decrease was primarily related to the adoption of the new scholarship allowance methodology.
- Grants and contracts revenue increased approximately \$3.0 million. This increase is related to the \$1.5 million Student Learning Recovery grant received for after school programming at several of the University's Early College locations; and the \$800,000 Toyota grant to support robotics' training at the Gibson County Center. Generations also had an increase of approximately \$800,000 in grant funds during fiscal year 2023. The University received an estimated 51 percent of grant and contract revenue from federal agencies, 20 percent from state agencies, and 29 percent from nongovernmental agencies in fiscal year 2023.
- Other revenue remained relatively unchanged from the prior year.



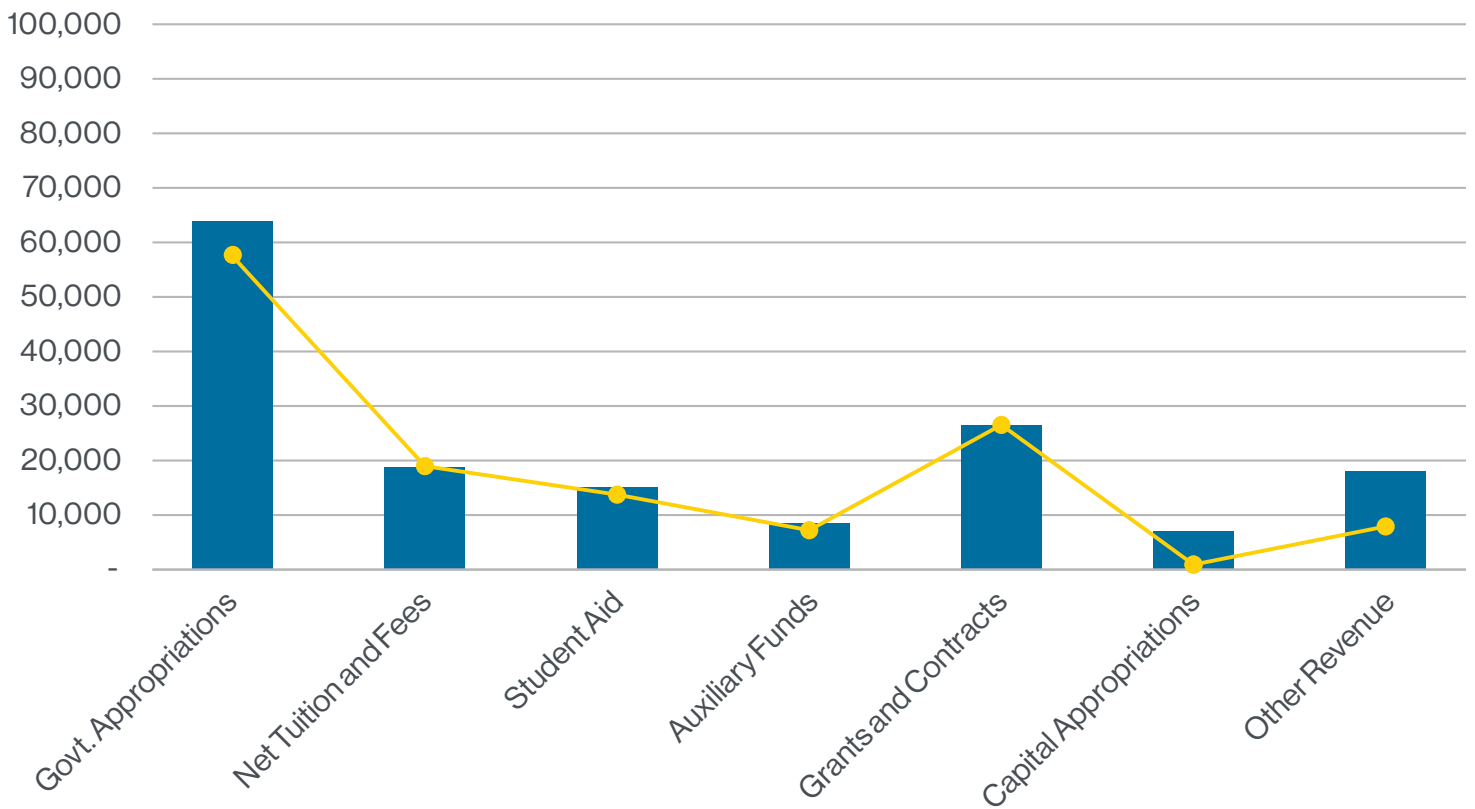
Non-operating revenue includes the revenue in the other revenues, expenses and gains or losses category along with the prior period adjustment. The investment and endowment income increased \$11.2 million due to a rise in the market value of investments at June 30, 2023

The following is a graphic illustration of revenue by source (both operating and non-operating) used to fund the University for the years ended June 30, 2024 and 2023.

### Revenue by Source

(in thousands of dollars)

2024 2023



## Expenses

A comparative of the University's expenses for the years ending June 30, 2024, 2023, and 2022 is as follows:

Expense by Natural Object	2024 (in thousands)	2023 (in thousands)	2022 (in thousands)
<b>Operating:</b>			
Compensation and benefits	\$ 58,614	\$ 65,958	\$ 72,334
Supplies, services and equipment	38,734	38,252	34,758
Depreciation	18,001	17,359	15,575
Scholarships and fellowships	3,085	3,899	15,394
<b>Total Operating Expenses</b>	<b>\$ 118,434</b>	<b>\$ 125,468</b>	<b>\$ 138,061</b>
<b>Non-operating:</b>			
Interest and other	646	728	1,187
<b>Total Expenses</b>	<b>\$ 119,080</b>	<b>\$ 126,196</b>	<b>\$ 139,248</b>

### FISCAL YEAR 2024

For fiscal year 2024, total expenses of \$119.1 million included operating expenses of \$118.4 million and interest expense and other non-operating expenses of \$646,000.

Operating expenses decreased \$7.0 million during fiscal year 2024. Significant changes include:

- Compensation and benefits decreased \$7.3 million from 2023 to 2024 as a result of the decrease in \$3.6 million actuarial changes for the retiree postemployment benefits and a \$5.6 million dollar decrease as a result of the State funding the TRF Pre-96 DB with a special appropriation totaling \$3.2 billion in fiscal year 2023. This decrease was offset by the 4% wage increase totaling \$1.6 million.
- Overall, supplies, services and equipment increased approximately \$500,000 from 2023 to 2024. Utilities decreased approximately \$1.1 million returning to 2022 levels and contracted services increased \$1.6 million as a result of a new aviation training initiative at Aviation Technology Center in Indianapolis which is being funded by the State.
- Depreciation increased approximately \$642,000 from the additions of the HVAC projects on the Vincennes and Jasper campuses.
- Scholarships and fellowships decreased slightly by \$814,000 during fiscal year 2024 which followed the decrease in the residential housing scholarship offerings.



## FISCAL YEAR 2023

For fiscal year 2023, total expenses of \$126.2 million included operating expenses of \$125.5 million and interest expense and other non-operating expenses of \$728,000.

Operating expenses decreased \$12.6 million during fiscal year 2023. Significant changes include:

- Compensation and benefits decreased \$6.4 million from 2022 to 2023 as a result of the \$8.1 million actuarial changes for the retiree postemployment benefits. The University follows GASB Statement No. 75 to record the postemployment benefits and adjusts to the reported amounts in the actuarial valuation on an annual basis. The University also had an increase of \$2.1 million in salaries and wages as a result of a 2% merit increase and a lump sum bonus.
- Overall, there is a \$3.5 million increase in supplies, services and equipment which is directly related to the increase in inflation. All expenses, including instructional supplies, utilities and travel, were affected by increased costs.
- Depreciation increased \$1.8 million from the additions of the HVAC projects and the replacement of the campus infrastructure. There was also \$1.1 million in depreciation recognized for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.
- Scholarships and fellowships decreased \$11.5 million during fiscal year 2023 which included a \$7.2 million decrease in the student disbursements administered under the Higher Education Emergency Relief Funds. The change in the scholarship allowance methodology contributed to a \$3.1 million decrease in the scholarship expense which is now reported as a scholarship allowance.



## Statement of Cash Flows

The Statement of Cash Flows provides information about the University's financial results by reporting the major sources and uses of cash. Cash received from operations primarily consists of student tuition, sponsored programs, and auxiliary revenues. Significant sources of cash provided by non-capital financing activities, as defined by GASB, include state appropriations and gifts used to fund operating activities. For higher education institutions, these cash inflows are critical to funding the operations of the University.

## Economic Factors that Will Affect the Future

Through strategic planning, conservative spending, and prudent management, the University continues to navigate the ongoing inflationary environment and economic uncertainties. We continuously strive to attract students, while increasing the marketable value of education offered at the University. A crucial element to the University's future will continue to be our relationship with the State of Indiana. Governmental funding can often be a fiscal risk for public higher education; however, the State of Indiana is on solid fiscal footing and continues to be supportive of its public institutions. As we work to maintain competitive tuition while providing an outstanding college education for our students, a direct relationship exists between State support and the





University's ability to control tuition rates. Major financial strengths of the University include a diverse source of revenues, including state appropriations, tuition and fees (net of scholarship allowances), auxiliary units' revenue, and federally sponsored grants and contracts.

Financial stewardship requires the effective use of resources. A critical factor in sustaining the quality of the University's academic and residential life is the development and maintenance of its capital assets. Capital projects include the replacement, renovation, and new construction of buildings, as well significant investments in equipment and information systems. With State support, the University is building the Center for Health Sciences and Learning Innovation which will feature state-of-the-art healthcare classroom instruction, clinical simulations, and a new active learning center. The approximate cost of the building is \$34 million and it is projected to open in the 2025-2026 academic year.

With employee retention and recruitment as an ongoing challenge, the University is committed to improving employee relations and benefit efforts. The University underwent a compensation study during 2024 and the results of the study were implemented on July 1, 2024. The University spent \$3.4 million on salary increases for all faculty and staff. With healthcare costs on the rise, the University is committed to not increasing the employees' health insurance premiums. These measures and the development of the new market-based salary structure system will allow VU to competitively attract and retain faculty and staff moving forward. Continuing efforts include expanding wellness initiatives for employees to use in managing and improving personal health along with new onboarding and training initiatives to recruit and retain our employees.

As Vincennes University blazes forward, fiscal year 2025 and beyond will present new challenges and with it, opportunities. The University embraces the future with strategic leadership and flexible management which have been consistent traits in its successful history.



# Vincennes University Statement of Net Position

AS OF JUNE 30, 2024 AND JUNE 30, 2023

ASSETS	2024	Restated 2023
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 27,014,563	\$ 27,898,083
Short-term Investments	73,481,027	51,183,313
Accounts Receivable (Less Allowance of \$1,659,524 2024 and \$2,191,285 2023)	7,403,984	6,711,411
Current Portion of Notes Receivable	39,915	91,793
Inventories	1,528,256	1,395,253
Accrued Interest Income	1,106,327	858,328
Prepaid Expenses	1,398,760	329,302
<b>Total Current Assets</b>	<b>\$ 111,972,832</b>	<b>\$ 88,467,483</b>
<b>Non-current Assets</b>		
Investments	163,838,052	157,133,094
Net OPEB Asset	32,805,406	23,207,768
Notes Receivable	12,978	24,005
Lease Receivable	318,358	237,437
Capital Assets, Net of Accumulated Depreciation	282,163,778	286,813,785
<b>Total Non-current Assets</b>	<b>\$ 479,138,572</b>	<b>\$ 467,416,089</b>
<b>Total Assets</b>	<b>\$ 591,111,404</b>	<b>\$ 555,883,572</b>
<b>DEFERRED OUTFLOWS</b>		
Deferral of Resources Indiana State Teachers' Pension Plan	\$ 139,757	\$ 112,566
Deferral of Resources OPEB	3,186,511	7,014,607
Deferral of Bond Refunding Series N	8,741	10,198
<b>Total Deferred Outflows</b>	<b>\$ 3,335,009</b>	<b>\$ 7,137,371</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 4,204,134	\$ 2,351,285
Accrued Payroll and Deductions Payable	2,527,698	1,826,324
Accrued Vacation Liability	1,401,657	1,358,844
Unearned Revenue	1,952,045	2,674,701
Accrued Interest on Debt	73,093	83,716
Bonds Payable	5,542,800	5,442,000
Lease Payable	376,512	335,904
Subscription Payable	901,082	1,033,780
Deposits	239,047	223,322
Deposits Held in Custody for Others	-	720
Other Liabilities	6,116,254	7,254,263
<b>Total Current Liabilities</b>	<b>\$ 23,334,322</b>	<b>\$ 22,584,859</b>
<b>Non-current Liabilities</b>		
Bonds Payable	\$ 18,626,800	\$ 24,169,600
Net Pension Liability	107,983	61,236
Lease Payable	5,289,757	5,515,996
Subscription Payable	1,292,120	1,997,881
Advances from Federal Government	296,620	328,555
<b>Total Non-current Liabilities</b>	<b>\$ 25,613,280</b>	<b>\$ 32,073,268</b>
<b>Total Liabilities</b>	<b>\$ 48,947,602</b>	<b>\$ 54,658,127</b>
<b>DEFERRED INFLOWS</b>		
TRF Pension Contributions	\$ 110,040	\$ 125,896
Net Differences in OPEB	16,791,834	19,121,657
Deferral of Leases	342,803	235,420
Deferral of Bond Refunding	3,258	48,545
<b>Total Deferred Inflows</b>	<b>\$ 17,247,935</b>	<b>\$ 19,531,518</b>
<b>NET POSITION</b>		
<b>Net Investment in Capital Assets</b>	<b>\$ 250,071,658</b>	<b>\$ 248,198,823</b>
<b>Restricted for:</b>		
<b>Non-Expendable:</b>		
Scholarships & Instruction	2,379,585	2,379,586
<b>Expendable:</b>		
Capital Projects	5,675,035	2,954,903
Loan Funds	114,888	112,415
Scholarships, Grants, Instruction, & Other	41,041,450	27,187,845
<b>Unrestricted</b>	228,968,260	207,997,726
<b>Total Net Position</b>	<b>\$ 528,250,876</b>	<b>\$ 488,831,298</b>

The accompanying Notes to the Financial Statements are an integral part of this statement.



# Component Unit – Statement of Financial Position

AS OF JUNE 30, 2024 WITH COMPARATIVE FIGURES FOR 2023

Assets	June 30, 2024		June 30, 2023	
<b>Current Assets</b>				
Cash	\$	1,203,877	\$	313,137
Other Accounts Receivable		1,664		6,107
Accrued Interest Receivable		76,579		87,889
Pledges Receivable		1,623,486		-
Prepaid Expense		41,239		23,499
<b>Total Current Assets</b>	<b>\$</b>	<b>2,946,845</b>	<b>\$</b>	<b>430,632</b>
Endowment Investments		46,039,818		41,406,653
Restricted Investments		79,755,312		75,424,421
Equipment		8,107		8,107
Accum. Deprec. - Equipment		(8,107)		(8,107)
Property		998,139		998,139
<b>Total Assets</b>	<b>\$</b>	<b>129,740,114</b>	<b>\$</b>	<b>118,259,845</b>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$	3,794	\$	5,286
Vacation Accrual		14,244		14,239
Deferred Income Other		70,285		45,605
Due V.U. General Fund		33,101		10,040
<b>Total Current Liabilities</b>	<b>\$</b>	<b>121,424</b>	<b>\$</b>	<b>75,170</b>
Funds Held in Trust	\$	71,849,250	\$	66,302,664
<b>Total Liabilities</b>	<b>\$</b>	<b>71,970,674</b>	<b>\$</b>	<b>66,377,834</b>
<b>Net Assets</b>				
Without Donor Restrictions	\$	3,944,867	\$	3,910,571
With Donor Restrictions		53,824,573		47,971,440
<b>Total Net Assets</b>	<b>\$</b>	<b>57,769,440</b>	<b>\$</b>	<b>51,882,011</b>
<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b>129,740,114</b>	<b>\$</b>	<b>118,259,845</b>

The accompanying Notes to the Financial Statements are an integral part of this statement.



# Vincennes University Statement of Fiduciary Net Position

## FIDUCIARY FUNDS AS OF JUNE 30, 2024 AND JUNE 30, 2023

	2024		2023	
Assets	Other Postemployment Benefit (OPEB) Trust		Other Postemployment Benefit (OPEB) Trust	
Cash and Cash Equivalents	\$	557,688	\$	414,479
Accrued Interest Receivable		9,224		8,001
Investments at Fair Value:				
Equities		28,347,069		25,671,195
Mutual Funds		42,635,884		39,927,993
<b>Total Investments</b>	<b>\$</b>	<b>70,982,953</b>	<b>\$</b>	<b>65,599,188</b>
<b>Total Assets</b>	<b>\$</b>	<b>71,549,865</b>	<b>\$</b>	<b>66,021,668</b>
<b>Net Position</b>				
<b>Restricted for:</b>				
<b>OPEB</b>	<b>\$</b>	<b>71,549,865</b>	<b>\$</b>	<b>66,021,668</b>

The accompanying Notes to the Financial Statements are an integral part of this statement.



# Vincennes University Statement of Revenues, Expenses, and Changes in Net Position

FOR THE YEAR ENDED JUNE 30, 2024 AND JUNE 30, 2023

	2024	2023
<b>Operating Revenues</b>		
Student Tuition & Fees	\$ 35,468,530	\$ 33,961,882
Scholarship Allowance-Tuition & Fees	(16,467,235)	(14,914,787)
Grants and Contracts	26,678,764	26,785,678
Auxiliary Enterprises	13,141,957	12,369,710
Scholarship Allowance-Auxiliary Enterprises	(4,583,981)	(5,188,419)
Other Revenues	5,442,697	5,329,235
<b>Total Operating Revenues</b>	<b>\$ 59,680,732</b>	<b>\$ 58,343,299</b>
<b>Operating Expenses</b>		
Salaries and Wages	\$ 47,968,592	\$ 46,400,549
Benefits	10,645,746	19,556,990
Scholarships and Fellowships	3,084,590	3,899,249
Supplies and Other Services	36,139,190	35,515,655
Equipment	2,595,234	2,736,608
Depreciation	18,000,637	17,359,090
<b>Total Operating Expenses</b>	<b>\$ 118,433,989</b>	<b>\$ 125,468,141</b>
<b>Operating Loss</b>	<b>\$ (58,753,257)</b>	<b>\$ (67,124,842)</b>
<b>Non-Operating Revenues (Expenses)</b>		
Governmental Appropriations	\$ 63,794,150	\$ 57,626,089
Federal and State Student Aid	15,352,808	13,604,175
State Grant Revenue	1,879,310	7,431,582
Other Grants and Contracts	-	2,780,681
Gifts and Bequests	689,590	424,600
Investment Income	9,215,419	(3,164,647)
Endowment Income	880,982	(406)
Gain (Loss) on Disposition of Capital Assets	(2,866)	9,549
Interest & Other Costs on Capital Asset - Related Debt	(661,193)	(764,048)
Other Non-Operating Revenues (Expenses)	14,985	36,426
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ 91,163,185</b>	<b>\$ 77,984,001</b>
Income before other revenues, expenses, gains or losses	\$ 32,409,928	\$ 10,859,159
<b>Other Revenues, Expenses, Gains or Losses</b>		
Capital Appropriations	7,009,650	1,005,286
<b>Increase in Net Position</b>	<b>\$ 39,419,578</b>	<b>\$ 11,864,445</b>
<b>Net Position - Beginning of Year</b>	<b>\$ 488,831,298</b>	<b>\$ 476,966,853</b>
<b>Net Position - End of Year</b>	<b>\$ 528,250,876</b>	<b>\$ 488,831,298</b>

The accompanying Notes to the Financial Statements are an integral part of this statement.



## Component Unit – Statements of Activities and Changes in Net Assets

FOR THE YEAR ENDED JUNE 30, 2024 WITH COMPARATIVE FIGURES FOR 2023

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
<b>Support and Revenue</b>				
Contributions	\$ 142,627	\$ 5,453,650	\$ 5,596,277	\$ 889,822
Grants and Contracts	-	499,833	499,833	1,407,805
Other Income	55,000	183,690	238,690	257,481
Investment Income	121,234	1,869,488	1,990,722	1,469,583
Unrealized Gain on Investments	200,313	3,765,192	3,965,505	2,314,310
Administrative Income	457,054	-	457,054	367,303
Alumni Income & Community Series	-	107,711	107,711	90,570
<b>Total Support and Revenue Before Releases</b>	<b>\$ 976,228</b>	<b>\$ 11,879,564</b>	<b>\$ 12,855,792</b>	<b>\$ 6,796,874</b>
<b>Net Assets Released From Restrictions</b>	<b>\$ 6,026,431</b>	<b>\$ (6,026,431)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Support and Revenue</b>	<b>\$ 7,002,659</b>	<b>\$ 5,853,133</b>	<b>\$ 12,855,792</b>	<b>\$ 6,796,874</b>
<b>Expenses</b>				
Program Services	\$ 5,761,763	\$ -	\$ 5,761,763	\$ 3,766,766
Management and General	892,779	-	892,779	628,525
Fundraising	313,821	-	313,821	231,066
<b>Total Expenses</b>	<b>\$ 6,968,363</b>	<b>\$ -</b>	<b>\$ 6,968,363</b>	<b>\$ 4,626,357</b>
<b>Total Change in Net Assets</b>	<b>\$ 34,296</b>	<b>\$ 5,853,133</b>	<b>\$ 5,887,429</b>	<b>\$ 2,170,517</b>
<b>Net Assets, Beginning of Year</b>	<b>\$ 3,910,571</b>	<b>\$ 47,971,440</b>	<b>\$ 51,882,011</b>	<b>\$ 49,711,494</b>
<b>Net Assets, End of Year</b>	<b>\$ 3,944,867</b>	<b>\$ 53,824,573</b>	<b>\$ 57,769,440</b>	<b>\$ 51,882,011</b>

The accompanying Notes to the Financial Statements are an integral part of this statement.



# Vincennes University Statement of Changes in Fiduciary Net Position

FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2024 AND JUNE 30, 2023

	2024		2023	
<b>Additions</b>	<b>Other Postemployment Benefit (OPEB) Trust</b>		<b>Other Postemployment Benefit (OPEB) Trust</b>	
Contributions Received (Employer)	\$	59,050	\$	60,000
<b>Investment Income</b>				
Net Increase in the Fair Value of Investments		4,093,464		2,287,821
Interest and Dividends		3,362,113		2,262,440
<b>Net Investment Income</b>	<b>\$</b>	<b>7,455,577</b>	<b>\$</b>	<b>4,550,261</b>
<b>Total Additions</b>	<b>\$</b>	<b>7,514,627</b>	<b>\$</b>	<b>4,610,261</b>
<b>Deductions</b>				
Benefit Payments	\$	1,942,026	\$	2,043,706
Administrative Expenses		44,404		39,637
<b>Total Deductions</b>	<b>\$</b>	<b>1,986,430</b>	<b>\$</b>	<b>2,083,343</b>
<b>Net Increase in Fiduciary Net Position</b>	<b>\$</b>	<b>5,528,197</b>	<b>\$</b>	<b>2,526,918</b>
<b>Net Position - Beginning</b>	<b>\$</b>	<b>66,021,668</b>	<b>\$</b>	<b>63,494,750</b>
<b>Net Position - Ending</b>	<b>\$</b>	<b>71,549,865</b>	<b>\$</b>	<b>66,021,668</b>

The accompanying Notes to the Financial Statements are an integral part of this statement.



# Vincennes University Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2024 AND JUNE 30, 2023

	2024	2023
<b>Cash Flows From (For) Operating Activities</b>		
Tuition and Fees	\$ 18,346,229	\$ 18,591,246
Grants and Contracts	26,574,661	26,364,152
Payments to Suppliers	(39,179,615)	(37,848,774)
Payments to Employees	(47,904,460)	(47,510,978)
Payments for Benefits	(16,182,047)	(24,651,451)
Payments for Scholarships and Fellowships	(3,084,590)	(3,899,249)
Collection of Loans to Students	62,905	205,989
Repayments of Advances from Federal Government	(31,935)	(50,735)
Auxiliary Enterprise	8,418,147	7,203,422
Other Receipts	5,426,610	5,487,840
<b>Net Cash Used in Operating Activities</b>	<b>\$ (47,554,095)</b>	<b>\$ (56,108,538)</b>
<b>Cash Flows From Non-Capital Financing Activities</b>		
Governmental Appropriations	\$ 63,348,997	\$ 57,626,089
Gifts and Grants for Other than Capital Purposes	15,942,449	25,336,911
<b>Net Cash Provided by Non-capital Financing Activities</b>	<b>\$ 79,291,446</b>	<b>\$ 82,963,000</b>
<b>Cash Flows From (For) Capital and Related Financing Activities</b>		
Proceeds from Capital Debt	\$ -	\$ 3,780,000
Capital Appropriations	7,009,650	1,005,286
Proceeds from Sale of Capital Assets	15,535	118,956
Insurance Recovery	2,499	-
Purchases of Capital Assets and Construction	(12,810,055)	(12,417,064)
Principal Paid on Capital Lease	(536,102)	(510,514)
Principal Paid on Capital Subscription	(1,255,315)	(1,059,464)
Principal Paid on Capital Debt	(5,442,000)	(9,795,800)
Interest Paid on Capital Debt & Lease	(450,812)	(613,150)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>\$ (13,466,600)</b>	<b>\$ (19,491,750)</b>
<b>Cash Flows From (For) Investing Activities</b>		
Proceeds from Sales and Maturities of Investments	\$ 81,853,376	\$ 32,150,295
Investment Income	8,969,829	5,576,518
Purchase of Investments	(109,977,476)	(91,852,078)
<b>Net Cash Used In Investing Activities</b>	<b>\$ (19,154,271)</b>	<b>\$ (54,125,265)</b>
<b>Net Decrease in Cash</b>	<b>\$ (883,520)</b>	<b>\$ (46,762,553)</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>\$ 27,898,083</b>	<b>\$ 74,660,636</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 27,014,563</b>	<b>\$ 27,898,083</b>

The accompanying Notes to the Financial Statements are an integral part of this statement.



# Vincennes University Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2024 AND JUNE 30, 2023

	2024	2023
<b>Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided by (Used in) Operating Activities:</b>		
Net Operating Revenues and Expenses	\$ (58,753,257)	\$ (67,124,842)
<b>Adjustments to Reconcile Net Operating Revenues (Expenses) to Net Cash Provided by (Used in) Operating Activities</b>		
Depreciation Expense	18,000,637	17,359,090
<b>Changes in Assets and Liabilities:</b>		
Receivables, Net	(234,621)	(1,033,834)
Other Receipts	26,463	(3,775)
Inventories	(133,003)	115,897
Other Assets	(1,069,458)	18,411
Student Loans	62,905	205,989
Advances from Federal Government	(31,935)	(50,735)
Net OPEB Asset	(8,099,366)	(4,543,916)
TRF Benefit	1,883,011	(13,870)
Accounts Payable and Accrued Liabilities	1,474,033	(1,436,017)
Unearned Income	(722,656)	229,023
Other Non-Operating Revenues (Expenses)	43,152	170,041
<b>Net Cash Used in Operating Activities</b>	<b>\$ (47,554,095)</b>	<b>\$ (56,108,538)</b>

## Supplemental Noncash Activities Information

The University has significant noncash activities related to unrealized investment income of \$1,111,224 and unrealized investment loss of \$8,953,772; right to use lease assets acquired with lease obligations of \$161,019 and \$486,804; and subscription-based technology assets acquired with subscription obligations of \$289,874 and \$3,141,287 during fiscal years ended June 30, 2024 and 2023, respectively.

*The accompanying Notes to the Financial Statements are an integral part of this statement.*



# Notes to Financial Statements

June 30, 2024

## Note 1 Summary of Significant Accounting Policies

**Reporting Entity:** Vincennes University (University) is an institution of higher education and is considered to be a component unit of the State of Indiana. The University is governed by a Board of Trustees as established by Indiana Code 21-25-3. The Board of Trustees of the University consists of ten trustees appointed by the Governor of the State. One of the trustees must be a resident of Knox County, one must be an alumnus of the University, and one must be a full-time student of the University during the term. There are also four ex-officio members of the board: the president of the University, the superintendent of the Vincennes Community School Corporation, the superintendent of the South Knox School Corporation, and the superintendent of the North Knox School Corporation. The University is included in the State's financial statements as a discrete component unit. Transactions with the State relate primarily to appropriations for operations, capital improvements, and grants from various state agencies.

The University adheres to Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units - an amendment of GASB Statement No. 14*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units, an amendment of GASB Statement No. 14*. GASB Statement No. 61 and GASB Statement No. 80 modify certain requirements for inclusion of component units in the financial reporting entity. For the fiscal year ending June 30, 2023, the University implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. For fiscal year ending June 30, 2024, the University implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*, an amendment of GASB Statement No. 62.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its fiduciary activities and its component unit, the Vincennes University Foundation, Inc. (Foundation). Reporting for fiduciary activities and for the component unit immediately follow the primary government's statements.

The Vincennes University's Grantors' Trust for post-retirement benefits is held at the Foundation. The trust is reported as Funds Held in Trust on the Foundation Statements and it is also reported in the fiduciary statements. Under GASB 84, this fiduciary fund is reported on the University's fiduciary statements.

The Foundation is a legally separate, tax-exempt component unit of the University. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the University in support of its programs. The majority of resources that the Foundation holds and invests are restricted to the activities of the University by the donors. Since these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements. During the year ended June 30, 2024, the Foundation distributed \$6,010,333 to the University for restricted and unrestricted purposes. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a private, not-for-profit organization that reports its financial results according to Financial Accounting Standards Board (FASB) Statements. Most significant to the Foundation's operations and reporting model are Financial Accounting Standards Board Accounting Standards Codification 958 (formerly FSP 116 and 117), and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the Guide). (ASC) 958-205 was effective January 1, 2018. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the University's financial reporting entity for these differences; however, significant note disclosures to the Foundation's financial statements have been incorporated into the University's notes to the financial statements.

Financial statements for the Foundation can be obtained by calling the Vincennes University Foundation, Inc. at 812-888-4510.



**Financial Statement Presentation:** The financial statements have been prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities – an amendment of GASB Statement No. 34*, and with other accounting principles generally accepted in the United States of America, as prescribed by the GASB.

The University adopted GASB Statement No. 84, *Fiduciary Activities*, in fiscal year 2021. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Activities meeting the fiduciary criteria are presented in a statement of fiduciary net position and a statement of changes in fiduciary net position.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was adopted in fiscal year 2023. In accordance with GASB 96 implementation guidance, this GASB Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). A SBITA is defined as a contract that conveys control of the right to use another party's information technology software for a period of time in an exchange or an exchange-like transaction.

**Basis of Accounting:** For financial reporting purposes, the University is considered a special-purpose government engaged in business-type activities and fiduciary-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All significant intra-agency transactions have been eliminated.

For purposes of measuring the net pension asset (liability), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Indiana State Teachers' Retirement Fund (TRF), and additions to/deductions from TRF's fiduciary net position have been determined on the same basis as they are reported by the Indiana Public Retirement System (INPRS).

For this purpose, 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 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 amounts reported in the financial statements and accompanying notes. The University generally uses an estimate based on municipal bond rate yield curves as the discount rate for leases, unless the actual rate charged by the lessor/vendor is known. Actual results could differ from those estimates.

**Cash Equivalents:** For purposes of the Statement of Cash Flows, the University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Included in cash equivalents are the deposits held by the bond trustee. These deposits consist of unexpended bond proceeds and associated interest earnings which will be used for capital expenditures related to construction or renovation projects, bond issuance costs and future debt service.

**Investments:** The University accounts for its investments at fair market value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 72, *Fair Value Measurement and Application*.

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.

**Accounts Receivable:** Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. The majority of each group resides in the State of Indiana. Accounts receivable also include amounts due from the federal government, state and local governments, private sources in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts, and the current portion of University leases. Accounts receivable are recorded net of estimated uncollectible amounts.

**Inventories:** Inventories are recorded using various methods, including lower of cost or market value on either the first-in, first-out ("FIFO") basis or the average cost basis.

**Non-current Assets:** Cash and investments that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other non-current assets, are classified as non-current assets in the Statement of Net Position. The Net OPEB Asset is also included as a non-current asset.



**Capital Assets:** Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. Also included in capital assets are leased right-to-use assets which meet GASB Statement No. 87 criteria for reporting and the right to use another party's information technology software under GASB Statement No. 96. For equipment, the University's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Infrastructure costs are minimal and included in the cost of Building and Improvements. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful life of the asset, generally 40 to 50 years for buildings, 20 to 25 years for infrastructure and land improvements, and 3 to 10 years for equipment. The right-to-use assets are amortized over the shorter of the lease term or the underlying asset useful life.

**Deferred Outflows of Resources:** As prescribed by GASB Statement No. 63, the Statement of Financial Position reports a separate section for deferred outflows of resources. The separate financial statement element represents a consumption of net position that applies to a future period. Deferred outflows of resources consist of the deferral of resources for the Indiana State Teachers' Pension Plan, and for the Post Employment Benefit Plan. Also included is the deferred outflows of resources from bond refunding.

**Unearned Revenues:** Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year, but related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

**Deposits/Deposits Held in Custody for Others:**

Deposits/Deposits Held in Custody for Others result from the University acting as an agent or fiduciary, for another entity. Current balances represent dormitory room deposits and funds held by the University for external events. Current deposits meeting the criteria as fiduciary activities are reported on the Statement of Fiduciary Net Position.

**Compensated Absences:** Liabilities for compensated absences are recorded for vacation leave for eligible employees based on actual earned amount. This accrual includes the employer share of social security and Medicare

taxes and contributions to pension plans. The maximum number of days an employee may be paid upon termination of employment remains limited to the number of days which can be earned in 12 months. The liability and expense incurred are recorded at year-end as accrued vacation liability in the Statement of Net Position and as a component of salary and benefit expense in the Statement of Revenues, Expenses, and Changes in Net Position.



**Non-current Liabilities:** Non-current liabilities consist primarily of principal amounts of revenue bonds payable with a contractual maturity of greater than one year and advances from the federal government. Included in these liabilities, is the Net Pension Liability for the Indiana State Teachers' Pension Plan.

**Leases:** The University is a party as lessor and lessee for various noncancelable long-term leases of buildings and building space. The corresponding lease receivable or lease payable, are recorded in an amount equal to the present value of the expected future minimum lease payments receivable or payable, respectively, discounted by an applicable interest rate.

**Subscriptions:** The University has noncancelable software contracts that convey control of the right to use for a period of time in an exchange or an exchange-like transaction. The corresponding subscription payable is measured at the present value of the subscription payments expected to be made during the subscription term.



**Deferred Inflows of Resources:** As prescribed by GASB Statement No. 63, the Statement of Financial Position reports a separate section for deferred inflows of resources which is an acquisition of net assets that is applicable to a future reporting period. The deferred inflow of resources include the Indiana State Teachers' Pension Plan, the Post Employment Benefit Plan, bond refunding and leases.

**Net Position:** The University's net position is classified as follows:

*Net Investment in capital assets:* This represents the University's total investment in capital assets net of outstanding debt obligations related to those capital assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

*Restricted net position:* Resources classified as restricted and expendable are those for which the University is legally obligated to spend in accordance with externally imposed stipulations or those stipulations that expire with the passage of time.

*Restricted net position-non-expendable:* Non-expendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal.

*Restricted net position-expendable:* Restricted expendable net position includes resources in which the University is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

*Unrestricted net position:* The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments. These resources are used for transactions relating to the educational and general operations of the University and may be designated for specific purposes by action of management or the Board of Trustees. These resources also include auxiliary enterprises, which are substantially self-supporting activities that

provide services for students, faculty, and staff. Substantially all unrestricted net assets are designated for academic programs and initiatives and general operations of the University.

When an expense is incurred for which both restricted and unrestricted resources are available, the University applies the most appropriate fund source based on the relevant facts and circumstances.

**Income Taxes:** The University, as a political subdivision of the State of Indiana, is excluded from Federal income taxes under Section 115(1) of the Internal Revenue Code, as amended. The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

**Classification of Revenues and Expenses:** The University has classified its revenues and expenses as either operating or non-operating according to the following criteria:

*Operating revenues and expenses:* Operating revenues and expenses generally have the characteristics of exchange transactions. These transactions can be defined as an exchange in which two or more entities both receive and sacrifice value, such as purchases and sales of goods and services. Examples of operating revenues include student tuition and fees, net of scholarship discounts and allowances, sales and services of auxiliary enterprises, net of scholarship discounts and allowances, grants and contracts, and other operating revenues. Since the University's mission is to play a key role in programs of community development, cultural enrichment, and services appropriate to a post-secondary educational institution, most grants and contracts are considered operating. Examples of operating expenses include employee compensation, benefits and related expenses, scholarships and fellowships, utilities, supplies and other services, noncapital equipment, and depreciation expenses of capital assets.

*Non-operating revenues and expenses:* Non-operating revenues and expenses include activities that have the characteristics of non-exchange transactions. Examples of non-operating revenues include state appropriations, most federal and state student aid, nonexchange grants, gifts and contributions, and investment income. Non-operating revenues and expenses are defined in GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting* and GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion Analysis – for State and Local Governments*. Examples of non-operating expenses include interest on capital asset related debt and bond expenses.





**Scholarship Discounts and Allowances:** Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other federal, state, or non-governmental programs, are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance.

**Reclassifications:** Certain reclassifications have been made to prior year statements and certain notes for comparative purposes and do not constitute a restatement of prior periods.

**Fiduciary Activities:** Fiduciary funds account for assets held by the University in a trustee capacity or as a custodian on behalf of others.

*Other Post Employee Benefit (OPEB) Trust Funds*

These funds are used to report fiduciary activities for the University's OPEB plan administered through trust.

**Component Unit:** Net assets and changes therein are classified as follows:

*Net Assets without donor restrictions:* Net assets without donor restrictions include all contributions received, and all revenue and expenses. It includes both undesignated and board designated funds. Undesignated net assets may be used at the discretion of management to support the mission of the Foundation and consist of net assets accumulated from the results of operations. Designated funds are net assets designated by the Foundation's Board of Directors as a quasi endowment to be used for the purpose of providing endowment draws to fund operations. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

*Net Assets with donor restrictions:* Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Revenues are recorded when earned. Contributions, including promises to give, are recognized as revenue in the period received at their fair value. Promises to give, or pledges, must be unconditional and legally enforceable to be recognized.

Expenses are recognized when incurred.

Investments in marketable securities are stated at fair market value.



## Note 2 Cash and Investments

Cash and investments as of June 30, 2024 and June 30, 2023, are stated at market value. The University's trustees have the responsibility as a fiduciary body for the University's investments. Indiana Code 30-4-3-3 requires the trustees to "exercise judgement and care required by Indiana Code 30-4-3.5," the *Indiana Uniform Prudent Investor Act*. The University invests in obligations of the U.S. Treasury and U.S. agencies, certificates of deposits, repurchase agreements, savings and money market accounts, and negotiable order of withdrawal accounts. Cash deposits are insured by agencies of the federal government up to \$250,000. Amounts over \$250,000 are covered by the Indiana Public Depository Fund which covers all public funds held in approved depositories. The total amount reported by checking, bond trustee accounts, and money market accounts at various banks on June 30, 2024 and on June 30, 2023 equaled \$27,014,563 and \$27,898,083, respectively.

Quasi-endowment funds are managed by the trust departments of three major regional banks. These funds are invested in accordance with the policies set by the Finance Committee of the Board of Trustees. Other endowment funds held in trust consist of U.S. Treasury and U.S. Government Agency obligations, tax exempt municipal bonds, savings accounts, and certificates of deposit.

As of June 30, 2024, the University had the following investments:

Investment Type	Market Value	Maturity Less than 1 Year	1-5 Years	6+ Years
Certificates of Deposits	\$ 66,158,388	\$ 61,099,785	\$ 5,058,603	\$ -
U.S. Treasury Bonds	13,842,809	5,148,014	5,682,989	3,011,806
U.S. Government Agencies	156,922,379	7,233,228	83,372,152	66,316,999
Mutual Funds	395,503	-	395,503	-
<b>Total</b>	<b>\$ 237,319,079</b>	<b>\$ 73,481,027</b>	<b>\$ 94,509,247</b>	<b>\$ 69,328,805</b>

As of June 30, 2023, the University had the following investments:

Investment Type	Market Value	Maturity Less than 1 Year	1-5 Years	6+ Years
Certificates of Deposits	\$ 50,608,215	\$ 45,506,481	\$ 5,101,734	\$ -
U.S. Treasury Bonds	12,821,641	3,669,895	6,886,639	2,265,107
U.S. Government Agencies	144,491,851	2,006,937	58,512,384	83,972,530
Mutual Funds	394,700	-	394,700	-
<b>Total</b>	<b>\$ 208,316,407</b>	<b>\$ 51,183,313</b>	<b>\$ 70,895,457</b>	<b>\$ 86,237,637</b>

**Credit Risk:** Credit Risk: As a means of managing credit risk, the University's investment policy limits investments to A1 (Standard & Poor's) or P1 (Moody's). If a rating change occurs which disqualifies a security that is already present in the University portfolio, it must be sold within 30 days of the discovery, unless it matures within six months of the rating change. On June 30, 2024 and June 30, 2023, the University was in compliance with its credit risk policy for all investments.



The Moody's credit ratings for the investments at June 30, 2024 were as follows:

Rating	Certificates of Deposit	U.S. Treasury Bonds	U.S. Government Agencies	Mutual Funds	Total
AAA	\$ 66,158,388	\$ 13,842,809	\$ 156,922,379	\$ -	\$ 236,923,576
AA	-	-	-	-	-
A	-	-	-	-	-
BBB	-	-	-	-	-
BB	-	-	-	-	-
Below BB	-	-	-	-	-
Not Rated	-	-	-	395,503	395,503
<b>Total</b>	<b>\$ 66,158,388</b>	<b>\$ 13,842,809</b>	<b>\$ 156,922,379</b>	<b>\$ 395,503</b>	<b>\$ 237,319,079</b>

The Moody's credit ratings for the investments at June 30, 2023 were as follows:

Rating	Certificates of Deposit	U.S. Treasury Bonds	U.S. Government Agencies	Mutual Funds	Total
AAA	\$ 50,608,215	\$ 12,821,641	\$ 144,491,851	\$ -	\$ 207,921,707
AA	-	-	-	-	-
A	-	-	-	-	-
BBB	-	-	-	-	-
BB	-	-	-	-	-
Below BB	-	-	-	-	-
Not Rated	-	-	-	394,700	394,700
<b>Total</b>	<b>\$ 50,608,215</b>	<b>\$ 12,821,641</b>	<b>\$ 144,491,851</b>	<b>\$ 394,700</b>	<b>\$ 208,316,407</b>

**Concentration of Credit Risk:** The concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The University's investment policy places no limit on the amount that can be invested in any single issuer. More than 5 percent of the University's net assets are held at Old National Bank in certificate of deposits totaling \$29 million. U.S. government issues and U.S. governmental agency securities are exempt from this requirement.

**Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University's investment policy does not address exposure to fair value losses arising from changes in interest rates, but the investment objective is to obtain the highest revenue while maintaining safety and ensuring adequate liquidity for institutional needs. To that end, management maintains investments in cash, cash equivalents, and short-term investments to be in position to take advantage of the best rates in a timely fashion as well as sustaining adequate cash flow for operating needs.

**Custodial Credit Risk:** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The University's investment policy does not limit the value of investments that may be held by an outside party. Of the University's investments, \$11,471,263 of the U.S. Treasury Notes, \$8,003,578 of the U.S. Government Agencies, and \$395,503 of the Mutual Funds are held by the counterparty, a trust department, or an agent not in the University's name.

**Foreign currency risk:** This is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The University does not hold any foreign currency-denominated investments.





### Note 3 – Disclosures About Fair Value of Assets and Liabilities

GASB 72 - *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. This framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under GASB 72 are described as follows:

**Level 1** Quoted prices in active markets for identical assets or liabilities

**Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

**Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

#### RECURRING MEASUREMENTS:

The following tables present the fair value measurements of assets recognized in the accompanying consolidated statements of financial position measured at the fair value on a recurring basis and the level within the fair value hierarchy in which fair value measurements fall on June 30, 2024 and June 30, 2023:

Fair Value Measurements				
		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>JUNE 30, 2024</b>				
Investments by fair value level	Fair Value			
U.S. Treasury Bonds	\$ 13,842,809	\$ 13,842,809	\$ -	\$ -
Agency Securities	8,003,578	-	8,003,578	-
Agency Mortgage Securities	148,918,801	-	148,918,801	-
Mutual Funds	395,503	395,503	-	-
<b>Total Investments</b>	<b>\$ 171,160,691</b>	<b>\$ 14,238,312</b>	<b>\$ 156,922,379</b>	<b>\$ -</b>



JUNE 30, 2023	Investments by fair value level	Fair Value	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. Treasury Bonds	\$ 12,821,641	\$ 12,821,641	\$ -	\$ -
	Agency Securities	8,105,335	-	8,105,335	-
	Agency Mortgage Securities	136,386,516	-	136,386,516	-
	Mutual Funds	394,700	394,700	-	-
	<b>Total Investments</b>	<b>\$ 157,708,192</b>	<b>\$ 13,216,341</b>	<b>\$ 144,491,851</b>	<b>\$ -</b>

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections, and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified as Level 3 of the hierarchy.

The University utilizes the market-based valuation approach in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, and there have been no significant changes in the valuation techniques during the years ending June 30, 2024 and June 30, 2023.

## Note 4 – Accounts Receivable

Accounts Receivable are primarily comprised of the following at June 30:			
	2024	2023	
Student Tuition	\$ 4,541,874	\$ 4,311,741	
Auxiliaries	685,937	788,888	
Grants and Contracts	3,017,931	3,220,656	
Other Receivable	817,766	581,411	
<b>Total Accounts Receivable</b>	<b>\$ 9,063,508</b>	<b>\$ 8,902,696</b>	
Allowance for Doubtful Accounts	(1,659,524)	(2,191,285)	
<b>Net Accounts Receivable</b>	<b>\$ 7,403,984</b>	<b>\$ 6,711,411</b>	



## Note 5 – Inventories

Inventories are stated at the lower of cost or market value. As of June 30, 2024 and 2023, total inventories were valued at \$1,528,256 and \$1,395,253, respectively. Of these totals, the bookstore's inventory was \$1,042,648 and \$1,033,721, respectively.



## Note 6 – Capital Assets

The following are summaries of the University's capital asset activity as of June 30:

<b>2024</b>					
	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
<b>Capital Assets not being depreciated:</b>					
Land	\$ 23,561,492	\$ 22,091	\$ 2,066	\$ -	\$ 23,581,517
Construction in Progress	1,824,612	8,110,145	5,032	(4,830,962)	5,098,763
<b>Total Capital Assets not being depreciated</b>	<b>25,386,104</b>	<b>8,132,236</b>	<b>7,098</b>	<b>(4,830,962)</b>	<b>28,680,280</b>
<b>Capital Assets being depreciated:</b>					
Building and Improvements	377,342,537	1,256,873	623,210	4,162,100	382,138,300
Equipment	62,616,488	3,496,094	827,576	668,862	65,953,868
Leased Asset - Building	6,515,500	161,019	-	-	6,679,519
Subscription - Equipment	4,465,421	341,474	-	-	4,806,895
<b>Total Capital Assets being depreciated</b>	<b>450,939,946</b>	<b>5,255,460</b>	<b>1,450,786</b>	<b>4,830,962</b>	<b>459,575,582</b>
<b>Less Accumulated Depreciation for:</b>					
Building & Improvements	144,616,317	10,998,822	623,210	-	154,991,929
Equipment	42,513,708	5,378,169	797,608	-	47,094,269
Leased Asset - Building	913,881	445,469	-	-	1,359,350
Subscription - Equipment	1,468,359	1,178,177	-	-	2,646,536
<b>Total Accumulated Depreciation</b>	<b>189,512,265</b>	<b>18,000,637</b>	<b>1,420,818</b>	<b>-</b>	<b>206,092,084</b>
<b>Total Capital Assets being depreciated, net</b>	<b>261,427,681</b>	<b>(12,745,177)</b>	<b>29,968</b>	<b>4,830,962</b>	<b>253,483,498</b>
<b>Capital Assets, net</b>	<b>\$ 286,813,785</b>	<b>\$ (4,612,941)</b>	<b>\$ 37,066</b>	<b>\$ -</b>	<b>\$ 282,163,778</b>

<b>2023</b>					
	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
<b>Capital Assets not being depreciated:</b>					
Land	\$ 23,479,342	\$ 83,680	\$ 1,530	\$ -	\$ 23,561,492
Construction in Progress	5,666,520	7,371,067	-	(11,212,975)	1,824,612
<b>Total Capital Assets not being depreciated</b>	<b>29,145,862</b>	<b>7,454,747</b>	<b>1,530</b>	<b>(11,212,975)</b>	<b>25,386,104</b>
<b>Capital Assets being depreciated:</b>					
Building and Improvements	366,989,695	207,604	481,161	10,626,399	377,342,537
Equipment	59,253,161	4,805,419	2,028,668	586,576	62,616,488
Leased Asset - Building	6,099,144	486,804	70,448	-	6,515,500
Subscription - Equipment	1,324,134	3,141,287	-	-	4,465,421
<b>Total Capital Assets being depreciated</b>	<b>433,666,134</b>	<b>8,641,114</b>	<b>2,580,277</b>	<b>11,212,975</b>	<b>450,939,946</b>
<b>Less Accumulated Depreciation for:</b>					
Building & Improvements	134,264,115	10,725,764	373,562	-	144,616,317
Equipment	39,299,896	5,120,797	1,906,985	-	42,513,708
Leased Asset - Building	497,293	443,005	26,417	-	913,881
Subscription - Equipment	398,835	1,069,524	-	-	1,468,359
<b>Total Accumulated Depreciation</b>	<b>174,460,139</b>	<b>17,359,090</b>	<b>2,306,964</b>	<b>-</b>	<b>189,512,265</b>
<b>Total Capital Assets being depreciated, net</b>	<b>259,205,995</b>	<b>(8,717,976)</b>	<b>273,313</b>	<b>11,212,975</b>	<b>261,427,681</b>
<b>Capital Assets, net</b>	<b>\$ 288,351,857</b>	<b>\$ (1,263,229)</b>	<b>\$ 274,843</b>	<b>\$ -</b>	<b>\$ 286,813,785</b>



## Note 7 – Non-Current Liabilities

The non-current liability activity for the fiscal years ended June 30, 2024 and 2023 are summarized as follows:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024
Bonds Payable, Net of Unamortized Premium and Discount	\$ 24,169,600	\$ -	\$ 5,542,800	\$ 18,626,800
Net Pension Liability	61,236	46,747	-	107,983
Advances from Federal Government	328,555	-	31,935	296,620
Lease Payable	5,515,996	-	226,239	5,289,757
Subscription Payable	1,997,881	-	705,761	1,292,120
<b>Total Non-current Liabilities</b>	<b>\$ 32,073,268</b>	<b>\$ 46,747</b>	<b>\$ 6,506,735</b>	<b>\$ 25,613,280</b>

	Restated Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023
Bonds Payable, Net of Unamortized Premium and Discount	\$ 29,530,600	\$ 81,000	\$ 5,442,000	\$ 24,169,600
Net Pension Liability	-	61,236	-	61,236
Advances from Federal Government	379,290	-	50,735	328,555
Lease Payable	5,429,694	86,302	-	5,515,996
Subscription Payable	578,990	1,418,891	-	1,997,881
<b>Total Non-current Liabilities</b>	<b>\$ 35,918,574</b>	<b>\$ 1,647,429</b>	<b>\$ 5,492,735</b>	<b>\$ 32,073,268</b>

\* GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was implemented in fiscal year 2023. Subscription Payable reflects required restatement for impact of GASB 96 in fiscal year 2022, the beginning year for implementation.



## Note 8 – Long-Term Debt

Long-term debt activity for the years ended June 30, 2024, and June 30, 2023 is summarized as follows:

	Direct Placement					
	Interest Rate	Amount Issued	Amount Outstanding June 30, 2023	Amount Retired 2023-24	Amount Outstanding June 30, 2024	Amount Due Within One Year
Student Fee Bonds, Series K	3.160%	\$ 5,895,000	\$ 1,408,000	\$ 455,000	\$ 953,000	\$ 469,000
Student Fee Bonds, Series L	2.350%	8,045,000	2,717,600	579,000	2,138,600	592,800
Student Fee Bonds, Series N	1.170%	22,525,000	14,785,000	3,030,000	11,755,000	3,080,000
Student Fee Bonds, Series O	2.700%	3,780,000	3,261,000	508,000	2,753,000	521,000
Auxiliary Facilities System Revenue Bond, Series 2021	1.430%	8,725,000	7,440,000	870,000	6,570,000	880,000
<b>Total Bonds Payable</b>			<b>\$ 29,611,600</b>	<b>\$ 5,442,000</b>	<b>\$ 24,169,600</b>	<b>\$ 5,542,800</b>
<b>Unamortized Bond Premium (Discount)</b>						
<b>Due Within One Year</b>			<b>(5,442,000)</b>		<b>(5,542,800)</b>	
<b>Total Long-Term Liabilities</b>			<b>\$ 24,169,600</b>		<b>\$ 18,626,800</b>	
<b>Unamortized Deferred Outflow for Series N</b>			<b>(10,198)</b>		<b>(8,741)</b>	
<b>Unamortized Deferred Inflow for Series N</b>			<b>48,545</b>		<b>3,258</b>	

Long-term debt activity for the years ended June 30, 2023, and June 30, 2022 is summarized as follows:

	Direct Placement					
	Interest Rate	Amount Issued	Amount Outstanding June 30, 2022	Amount Retired/Refunded* 2022-23	Amount Outstanding June 30, 2023	Amount Due Within One Year
Student Fee Bonds, Series I	4.090%	\$ 9,095,000	\$ 3,700,000	\$ 3,700,000 *	\$ -	\$ -
Student Fee Bonds, Series K	3.160%	5,895,000	1,849,000	441,000	1,408,000	455,000
Student Fee Bonds, Series L	2.350%	8,045,000	3,283,400	565,800	2,717,600	579,000
Student Fee Bonds, Series N	1.170%	22,525,000	18,290,000	3,505,000	14,785,000	3,030,000
Student Fee Bonds, Series O	2.700%	3,780,000	-	519,000	3,261,000	508,000
Auxiliary Facilities System Revenue Bond, Series 2021	1.430%	8,725,000	8,505,000	1,065,000	7,440,000	870,000
<b>Total Bonds Payable</b>			<b>\$ 35,627,400</b>	<b>\$ 9,795,800</b>	<b>\$ 29,611,600</b>	<b>\$ 5,442,000</b>
<b>Unamortized Bond Premium (Discount)</b>						
<b>Due Within One Year</b>			<b>(6,096,800)</b>		<b>(5,442,000)</b>	
<b>Total Long-Term Liabilities</b>			<b>\$ 29,530,600</b>		<b>\$ 24,169,600</b>	
<b>Unamortized Deferred Outflow for Series N</b>			<b>(12,655)</b>		<b>(10,198)</b>	
<b>Unamortized Deferred Inflow for Series N</b>			<b>93,832</b>		<b>48,545</b>	



## BONDS SECURED BY DORMITORY REVENUES

Bonds secured by dormitory revenues, are limited obligations of the University and are secured exclusively by a pledge of and lien on the net income as provided in the Indenture. Upon the occurrence of an event of default, the trustee will take appropriate action by judicial proceedings, or otherwise in respect of any existing default on the part of the University as the trustee may deem expedient in the interest of the holders of the bonds outstanding.

The Auxiliary Facilities System Revenue Bonds, Series 2021, were issued in September 2021 by the Board of Trustees to refund the University's outstanding 1983, 2009, and 2013 series bonds for the construction of Vigo Hall, renovation of Clark Hall, and renovation of Morris and Vanderburg Halls. The \$8,725,000 Auxiliary Facilities System Revenue Bonds, Series 2021 have a net interest cost of 1.43% and also covered bond issuance costs. These bonds are secured by a pledge and parity lien on the net income from Auxiliary Facilities.

## BONDS SECURED BY STUDENT FEES

Bonds secured by student fees, are limited obligations of the University and are secured exclusively by a pledge of and lien on the student fees as provided in the Indenture. Upon the occurrence of an event of default, the trustee will have the right, upon demand to the University, to have all student fees deposited, as they are collected, in a fund to be maintained by the trustee, to invest as permitted and to apply amounts to the payment of principal or of interest on the bonds.

The following bonds are secured by a pledge of and first lien on all academic fees except the student union fees and other fees released from the lien of the Indenture pursuant to terms thereof.

The Vincennes University Student Fee Bonds, Series I, were issued on December 23, 2008, in the aggregate original principal amount of \$9,095,000. It bears a variable interest rate which is 65% of USD-LIBOR-BBA with a one-day lookback plus 208.0 basis points; however, the University entered into a Swap Agreement fixing the rate at 4.09%. The proceeds were used to fund the construction of the Indiana Center for Applied Technology and the renovation of the McCormick Science Center. The Vincennes University Student Fee Bonds, Series O, were issued on September 1, 2022, to refinance Series I. The \$3,780,000 Student Fee Bonds, Series O have a net interest cost of 2.70%.



The Vincennes University Student Fee Bonds, Series K, were issued on December 22, 2011. The \$5,895,000 Student Fee Bonds, Series K have a net interest cost of 3.16%. The proceeds were used to fund the Aquatic Center renovation of the Physical Education Complex and renovation expenditures for Davis Hall.

The Vincennes University Student Fee Bonds, Series L, were issued on December 11, 2012. The \$8,045,000 Student Fee Bonds, Series L have a net interest cost of 2.35%. The proceeds were used to fund the Jasper Center for Advanced Manufacturing and Technology.

The Vincennes University Student Fee Bonds, Series N, were issued on September 28, 2021 to refinance the outstanding fixed rate Student Fee Bonds, including bond interest and bond issuance costs, for Series H, J, and M. Series H and M were issued for the construction of the Jasper Academic Building and Updike Hall. Series J was issued to refinance the variable debt of Series F and G. The \$22,525,000 Student Fee Bonds, Series N have a net interest cost of 1.17%.



Annual debt service requirements through maturity for bonds payable for the previous two fiscal years are presented in the following charts:

### Annual Debt Service Requirements as of June 30, 2024

Fiscal Year Ending June 30:	Fixed Rate Bonds Total		Total
	PRINCIPAL	INTEREST	
2025	\$ 5,542,800	\$ 351,404	\$ 5,894,204
2026	5,637,200	259,366	5,896,566
2027	5,746,600	162,481	5,909,081
2028	3,702,000	87,061	3,789,061
2029	1,516,000	43,486	1,559,486
2030-2034	2,025,000	51,873	2,076,873
	<b>\$ 24,169,600</b>	<b>\$ 955,671</b>	<b>\$ 25,125,271</b>

### Annual Debt Service Requirements as of June 30, 2023

Fiscal Year Ending June 30:	Fixed Rate Bonds Total		Total
	PRINCIPAL	INTEREST	
2024	\$ 5,442,000	\$ 441,614	\$ 5,883,614
2025	5,542,800	351,403	5,894,203
2026	5,637,200	259,366	5,896,566
2027	5,746,600	162,481	5,909,081
2028	3,702,000	87,061	3,789,061
2029-2033	3,306,000	93,680	3,399,680
2034-2034	235,000	1,680	236,680
	<b>\$ 29,611,600</b>	<b>\$ 1,397,285</b>	<b>\$ 31,008,885</b>



## Note 9 – Lessee and Lessor Arrangements

### Lessee Arrangements

The University leases land and office space from external parties. In accordance with GASB 87, the University records right-to-use assets and lease liabilities based on the present value of expected payments over the term of the respective leases. The expected payments are discounted using the interest rate charged on the lease, if available, and are otherwise discounted using an estimate based on municipal bond rate yield curves.

Variable payments are excluded from the valuations unless they are fixed in substance. The right-to-use assets are amortized over the shorter of the lease term or the underlying asset useful life. Right-to-use assets totaled \$6,676,519 and \$6,515,500 at June 30, 2024 and 2023, respectively. Accumulated amortization totaled \$1,359,350 and \$913,881 at June 30, 2024 and 2023, respectively.

The amount of lease assets by major classes of underlying assets at June 30, 2024 and 2023, respectively, are as follows:

Right-to-Use Asset				
Asset Class	June 30, 2024		June 30, 2023	
Buildings, Net	\$	5,317,169	\$	5,601,619
	\$	<b>5,317,169</b>	\$	<b>5,601,619</b>

As of June 30, 2024, the scheduled fiscal year maturities of lease liabilities and related interest expense are as follows:

Fiscal Year Ending June 30	Principal	Interest
2025	\$ 376,512	\$ 181,305
2026	363,505	170,309
2027	309,083	159,903
2028	321,363	149,707
2029	331,902	139,168
2029-2034	1,742,604	529,547
2034-2039	1,536,808	245,543
2040-2042	684,492	26,558
	\$ <b>5,666,269</b>	\$ <b>1,602,040</b>

As of June 30, 2023, the scheduled fiscal year maturities of lease liabilities and related interest expense are as follows:

Fiscal Year Ending June 30	Principal	Interest
2024	\$ 335,904	\$ 188,198
2025	343,259	177,829
2026	345,244	167,699
2027	282,377	157,809
2028	294,004	148,266
2029-2033	1,659,207	585,143
2034-2038	1,604,120	299,230
2039-2042	987,785	55,536
	\$ <b>5,851,900</b>	\$ <b>1,779,710</b>

### Lessor Arrangements

The University leases space on its cell tower to the Integrated Public Safety Commission. In FY24, the University acquired two additional leases, one for farm land and the other the Radio station WFML.

In accordance with GASB Statement 87, *Leases*, the University records lease receivables and deferred inflows of resources based on the present value of expected receipts over the term of the respective leases. The expected receipts are discounted using the interest rate charged on the lease. If the lease does not include a stated interest rate, municipal bond yield curves are used as the discount rate for calculating present value.

Variable payments are excluded from the valuations unless they are fixed in substance. During the years ended June 30, 2024 and 2023, the University recognized revenue, including interest income, related to these lease agreements totaling \$71,316 and \$28,367, respectively.

## Note 10 – Subscription-Based Information Technology Arrangements

The University engaged in subscription-based information technology arrangements with vendors during fiscal years 2023 and 2024. In accordance with GASB 96, the University recognizes a subscription liability and an intangible right-to-use asset at the commencement of the subscription term. The expected payments are discounted using the interest rate charged by the vendor, if available, and are otherwise discounted using an estimate based on municipal bond rate yield curves.



Measurement of the subscription liability includes the fixed payments, variable payments that depend on an index or market interest, penalties for termination of the SBITA, and deductions of subscription contract incentives.

Measurement of the subscription asset is a sum of the initial measurement of the subscription liability, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, if applicable, and the capitalizable initial implementation costs. The subscription assets are amortized in a systematic and rational manner over the shorter of the subscription term or the underlying asset useful life. Subscription assets totaled \$4,806,895 and \$4,465,421 at June 30, 2024 and 2023, respectively. Accumulated amortization totaled \$2,646,536 and \$1,468,359 at June 30, 2024 and 2023, respectively. Commitments under SBITAs before the commencement of subscription term totaled \$51,600 and \$26,900 for fiscal years 2024 and 2023, respectively, and were included as part of the depreciable asset at cost.

The amount of subscription assets by major classes of underlying assets at June 30, 2024 and 2023 are as follows:

Right-to-Use Asset				
Asset Class	June 30, 2024		June 30, 2023	
Net Equipment (Software)	\$	2,160,359	\$	2,997,062
	\$	<b>2,160,359</b>	\$	<b>2,997,062</b>

As of June 30, 2024, the scheduled fiscal year maturities of software subscription liabilities and related interest expense are as follows:

Fiscal Year Ending June 30	Principal		Interest	
2025	\$	901,082	\$	59,086
2026		707,144		37,490
2027		584,976		17,549
2028		-		-
2029		-		-
2030-2034		-		-
2035-2039		-		-
2040-2043		-		-
	\$	<b>2,193,202</b>	\$	<b>114,125</b>

As of June 30, 2023, the scheduled fiscal year maturities of software subscription liabilities and related interest expense are as follows:

Fiscal Year Ending June 30	Principal		Interest	
2024	\$	1,033,780	\$	73,452
2025		806,515		53,443
2026		606,388		34,578
2027		584,978		17,549
2028		-		-
2029-2033		-		-
2034-2038		-		-
2039-2042		-		-
	\$	<b>3,031,661</b>	\$	<b>179,022</b>

## Note 11 – Scholarships and Instruction

The endowment funds are classified under net position as Restricted for Scholarship & Instruction. They include both expendable and non-expendable funds. Net position for the endowment funds totaled \$5,487,820 as of June 30, 2024 and \$5,384,985 as of June 30, 2023. The Opal C. Ramsey fund held \$4,245,285 of the total funds as of June 30, 2024 and \$4,104,574 at June 30, 2023.



## Note 12 – Teachers Insurance and Annuity Association of America (TIAA)

The University provides full time employees with a tax deferred 403(b) Retirement Annuity Plan (RA) through Teachers Insurance and Annuity Association of America (TIAA). This plan is a defined contribution plan under IRC 403(b). Income during retirement is based on the participant's total account balance. Participants are immediately 100% vested in both the funds contributed on their behalf and the earnings associated with those contributions. Participants may direct investments from many options available to allocate the contributions made on their behalf. An agreement between the University and TIAA is approved by the University Board of Trustees. The University contributes 10% of earned wages.

Faculty and professional staff hired prior to June 30, 2003, and having five or more years of continued employment, participate in a supplemental defined contribution retirement income plan with TIAA. The University contributes 5% of covered wages for this plan.

On June 30, 2024, there were 702 employees covered by TIAA. During 2023-24, Vincennes University contributed \$4,080,506 to TIAA on the employees' behalf for wages totaling \$41,182,542.

On June 30, 2023, there were 693 employees covered by TIAA. During 2022-23, Vincennes University contributed \$4,066,142 to TIAA on the employees' behalf for wages totaling \$41,162,364.

TIAA issues an annual financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by writing the Teachers Insurance and Annuity Association of America, 730 Third Avenue, New York, NY 10017-3206.

## Note 13 - TRF Pension Plan

### General Information about the Teachers' Retirement Pension Plans

**General Plan Description** The Indiana Public Retirement System (INPRS) is an independent instrumentality of the State of Indiana, administering sixteen pension trust funds which includes the Indiana State Teachers' Retirement Fund (TRF). INPRS has the authority to establish and amend benefit terms of its pension trust funds. TRF was established by the Indiana General Assembly in 1921. In 1955, TRF was designed as a pay-as-you-go defined benefit (DB) retirement plan. In 1995, legislation was passed that closed the pay-as-you-go plan (renamed the TRF Pre-1996 Account) to newly hired members and created a new account (named TRF 1996 Account) for all members hired after June 30, 1995. Effective January 1, 2018, funds previously known as annuity savings accounts (which had been reported within defined

benefit funds) were recategorized as defined contributions (DC) funds. DC member balances previously reported within TRF Pre-'96 DB and TRF '96 DB were transferred to the appropriate DC fund as of January 1, 2018. Effective July 1, 2019, new teachers could make an election between TRF My Choice Defined Contribution (TRF MC DC) and TRF Defined Contribution (TRF DC). TRF is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.5.

The financial statements of INPRS have been prepared using the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Under the accrual basis, revenues are recognized when earned, and expenses are recognized when liabilities are incurred, regardless of the timing of related cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for established governmental accounting and financial reporting principles. INPRS adopts all applicable GASB pronouncements in accounting and reporting for its operations. Detailed information about the pension plan's fiduciary net position is available in the separately issued INPRS Annual Comprehensive Financial Report (ACFR). This report may be obtained by writing the Indiana Public Retirement System, One North Capital, Suite 001, Indianapolis, IN 46204, or [www.in.gov/inprs/annualreports.htm](http://www.in.gov/inprs/annualreports.htm).

The following brief descriptions of TRF Pre-1996 Account and the TRF 1996 Account are provided for general information purposes only. Participants should refer to INPRS for more complete information. The actuarial assumptions for both plans follow the descriptions.

### Teachers' Retirement Fund Pre-1996 Accounts (TRF Pre-1996)

**Benefits** TRF Pre-1996 Defined Benefit (DB) is a pay-as-you-go cost sharing, multiple-employer defined benefit fund established to provide retirement, disability, and survivor benefits to teachers, administrators and certain INPRS employees. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.4, and 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 three components: TRF Pre-'96 DB and TRF '96 DB, the monthly employer-funded defined benefit component, along with TRF DC, a member-funded account.

**Membership** Membership in TRF Pre-'96 DB is closed to new entrants. Membership 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 employees. Generally, members hired before 1996 participate in TRF Pre-'96 DB, and members hired after 1995 participate in TRF '96 DB.



**Contributions** According to statute, the TRF Pre-'96 DB fund is funded primarily by appropriations from the state general fund and lottery proceeds. Due to biennial budget cycle, these appropriations do not always match their corresponding ADC exactly. TRF Pre-'96 DB received special appropriations of \$3.2 billion in fiscal year 2023, consisting of \$2.5 billion per the excess reserve provisions of IC 4-10-22-3 and an additional \$700 million provided by the state budget bill passed in 2023. These special contributions were the driving factor in the increase in TRF Pre-'96 DB's funded status. No member contributions are required.

The Actuarially Determined Contribution (ADC) for TRF Pre-96 DB was \$1,552.6 million in 2022. This includes the base appropriation of \$975.0 million and \$30.0 million of lottery proceeds to fund the supplemental reserve account for postretirement benefits, and \$2.2 million of employer contributions from grant monies. In addition, TRF Pre-'96 DB received a special appropriation of \$545.4 million in fiscal year 2022 per the excess reserve provisions of IC 4-10-22-3.

For the fiscal year ending June 30, 2023, there were 15 employees participating in the plan with annual pay equal to \$1,230,848 and for the fiscal year ending June 30, 2022, there were 26 employees participating in the plan with annual pay equal to \$1,478,888. The University contributed at an actuarially determined under the entry age normal cost to be 6.0 percent of covered payroll in 2023 and 5.5 percent of covered payroll in 2022.

Members are required to contribute three percent of gross wages to their Defined Contribution (DC) Account. Employers have the option of making all or part of this contribution on behalf of the member in which Vincennes University elects to make the contribution. Members may also make voluntary contributions to the Defined Contribution Account up to an additional 10 percent of their wages, under certain limitations. The University contributed three percent of gross wages for the employees. Total contributions for the DB and the DC plans were \$113,509 and \$128,243 for the fiscal years ended June 30, 2023 and June 30, 2022, respectively.

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

On June 30, 2024 and June 30, 2023, Vincennes University reported a liability of zero dollars. The State's proportionate share of the net pension liability is 100%. In the 2023 actuarial study, reported in the University's 2024 financial statements, standard actuarial roll forward techniques were used to project the total pension liability computed as of June 30, 2022 to the June 30, 2023 measurement date. The basis to determine participating employer's proportionate share of the various pension related amounts associated with the Special Funding Situation is a weighted calculation using a combination of wages reported by employers relative to the collective wages of the plan, and benefits paid to retirees of employers relative to total benefits paid by the plan. There were no changes in the actuarial assumptions for the June 30, 2023 actuarial valuation.

In the 2022 actuarial study, reported in the University's 2023 financial statements, standard actuarial roll forward techniques were used to project the total pension liability computed as of June 30, 2021 to the June 30, 2022 measurement date. The basis to determine participating employer's proportionate share of the various pension related amounts associated with the Special Funding Situation is a weighted calculation using a combination of wages reported by employers relative to the collective wages of the plan, and benefits paid to retirees of employers relative to total benefits paid by the plan.

Since the TRF-Pre '96 DB Account is a special funding situation, the University is not required to recognize the net pension liability as the University is not legally responsible for the net pension liability nor the contributions to the plan; however, the University's notes must disclose VU's portion of the State's total proportionate share of the collective net pension liability. The University's proportionate share of the State's net pension liability of \$5,230,392,278 and \$8,946,001,192 for the fiscal years ending June 30, 2023 and June 30, 2022, respectively, were as follows:

Fiscal Year Ending June 30	VU's Weighted Proportionate Share	VU's Share of Nonemployer Contributing Entity Contributions	VU's Share of Pension Share	VU's Net Pension Liability Associated with Employer
2023	0.0042850	\$ 18,146,975	\$ 1,879,310	\$ 22,412,231
2022	0.0047933	\$ 7,431,582	\$ 2,617,172	\$ 42,880,868

The University was required to recognize the pension expense totaling \$1,879,310 and \$2,617,172 along with non-operating revenue in the same amount for the State's contribution for the fiscal years ended June 30, 2024 and June 30, 2023, respectively.

## Teachers' Retirement Fund 1996 Account (TRF 1996)

**Benefits** TRF '96 DB is a cost-sharing, multiple-employer defined benefit fund providing retirement, disability, and survivor benefits. 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. The Teachers' Hybrid Plan consists of three components: TRF Pre-'96 DB and TRF '96 DB, the monthly employer-funded defined benefit component, along with TRF DC, a member-funded account.

**Membership** 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 employees. Additionally, 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.

**Contributions** Employer contribution rates for the 1996 Account are determined annually by the INPRS Board based on recommendations by the INPRS actuary. The funding policy provided for periodic employer contributions at actuarially determined rates that expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. As the TRF 1996 Account is a cost-sharing system, all risks and costs, including benefit costs, are shared proportionally by the participating employers.

During fiscal year 2023, all participating employers in the TRF 1996 Account were required to contribute 6.0 percent of the covered payroll, with 0.21% for the full fiscal year funding a supplemental reserve account for future postretirement benefit increases. No member contributions are required. The University contributed \$23,263 based on payroll totaling \$387,721 for five employees.

During fiscal year 2022, all participating employers in the TRF 1996 Account were required to contribute 5.5 percent of the covered payroll, with 0.14% from July 2021 to December 2021 and 0.21% from January 2022 to June 2022 funding a supplemental reserve account for future postretirement benefit increases. No member contributions are required. The University contributed \$20,071 based on payroll totaling \$364,925 for five employees.

Members are required to contribute three percent of gross wages to their Defined Contribution Account. Employers have the option of making all or part of this contribution on behalf of the member in which Vincennes University elects to make the contribution. Members may also make voluntary contributions to the Defined Contribution Account up to an additional 10 percent of their wages, under certain limitations. The University contributed three percent of gross wages for the employees. Total contributions for the DB and the DC plans were \$34,895 and \$31,948 for the fiscal years ended June 30, 2023 and June 30, 2022, respectively.

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

At June 30, 2024, Vincennes University reported a liability of \$107,983 for its proportionate share of the net pension asset. Standard actuarial roll forward techniques were used to project the total pension liability computed as of June 30, 2022 to the June 30, 2023 measurement date. Wages reported by employers relative to the collective wages of the plan serve as the basis to determine the employer's proportionate share. This basis of allocations measures the proportionate relationship of an employer to all employers and is consistent with the manner in which contributions to the pension plan are determined. At June 30, 2023, the University's proportion was .00994 percent.

At June 30, 2023, Vincennes University reported a liability of \$61,236 for its proportionate share of the net pension asset. Standard actuarial roll forward techniques were used to project the total pension liability computed as of June 30, 2021 to the June 30, 2022 measurement date. Wages reported by employers relative to the collective wages of the plan serve as the basis to determine the employer's proportionate share. This basis of allocations measures the proportionate relationship of an employer to all employers and is consistent with the manner in which contributions to the pension plan are determined. At June 30, 2022, the University's proportion was .00930 percent.





For the years ended June 30, 2024 and June 30, 2023, VU recognized pension expense of \$27,113 and \$8,986 respectively. On June 30, 2024 and June 30, 2023, VU reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

<b>2024</b>				
	<b>Deferred Outflows of Resources</b>		<b>Deferred Inflows of Resources</b>	
Differences between expected and actual experience	\$	26,506	\$	11,317
Changes of assumptions		47,339		19,279
Net difference between projected and actual earnings on pension plan investments		41,653		-
Changes in proportion and differences between employer contributions and proportionate share of contributions		846		79,444
Employer contributions subsequent to the measurement date		23,413		-
<b>Totals</b>	<b>\$</b>	<b>139,757</b>	<b>\$</b>	<b>110,040</b>

Employer contributions totaling \$23,413 reported as deferred outflows of resources related to pensions resulting from VU's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

<b>2023</b>				
	<b>Deferred Outflows of Resources</b>		<b>Deferred Inflows of Resources</b>	
Differences between expected and actual experience	\$	18,868	\$	12,470
Changes of assumptions		50,825		21,120
Net difference between projected and actual earnings on pension plan investments		19,457		-
Changes in proportion and differences between employer contributions and proportionate share of contributions		560		92,306
Employer contributions subsequent to the measurement date		22,856		-
<b>Totals</b>	<b>\$</b>	<b>112,566</b>	<b>\$</b>	<b>125,896</b>

Employer contributions totaling \$22,856 reported as deferred outflows of resources related to pensions resulting from VU's contributions subsequent to the measurement date were recognized as a reduction of the net pension liability in the year ended June 30, 2024.



In the 2023 actuary study, reported in the University's 2024 financial statements, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ (1,178)
2025	(6,283)
2026	17,332
2027	(1,605)
2028	(7,159)
Thereafter	5,197

*The 2024 Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate (as reported in the 2023 Actuarial Report)* The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 6.25 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25 percent) or 1-percentage-point higher (7.25 percent) than the current rate:

Net Pension Liability Discount Rate Sensitivity			
	1% Decrease (5.25%)	Current (6.25%)	1% Increase (7.25%)
Employer's proportionate share of the net pension liability	\$ 261,284	\$ 107,983	\$ (15,934)

In the 2022 actuary study, reported in the University's 2023 financial statements, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ (8,680)
2024	(8,042)
2025	(12,818)
2026	9,276
2027	(8,338)
Thereafter	(7,584)

*The 2023 Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate (as reported in the 2022 Actuarial Report)* The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 6.25 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25 percent) or 1-percentage-point higher (7.25 percent) than the current rate:

Net Pension Liability Discount Rate Sensitivity			
	1% Decrease (5.25%)	Current (6.25%)	1% Increase (7.25%)
Employer's proportionate share of the net pension liability	\$ 194,948	\$ 61,236	\$ (46,731)

### Actuarial Assumptions for TRF Pre-1996 and TRF 1996 for 2024

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement

Asset Valuation Date	June 30, 2023
Liabilities	June 30, 2022 - Member census data as of June 30, 2022 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2022 and June 30, 2023. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2022 to the June 30, 2023 measurement date.
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Inflation	2.00%
Salary increases	2.65% to 11.90%, including inflation
Investment rate of return	6.25% (includes inflation and net investment expenses)
Cost-of-living adjustments	1% COLA effective January 1, 2023, 2026-2033 - .40%, 2034-2038 - .50%, 2039 and on - .60%
Experience Study Data	Period of 5 years ended June 30, 2019

The mortality assumptions are based on Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) 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 long-term return expectation for the INPRS defined benefit retirement plans has been 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 6.25% 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.

Global Asset Classes	Target Allocation	Geometric Basis Long-Term Expected Real Rate of Return
Public Equity	20.00%	3.7%
Private Markets	15.00%	6.4%
Fixed Income - Ex Inflation -Linked	20.00%	2.2%
Fixed Income - Inflation-Linked	15.00%	0.5%
Commodities	10.00%	1.1%
Real Estate	10.00%	3.4%
Absolute Return	5.00%	1.6%
Risk Parity	20.00%	5.9%
Cash and Cash Overlay	N/A	-

**Discount Rate** The Total Pension Liability (TPL) for each defined benefit pension plan was calculated using the long-term expected rate of return of 6.25%. 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 Board, and contributions required by the State of Indiana (the non-employer contributing entity) would be made as stipulated by Indiana statute. Projected inflows from

investment earnings were calculated using the 6.25% long-term assumed investment rate of return. Based on those assumptions, each defined benefit pension plan's Fiduciary Net Position were 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 TPL for each plan.

### Actuarial Assumptions for TRF Pre-1996 and TRF 1996 for 2023

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Asset Valuation Date	June 30, 2022
Liabilities	June 30, 2021 - Member census data as of June 30, 2021 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2021 and June 30, 2022. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2021 to the June 30, 2022 measurement date.
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Inflation	2.00%
Salary increases	2.65% to 11.90%, including inflation
Investment rate of return	6.25% (includes inflation and net investment expenses)
Cost-of-living adjustments	1% COLA effective January 1, 2022, 2024-2033 - .40%, 2034-2038 - .50%, 2039 and on - .60%
Experience Study Data	Period of 5 years ended June 30, 2019

The mortality assumptions are based on Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) 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 long-term return expectation for the INPRS defined benefit retirement plans has been 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 6.25% 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.

Global Asset Classes	Target Allocation	Geometric Basis Long-Term Expected Real Rate of Return
Public Equity	20.00%	3.6%
Private Markets	15.00%	7.7%
Fixed Income - Ex Inflation -Linked	20.00%	1.4%
Fixed Income - Inflation-Linked	15.00%	-0.3%
Commodities	10.00%	0.9%
Real Estate	10.00%	3.7%
Absolute Return	5.00%	2.1%
Risk Parity	20.00%	3.8%
Cash and Cash Overlay	N/A	-1.7%

**Discount Rate** The Total Pension Liability (TPL) for each defined benefit pension plan was calculated using the long-term expected rate of return of 6.25%. 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 Board, and contributions required by the State of Indiana (the non-employer contributing entity) would be made as stipulated by Indiana statute. Projected inflows from investment earnings were calculated using the 6.25% long-term assumed investment rate of return. Based on those assumptions, each defined benefit pension plan's Fiduciary Net Position were 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 TPL for each plan.

## Note – 14 Other Postemployment Benefits (OPEB)

This note reports the other postemployment benefits for fiscal years 2024 and 2023.

**Plan description** - Vincennes University Healthcare Plan is a single-employer defined benefit healthcare plan administered by Anthem. Vincennes University's Board of Trustees has the authority to establish and amend benefit provisions.

**Benefits provided** - The plan provides medical, dental and life insurance benefits to eligible retirees and their spouses. Employees are eligible for health care benefits if they meet one of the following:

- Earlier of (a) age 55 with 20 years of service or (b) age 65 with 10 years of service for employees hired prior to July 1, 1997
- Age 55 and rule of 85 (when age plus number of years worked is 85 or greater) for employees hired on/after July 1, 1997

**Employees covered by benefit terms** - At June 30, 2024 and 2023, the number of employees covered by the benefit terms:

	2024	2023
Active Employees	704	691
Inactive or beneficiaries currently receiving benefit payments	278	279
<b>Total</b>	<b>982</b>	<b>970</b>

**Contributions** - The contribution requirements of plan members for the Vincennes University Healthcare Plan are established by the University. The required contribution was based on projected pay-as-you-go financing requirements, with additional prefunding at the University's discretion. For fiscal years 2024 and 2023, the University drew \$1.9 million and \$2.0 million, respectively, annually for the retiree claim cost from the Grantor's Trust. Retiree contributions for medical and dental ranged from \$189.37 to \$224.03 per month for single coverage and from \$517.83 to \$569.83 for family coverage. The University offers retiree and spouse coverage, as well as retiree and dependent coverage.

**Net OPEB Assets** - The University's net OPEB assets were measured as of June 30, 2024 and 2023, and the total OPEB liabilities (assets) used to calculate the net OPEB assets were determined by actuarial valuations as of those dates.



**Actuarial Assumptions-** The total OPEB assets as of June 30, 2024 and 2023, were determined based on an actuarial valuation date of July 1, 2024 and July 1, 2022. The following actuarial assumptions were utilized:

- Actuarial Cost Method - Entry Age Normal Level Percentage of Salary
- Inflation Rate - 2.65%
- Payroll Growth – Merit increases based on the Public Employees Retirement Fund Actuarial Valuation as of June 30, 2023 and June 30, 2021 are as shown below:

Service	Rates
0	6.00%
5	2.00%
10	0.75%
13+	0.00%

- The discount rate was 6.20% as of June 30, 2024 and 5.60% as of June 30, 2023 for accounting and funding disclosure purposes.
- Retirement Age - Retirement rates are as shown below and they are based on the University’s actual retirement experience in 2018 through 2022.

Age	Rate
55-56	20.00%
57-58	5.00%
59	10.00%
60	10.00%
61	10.00%
62	20.00%
63	30.00%
64	30.00%
65	35.00%
66-69	25.00%
70+	100.00%

- Turnover Rates - Assumption used to project terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retiree health coverage. Withdrawal rates are based on standard withdrawal table Saranson T-9 adjusted to reflect the University’s actual withdrawal experience in 2018 through 2022.



- 2024 Healthcare Cost Trend Rates: 8.00 percent for 2025 and 7.50 percent for 2026, decreasing .50 percent per year to an ultimate rate of 4.50 percent for 2032 and later years.
- 2023 Healthcare Cost Trend Rates: 7.0 percent for 2024 and 6.50 percent for 2025, decreasing .50 percent per year to an ultimate rate of 4.50 percent for 2029 and later years.
- Mortality Rates – For 2024 and 2023, SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021 was used for general employees and retirees. SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021 was used for surviving spouses.
- Spousal Coverage - 65% of male employees and 45% of female employees are assumed to be married at retirement. Husbands are assumed to be three years older than wives. Actual spouse coverage and age is used for retirees.

The University’s last experience study was conducted in 2023.



**Discount Rate** – The discount rate used to value benefits was the long-term expected rate of return on plan investments, 6.20% for 2024 and 5.60% for 2023. The plan’s net fiduciary position is projected to be sufficient to make projected benefit payments. When the OPEB plan investments are insufficient to cover future benefit payments, a yield for 20-year tax exempt general obligation municipal bonds with average rating of AA/Aa or higher (or equivalent quality on another rating scale) must be used.

The long-term expected rate of return on OPEB plan investment 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. This method was prescribed by GASB 75 which eliminated using general rates of return and best estimates. 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. The best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan’s target asset allocation remained unchanged for 2024 and 2023. The combined long-term expected rate of return are summarized below:

Asset Class	Target Allocation	2024 L/T Expected ROR	2023 L/T Expected ROR
U.S. Broad Equity	26.00%	7.60%	7.40%
Global ex-U.S. Equity	8.00%	7.70%	7.50%
Core U.S. Fixed	41.00%	5.30%	4.20%
Short Duration Fixed Income	20.00%	4.30%	3.80%
Cash Equivalents	5.00%	3.00%	2.80%
<b>Total</b>	<b>100.00%</b>	<b>6.20%</b>	<b>5.60%</b>

**Changes in Net OPEB Liability (Asset)** – The following table reports the components of 2024 changes in net OPEB (asset):

Schedule of Changes in Net OPEB Liability				
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (Asset)	
Beginning Balance	\$ 42,813,900	\$ 66,021,668	\$ (23,207,768)	
<b>Changes for the Year</b>				
Service cost	185,337	-	185,337	
Interest	2,335,480	-	2,335,480	
Difference between expected and actual experience	(3,140,604)	-	(3,140,604)	
Changes in assumptions	(825,428)	-	(825,428)	
Changes in Benefit Terms	-	-	-	
Benefit Payments	(2,624,226)	(2,624,226)	-	
Contributions - Employer	-	741,250	(741,250)	
Net Investment income	-	7,455,577	(7,455,577)	
Administrative expense	-	(44,404)	44,404	
<b>Net Change</b>	<b>\$ (4,069,441)</b>	<b>\$ 5,528,197</b>	<b>\$ (9,597,638)</b>	
<b>Ending Balance</b>	<b>\$ 38,744,459</b>	<b>\$ 71,549,865</b>	<b>\$ (32,805,406)</b>	



The following table reports the components of 2023 changes in net OPEB (asset):

Schedule of Changes in Net OPEB Liability			
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (Asset)
Beginning Balance	\$ 61,316,198	\$ 63,494,750	\$ (2,178,552)
<b>Changes for the Year</b>			
Service cost	366,421	-	366,421
Interest	2,233,036	-	2,233,036
Difference between expected and actual experience	(4,346,581)	-	(4,346,581)
Changes in benefit terms	-	-	-
Changes in assumptions	(14,070,177)	-	(14,070,177)
Benefit Payments	(2,684,997)	(2,684,997)	-
Contributions - Employer	-	701,291	(701,291)
Net Investment income	-	4,550,261	(4,550,261)
Administrative expense	-	(39,637)	39,637
<b>Net Change</b>	<b>\$ (18,502,298)</b>	<b>\$ 2,526,918</b>	<b>\$ (21,029,216)</b>
<b>Ending Balance</b>	<b>\$ 42,813,900</b>	<b>\$ 66,021,668</b>	<b>\$ (23,207,768)</b>

**Sensitivity Results** The following presents the Net OPEB Asset as of June 30, 2024 and 2023, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

As of June 30, 2024	Net OPEB Asset
1% Decrease 5.20%	\$ (28,512,023)
Current Discount Rate 6.20%	\$ (32,805,406)
1% Increase 7.20%	\$ (36,427,953)

As of June 30, 2023	Net OPEB Asset
1% Decrease 4.60%	\$ (18,244,887)
Current Discount Rate 5.60%	\$ (23,207,768)
1% Increase 6.60%	\$ (27,369,698)

The following presents the Net OPEB Asset as of June 30, 2024, using the health care trend rates assumed and what it would be using 1% higher and 1% lower health care trend rates.

- The current health care trend rate starts at an initial rate of 8.00%, decreasing to an ultimate rate of 4.50%.
- The 1% decrease in health care trend rates would assume an initial rate of 7.00%, decreasing to an ultimate rate of 3.50%.
- The 1% increase in health care trend rates would assume an initial rate of 9.00%, decreasing to an ultimate rate of 5.50%.

As of June 30, 2024	Net OPEB Asset
1% Decrease	\$ (36,077,932)
Current Trend Rates	\$ (32,805,406)
1% Increase	\$ (28,984,324)

The following presents the Net OPEB Asset as of June 30, 2023, using the health care trend rates assumed and what it would be using 1% higher and 1% lower health care trend rates

- The current health care trend rate starts at an initial rate of 7.00%, decreasing to an ultimate rate of 4.50%.
- The 1% decrease in health care trend rates would assume an initial rate of 6.00%, decreasing to an ultimate rate of 3.50%.
- The 1% increase in health care trend rates would assume an initial rate of 8.00%, decreasing to an ultimate rate of 5.50%.

As of June 30, 2022	Net OPEB Asset
1% Decrease	\$ (27,332,454)
Current Trend Rates	\$ (23,207,768)
1% Increase	\$ (18,346,429)



**Deferred Outflows / (Inflows) of Resources** For the years ending June 30, 2024 and 2023, the University recognized OPEB negative expenses of (\$7,358,115) and (\$3,842,624), respectively. The University reported deferred outflows of resources and deferred inflows of resources related OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,919,200	\$ (5,777,156)	\$ 2,878,799	\$ (7,865,515)
Changes in Assumptions	1,267,311	(9,102,449)	2,721,384	(11,256,142)
Net difference between projects and actual earnings on OPEB plan investments	-	(1,912,229)	1,414,424	-
<b>Total</b>	<b>\$ 3,186,511</b>	<b>\$ (16,791,834)</b>	<b>\$ 7,014,607</b>	<b>\$ (19,121,657)</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB expenses are as follows:

Year ended June 30, 2024:	Amount
2025	\$ (3,729,926)
2026	\$ (2,633,383)
2027	\$ (5,686,490)
2028	\$ (1,555,523)
2029	\$ -
Thereafter	\$ -

Year ended June 30, 2023:	Amount
2024	\$ (4,723,828)
2025	\$ (2,174,400)
2026	\$ (1,077,857)
2027	\$ (4,130,964)
2028	\$ -
Thereafter	\$ -

## Note 15 – Risk Management

The University is exposed to various risks of loss: torts, theft, damage or destruction of assets; errors or omissions; job-related illnesses or injuries to employees; and health and other medical benefits provided to employees and their dependents. The University handles these risks of loss through combinations of risk retention and commercial insurance. For building and contents, the risk retention is \$75,000 per incident. General liability, commercial crime, cyber crime, aviation, worker’s compensation, commercial automobile, and medical malpractice are all handled through fully insured commercial policies. During the past three fiscal years, claims have not exceeded insurance coverage levels, and there has been no significant reduction in coverage.

For health benefits, the University has an insured self-funded arrangement. The University retains the risk for medical benefits up to a maximum stop loss provision of \$325,000 per member. There is a liability for incurred but unpaid claims. This liability is estimated to be \$851,249 for the fiscal year 2023-24. The estimated liability for the fiscal year 2022-23 was \$744,477.

The liability, for medical claims incurred but not reported at June 30, is based on an average monthly claim multiplied by the plan’s provider’s average turnaround time from when the claims are incurred to when the claims are submitted for payment.

Changes in the incurred but unpaid claim liability for self-insured health, dental & drug benefit during the years ending June 30, 2024 and 2023 were as follows:

	2024	2023
Balance, beginning of year	\$ 744,477	\$ 658,533
Claims incurred	14,067,306	11,544,091
Claim payments	(13,960,534)	(11,458,147)
Balance, end of year	\$ 851,249	\$ 744,477



## Note 16 – Deposits Held in Custody of Others

At June 30, 2023, deposits held by the University for others were \$720. The deposits are held by the University for external events.

## Note 17 – Functional Statement

Operating expenses by functional classification are summarized as of June 30:

<b>2024</b>	<b>Salaries and Benefits</b>	<b>Scholarships/ Fellowships</b>	<b>Supplies and Other Services</b>	<b>Equipment</b>	<b>Depreciation</b>	<b>Total</b>
Instruction	\$ 29,403,339	\$ -	\$ 15,876,021	\$ 198,093	\$ -	\$ 45,477,453
Academic Support	3,839,063	-	1,117,629	160,214	-	5,116,906
Public Service	6,179,639	-	4,944,688	201,603	-	11,325,930
Student Service	4,527,780	-	2,002,172	65,769	-	6,595,721
Operation and Maintenance of Plant	3,843,402	-	4,812,923	748,336	-	9,404,661
Institutional Support	7,698,433	-	1,381,725	396,286	-	9,476,444
Depreciation	-	-	-	-	18,000,637	18,000,637
Auxiliary Enterprises	3,122,682	-	6,004,032	824,933	-	9,951,647
Student Aid Expense	-	3,084,590	-	-	-	3,084,590
<b>Total Operating Expenses</b>	<b>\$ 58,614,338</b>	<b>\$ 3,084,590</b>	<b>\$ 36,139,190</b>	<b>\$ 2,595,234</b>	<b>\$ 18,000,637</b>	<b>\$ 118,433,989</b>

<b>2023</b>	<b>Salaries and Benefits</b>	<b>Scholarships/ Fellowships</b>	<b>Supplies and Other Services</b>	<b>Equipment</b>	<b>Depreciation</b>	<b>Total</b>
Instruction	\$ 37,062,566	\$ -	\$ 13,687,963	\$ 538,317	\$ -	\$ 51,288,846
Academic Support	4,466,057	-	2,163,016	428,178	-	7,057,251
Public Service	6,962,859	-	4,347,510	138,620	-	11,448,989
Student Service	4,742,387	-	2,638,794	12,127	-	7,393,308
Operation and Maintenance of Plant	4,058,326	-	5,035,451	582,834	-	9,676,611
Institutional Support	5,252,223	-	1,285,368	509,979	-	7,047,570
Depreciation	-	-	-	-	17,359,090	17,359,090
Auxiliary Enterprises	3,413,121	-	6,357,553	526,553	-	10,297,227
Student Aid Expense	-	3,899,249	-	-	-	3,899,249
<b>Total Operating Expenses</b>	<b>\$ 65,957,539</b>	<b>\$ 3,899,249</b>	<b>\$ 35,515,655</b>	<b>\$ 2,736,608</b>	<b>\$ 17,359,090</b>	<b>\$ 125,468,141</b>



## Note 18 – Restatement of Prior Period

For June 30, 2023, total restricted net position on the Statement of Net Position has been restated to report the Net OPEB Asset as restricted.

This restatement is reportable at the beginning of the earliest period presented in the University's comparative financial statements. As a result, the University expendable restricted net position increased \$23,207,768 with a corresponding decrease in the University's unrestricted net position.

The following displays the restatements on the Statement of Net Position:

	June 30, 2023 as originally reported		Restatement		June 30, 2023 as Restated	
Net Investment in Capital Assets	\$	248,198,823	\$	-	\$	248,198,823
<b>Restricted for:</b>						
<b>Non-expendable:</b>						
Scholarships & Instruction		2,379,586				2,379,586
<b>Expendable:</b>						
Capital Projects		2,954,903				2,954,903
Loan Funds		112,415				112,415
Scholarships, Grant, Instruction and Other		3,980,077		23,207,768		27,187,845
Unrestricted		231,205,494		(23,207,768)		207,997,726
<b>Net Position</b>	<b>\$</b>	<b>488,831,298</b>			<b>\$</b>	<b>488,831,298</b>

## Note 19 – Vincennes University Foundation Investments

Investments are presented in the financial statements in the aggregate at market value. Realized and unrealized gains (losses) are recorded as current income in the statement of activities and changes in net assets. Investment return is presented net of investment fees. A comparison with book (cost) value is as follows:

	June 30, 2024				June 30, 2023			
	Cost		Market		Cost		Market	
Without Donor Restrictions	\$	2,199,254	\$	2,647,965	\$	2,481,684	\$	2,588,810
With Donor Restrictions		109,657,342		123,147,165		108,474,289		114,242,264
<b>Totals</b>	<b>\$</b>	<b>111,856,596</b>	<b>\$</b>	<b>125,795,130</b>	<b>\$</b>	<b>110,955,973</b>	<b>\$</b>	<b>116,831,074</b>
<b>Investments composed of:</b>								
Money Market Funds	\$	1,361,504	\$	1,361,504	\$	1,144,936	\$	1,144,936
Bonds		11,016,134		10,352,030		12,328,689		11,266,696
<b>Mutual Funds:</b>								
Equity	\$	41,595,789	\$	60,502,129	\$	41,856,829	\$	53,980,801
Fixed Income		56,423,522		52,251,415		54,201,554		49,162,787
Balanced		1,459,647		1,328,052		1,423,965		1,275,854
<b>Totals</b>	<b>\$</b>	<b>111,856,596</b>	<b>\$</b>	<b>125,795,130</b>	<b>\$</b>	<b>110,955,973</b>	<b>\$</b>	<b>116,831,074</b>

The market value of the Foundation's investments in US Government Bonds are measured by Level 2 inputs, while all other investments are measured by Level 1 inputs in accordance with ASC 820.



# Schedules of Required Supplementary Information

## Schedule of Employer's Share of Net Pension Liability

### Teachers' Retirement Fund Pre-1996 Accounts (TRF Pre-1996) Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
1. Employer's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2. Employer's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. The portion of the non-employer contributing entities total proportionate share (amount) of the collective NPL associated with the employer.	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
4. Employer's covered-employee payroll	\$1,230,848	\$1,478,888	\$1,975,732	\$2,585,868	\$2,921,880	\$4,680,280	\$4,171,811	\$4,958,979	\$5,211,158	\$7,186,887
5. Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6. Plan fiduciary net position as a percentage of the total pension liability**	61.80%	36.40%	35.40%	26.20%	26.10%	25.40%	23.10%	22.60%	23.60%	25.90%

\*\*Adjusted to reflect DB activity only due to the DB/DC split effective January 1, 2018.  
Measurement Dates were 6/30 for each of the years presented.



## Schedules of Employer Contributions

### Teachers' Retirement Fund Pre-1996 Accounts (TRF Pre-1996) Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 73,851	\$ 81,339	\$ 107,991	\$ 142,223	\$ 219,141	\$ 351,021	\$ 312,886	\$ 371,923	\$ 293,388	\$ 269,508
Contributions in relation to the statutorily required contribution	\$ 73,851	\$ 81,339	\$ 107,991	\$ 142,223	\$ 219,141	\$ 351,021	\$ 312,886	\$ 371,923	\$ 293,388	\$ 269,508
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$1,230,848	\$1,478,888	\$1,975,732	\$2,585,868	\$2,921,880	\$4,680,280	\$4,171,811	\$4,958,979	\$5,211,158	\$7,186,887
Contributions as percentage of covered-employee payroll	6.00%	5.50%	5.50%	5.50%	7.50%	7.50%	7.50%	7.50%	5.63%	3.75%

## Schedules of Employer's Share of Net Pension Liability

### Teachers' Retirement Fund 1996 Account (TRF 1996) Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
1. Employer's proportion of the net pension liability (asset)	0.0099400%	0.0093000%	0.0122700%	0.0152300%	0.0203200%	0.0285400%	0.0314000%	0.0362700%	0.0410200%	0.0527100%
2. Employer's proportionate share of the net pension liability (asset)	\$ 107,983	\$ 61,236	\$ (57,643)	\$ 11,870	\$ (29,192)	\$ 31,654	\$ 207,930	\$ 283,095	\$ 216,002	\$ 25,064
3. Employer's covered-employee payroll	\$ 387,721	\$ 364,925	\$ 447,309	\$ 505,163	\$ 662,397	\$ 896,943	\$ 947,989	\$1,044,676	\$1,124,175	\$1,364,195
4. Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	6.00%	5.50%	5.50%	5.50%	3.50%	3.50%	21.90%	27.10%	19.20%	1.80%
5. Plan fiduciary net position as a percentage of the total pension liability **	87.70%	91.90%	106.20%	98.80%	102.40%	98.00%	88.00%	84.90%	88.90%	98.80%

\*\*Adjusted to reflect DB activity only due to the DB/DC split effective January 1, 2018.

Measurement Dates were 6/30 for each of the years presented.



## Schedules of Employer Contributions

### Teachers' Retirement Fund 1996 Account (TRF 1996) Last 10 Fiscal Years\*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 23,236	\$ 20,071	\$ 24,602	\$ 27,784	\$ 49,680	\$ 67,271	\$ 71,099	\$ 78,351	\$ 84,313	\$ 102,315
Contributions in relation to the statutorily required contribution	\$ 23,263	\$ 20,071	\$ 24,602	\$ 27,784	\$ 49,680	\$ 67,271	\$ 71,099	\$ 78,351	\$ 84,313	\$ 102,315
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	\$ 387,721	\$ 364,925	\$ 447,309	\$ 505,163	\$ 662,397	\$ 896,943	\$ 947,989	\$1,044,676	\$1,124,175	\$1,364,195
Contributions as percentage of covered-employee payroll	6.00%	5.50%	5.50%	5.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%

### RSI NOTES FOR TRF PRE-1996 AND TRF 1996

**Change in Funding Policy:** The House Enrolled Act (HEA) 1001 has a financial impact for the current and future years. These changes have been included in the actuarial valuations, where applicable, as of June 30, 2023. The special appropriation of \$3.2 billion for Pre-'96 DB was the driving factor in the increase in its funded status.

**Change in Benefit Terms:** In June 2023, TRF members with at least 20 years of service are now eligible for in-service retirement, also known as Millie Morgan retirement, at age 65. This change excludes elected officials who are still able to begin in-service retirement at age 55 with 20 years of service.

**Change in Funding Policy:** In June 2022, the funding policy was modified to change the parameters related to the TRF 1996 employer contribution rates. Once the plan reaches 95% funded, the employers' contribution rate will be decreased by 25% of the difference between the existing rate and the base benefit actuarially determined contribution (ADC) until the plan reaches a 110% funded status. The updated funding policy is effective for the June 30, 2022 valuation, but since the Fund has a funded ratio just under the trigger of 95%, the new policy will not have an impact on the contribution rates set forth with this valuation.

**Changes in Actuarial Assumptions:** The following changes were effective for the June 30, 2021 valuation:

1. The interest rate /investment return assumption changed from 6.75 percent to 6.25 percent.
2. The inflation rate assumption changed from 2.25 percent to 2.00 percent.
3. The future salary scale assumption changed from 2.75% - 12.00% to 2.65% - 11.90%.

**Changes of Benefit Terms:** In 2019, TRF Pre-1996 DB and TRF 1996 DB were modified pursuant to HEA 1059. Previously, Indiana statute generally required TRF members to have 15 years of service to qualify for a survivor benefit prior to retirement. Statute now allows a qualifying spouse/dependent to receive a benefit if the deceased member had a minimum of 10 years of creditable service.

**Changes in Plan Provisions:** For the actuarial valuation as of June 30, 2018, the COLA assumptions were changed due to passage of Senate Enrolled Act No. 373. In lieu of a 1.0% COLA beginning January 1, 2020, INPRS assume the COLA will be replaced by a 13th check for 2020 and 2021. The COLA assumption thereafter, would be 0.4% beginning on January 1, 2022, changing to 0.5% beginning on January 1, 2034, and ultimately 0.6% beginning on January 1, 2039.



# Vincennes University Health Care Plan

## Schedule of Changes in Net OPEB Liability & Related Ratios \*\*\*

	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>							
Service cost	\$ 185,337	\$ 366,421	\$ 396,807	\$ 323,802	\$ 376,951	\$ 382,426	\$ 270,195
Interest	2,335,480	2,233,036	1,915,299	2,260,402	3,242,584	2,718,431	3,310,012
Change in benefit terms	-	-	3,611,633	-	-	-	-
Change in assumptions	(825,428)	(14,070,177)	371,465	5,593,625	1,305,275	(5,123,923)	14,553,977
Differences between expected and actual experience	(3,140,604)	(4,346,581)	4,797,997	(3,283,612)	(15,374,012)	7,993,123	(7,609,805)
Benefit payments, including refunds of member contributions	(2,624,226)	(2,684,997)	(2,269,438)	(2,407,228)	(3,013,396)	(2,404,802)	(2,509,814)
<b>Net Change in Total OPEB Liability</b>	<b>\$ (4,069,441)</b>	<b>\$(18,502,298)</b>	<b>\$ 8,823,763</b>	<b>\$ 2,486,989</b>	<b>\$(13,462,598)</b>	<b>\$ 3,565,255</b>	<b>\$ 8,014,565</b>
<b>Total OPEB Liability - Beginning (a)</b>	<b>\$ 42,813,900</b>	<b>\$ 61,316,198</b>	<b>\$ 52,492,435</b>	<b>\$ 50,005,446</b>	<b>\$ 63,468,044</b>	<b>\$ 59,902,789</b>	<b>\$ 51,888,224</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 38,744,459</b>	<b>\$ 42,813,900</b>	<b>\$ 61,316,198</b>	<b>\$ 52,492,435</b>	<b>\$ 50,005,446</b>	<b>\$ 63,468,044</b>	<b>\$ 59,902,789</b>
<b>Plan Fiduciary Net Position</b>							
Contributions - employer	\$ 741,250	\$ 701,291	\$ 285,050	\$ 415,971	\$ 3,036,891	\$ 2,415,203	\$ 2,534,150
Contributions - member	-	-	-	-	-	-	-
Net Investment income	7,455,577	4,550,261	(7,433,828)	10,703,849	1,922,418	2,838,090	1,997,219
Benefit payments, including refunds of member contributions	(2,624,226)	(2,684,997)	(2,269,438)	(2,407,228)	(3,013,396)	(2,404,802)	(2,509,814)
Administrative expense	(44,404)	(39,637)	(44,085)	(50,369)	(47,897)	(44,937)	(49,184)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>\$ 5,528,197</b>	<b>\$ 2,526,918</b>	<b>\$ (9,462,301)</b>	<b>\$ 8,662,223</b>	<b>\$ 1,898,016</b>	<b>\$ 2,803,554</b>	<b>\$ 1,972,371</b>
<b>Plan Fiduciary Net Position - Beginning (b)</b>	<b>\$ 66,021,668</b>	<b>\$ 63,494,750</b>	<b>\$ 72,957,051</b>	<b>\$ 64,294,828</b>	<b>\$ 62,396,812</b>	<b>\$ 59,593,258</b>	<b>\$ 57,620,887</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 71,549,865</b>	<b>\$ 66,021,668</b>	<b>\$ 63,494,750</b>	<b>\$ 72,957,051</b>	<b>\$ 64,294,828</b>	<b>\$ 62,396,812</b>	<b>\$ 59,593,258</b>
<b>Net OPEB Liability (Asset) Beginning (a) - (b)</b>	<b>\$(23,207,768)</b>	<b>\$ (2,178,552)</b>	<b>\$(20,464,616)</b>	<b>\$(14,289,382)</b>	<b>\$ 1,071,232</b>	<b>\$ 309,531</b>	<b>\$ 5,732,663</b>
<b>Net OPEB Liability (Asset) Ending (a) - (b)</b>	<b>\$(32,805,406)</b>	<b>\$(23,207,768)</b>	<b>\$ (2,178,552)</b>	<b>\$(20,464,616)</b>	<b>\$(14,289,382)</b>	<b>\$ 1,071,232</b>	<b>\$ 309,531</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	<b>184.7%</b>	<b>154.2%</b>	<b>103.6%</b>	<b>139.0%</b>	<b>128.6%</b>	<b>98.3%</b>	<b>99.5%</b>
<b>Covered Employee Payroll</b>	<b>\$ 36,684,718</b>	<b>\$ 34,636,500</b>	<b>\$ 33,766,298</b>	<b>\$ 33,525,288</b>	<b>\$ 34,031,574</b>	<b>\$ 33,501,334</b>	<b>\$ 34,637,847</b>
<b>Net OPEB Liability (Asset) as a Percentage of Covered- Employee Payroll</b>	<b>-89.4%</b>	<b>-67.0%</b>	<b>-6.5%</b>	<b>-61.0%</b>	<b>-42.0%</b>	<b>3.2%</b>	<b>0.9%</b>

\*\*\* Complete data for this schedule is not available prior to 2018.



## RSI NOTES FOR OPEB

### Fiscal Year 2024:

**Change in Benefit Terms:** There were no changes of benefit terms for the plan year ended June 30, 2024.

**Change in Assumptions:** Per capita costs for 2024 were updated on claims data for CY 2022 and CY 2023, resulting in a decrease in liabilities. The updated census data as of June 30, 2024 that was utilized in the valuation resulted in a decrease in liabilities, primarily related to more terminations and fewer retirements than expected. Additionally, the discount rate has been updated from 5.60% as of June 30, 2023 to 6.20% as of June 30, 2024 for accounting and funding purposes based on the expected long-term rate of return for the OPEB plan investments.

Healthcare trends were updated to an initial rate of 8.00% decreasing by 0.50% per year to an ultimate rate of 4.50% for pre-65 benefits and an initial rate of 6.50% decreasing by 0.25% per year to an ultimate rate of 4.50% for post-65 benefits. Dental trend rates have been updated to 4.00% per year. This change caused an increase in liabilities for the University.

### Fiscal Year 2023:

**Change in Benefit Terms:** There were no changes of benefit terms for the plan year ended June 30, 2023.

**Change in Assumptions:** From FY22 to FY23, the retirement rate, termination rate, and healthcare coverage election rate assumptions have been updated based on an experience study using data from 2018 to 2022 completed by Nyhart for the University. The net impact of these changes was a decrease in liabilities. Additionally, the discount rate has been updated from 3.70% as of June 30, 2022 to 5.60% as of June 30, 2023 for accounting and funding purposes based on the expected long-term rate of return for the OPEB plan investments.

### Fiscal Year 2022:

**Change in Benefit Terms:** The retiree contribution percentage for post-65 health coverage has decreased from 30% to 25%.

**Change in Assumptions:** From FY21 to FY22, the mortality assumption was updated from the SOA MP-2019 mortality improvement scale to the SOA MP-2021 improvement scale. The payroll growth assumption has been updated to follow the Public Employees Retirement Fund (PERF) Actuarial Valuation as of June 30, 2021.

Health care trend rates have been updated to an initial rate of 7.5% decreasing by 0.50% per year to an ultimate rate of 4.5% for pre-65 benefits and an initial rate of 6.5% decreasing by 0.25% per year to an ultimate rate of 4.5% for post-65 benefits. Dental trend rates have been updated to 4.0% per year.

### Fiscal Year 2021:

**Change in Benefit Terms:** There were no changes of benefit terms for the plan year ended June 30, 2021.

**Change in Assumptions:** From FY21 to FY20, the discount rate decreased from 4.6% to 3.7%. All other assumptions remained the same from the prior year.

### Fiscal Year 2020:

**Change in Benefits Terms:** There were no changes of benefit terms for the plan year ended June 30, 2020.

**Change in Assumptions:** From FY19 to FY20, the mortality tables moved from the RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017 to the SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019 for general employees and retirees, and to SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019 for surviving spouses. The discount rate decreased to 4.6% as of June 30, 2020. The health care trend rates have been reset to an initial 8.0% decreasing by 0.5% annually to an ultimate rate of 4.5%

### Fiscal Year 2019:

**Change in Benefits Terms:** The University moved to a self-insured retiree life insurance plan for the period beginning January 1, 2019.

**Change in Assumptions:** The discount rate was 5.2% as of June 20, 2019, and 4.6% as of July 1, 2018. The health care trend rates have been reset to an initial 8.5% decreasing by 0.5% annually to an ultimate rate of 5.0%.

\*\*\* Complete data for this schedule is not available prior to 2018.



# Vincennes University Health Care Plan

## Schedule of University's Contributions

	2024	2023	2022	2021	2020
Actuarially Determined Contribution (ADC)	\$ -	\$ 244,912	\$ -	\$ -	\$ 481,468
Contributions in relation to the ADC	741,250	701,291	285,050	415,971	3,036,891
<b>Contribution deficiency (excess)</b>	<b>\$ (741,250)</b>	<b>\$ (456,379)</b>	<b>\$ (285,050)</b>	<b>\$ (415,971)</b>	<b>\$ (2,555,423)</b>
<b>Covered employee payroll</b>	<b>\$ 36,684,718</b>	<b>\$ 34,636,500</b>	<b>\$ 33,766,298</b>	<b>\$ 33,525,288</b>	<b>\$ 34,031,574</b>
<b>Contributions as a percentage of covered employee payroll</b>	<b>2.0%</b>	<b>2.0%</b>	<b>0.8%</b>	<b>1.2%</b>	<b>8.9%</b>

	2019	2018	2017	2016	2015
Actuarially Determined Contribution (ADC)	\$ 419,559	\$ -	\$ 359,603	\$ 1,060,381	\$ 1,898,593
Contributions in relation to the ADC	2,534,150	2,534,150	6,579,862	5,896,030	6,428,380
<b>Contribution deficiency (excess)</b>	<b>\$ (2,114,591)</b>	<b>\$ (2,534,150)</b>	<b>\$ (6,220,259)</b>	<b>\$ (4,835,649)</b>	<b>\$ (4,529,787)</b>
<b>Covered employee payroll</b>	<b>\$ 33,501,334</b>	<b>\$ 34,637,847</b>	<b>\$ 34,778,458</b>	<b>\$ 34,557,145</b>	<b>\$ 33,687,669</b>
<b>Contributions as a percentage of covered employee payroll</b>	<b>7.6%</b>	<b>7.3%</b>	<b>18.9%</b>	<b>17.1%</b>	<b>19.1%</b>

The Actuarially Determined Contributions (ADC) shown above are based on the Annual Required Contribution (ARC) calculated in prior GASB 45 actuarial valuations as shown in the University's 2013-2017 financial statements.



# Vincennes University Board of Trustees



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