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STATE BOARD OF ACCOUNTS
302 West Washington Street
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AUDIT REPORT
OF

WTIU TELEVISION, A PUBLIC TELEVISION STATION
OPERATED BY INDIANA UNIVERSITY
BLOOMINGTON, INDIANA

July 1, 2010 to June 30, 2011

FILED
01/25/2012

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Office	Official	Term
University President	Dr. Michael A. McRobbie	07-01-10 to 06-30-12
University Senior Vice President and Chief Financial Officer	Dr. Neil D. Theobald	07-01-10 to 06-30-12
University Associate Vice President and Treasurer	MaryFrances McCourt	07-01-10 to 06-30-12
Director of Radio and TV Stations	Perry Metz	07-01-10 to 06-30-12
Chairman of the Board of Trustees	William R. Cast, M.D.	08-14-09 to 08-16-13

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF WTIU TELEVISION, A PUBLIC TELEVISION STATION OPERATED BY INDIANA UNIVERSITY, BLOOMINGTON, INDIANA

We have audited the accompanying financial statements of WTIU (Station), a public television station operated by Indiana University, as of and for the years ended June 30, 2011 and 2010. These financial statements are the responsibility of the Station's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of WTIU, as of June 30, 2011 and 2010, and the respective changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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State Board of Accounts

January 9, 2012

WTIU-TV (the Station) presents its audited financial statements for the year ending June 30, 2011, along with comparative data for the year ending June 30, 2010. Three statements are described in the following discussion and analysis: The Statement of Net Assets, which presents the assets, liabilities, and net assets of the Station as of the end of the fiscal year; the Statement of Revenues, Expenses, and Changes in Net Assets, which reflects revenues and expenses recognized during the fiscal year; and the Statement of Cash Flows, which provides information on all of the cash inflows and outflows for the Station by major category during the fiscal year. Analysis will be provided for major variances from fiscal year 2011 to 2010. Included in this review are "Capital Assets" and the "Economic Outlook."

Statement of Net Assets

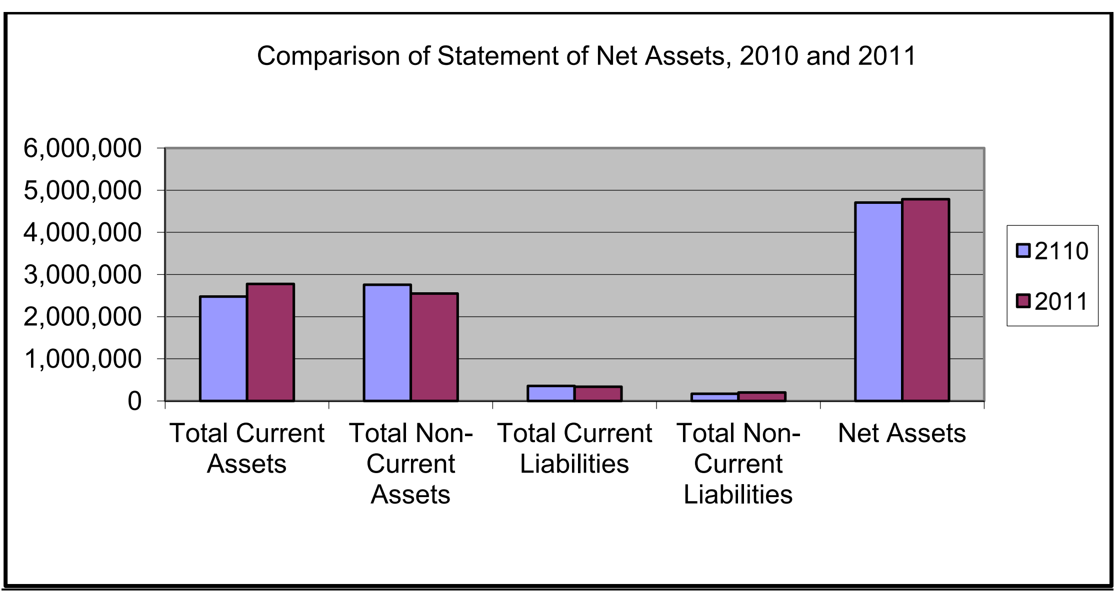
Total assets at June 30, 2011 were $5,324,625, an increase of $91,589. Capital net assets comprised $2,547,980 of the total assets.

Total liabilities were $537,723 at June 30, 2011, an increase of $13,834. Non-current liabilities comprised 37.06% or $199,276 of the liabilities at June 30, 2011. The Station had no outstanding debt obligations.

Total net assets at June 30, 2011 were $4,786,902, a $77,755 increase from the prior year, or a 1.65% increase in net assets. The breakout of net assets is shown below:

Capital assets	$ 2,547,980
Restricted Net Assets	92,609
Unrestricted net assets	2,146,313
Total net assets	$ 4,786,902

The composition of current and non-current assets and liabilities is displayed below for both the 2010 and 2011 fiscal year-ends:



Statement of Revenues, Expenses, and Changes in Net Assets

Revenues

Operating revenues at WTIU-TV for the June 30, 2011 fiscal year decreased by 11.41% from the previous year. Operating revenue changes were the result of the following factors:

- The Corporation for Public Broadcasting (CPB) Community Service Grant (CSG) increased by $76,831.
- Facility sales and services decreased by $131,018.
- Other income from the CPB and PBS decreased by $55,757.
- Miscellaneous grants also decreased by $28,126.

Total non-operating revenues were up 12.37% from June 30, 2010, from $3,682,509 to $4,137,917. Non-operating revenue changes were the result of the following factors:

For Indiana University-Bloomington support:

- Indiana University-Bloomington campus general fund support for TV increased by $200,518. Indiana University donated administrative support was $385,892, up $44,926 from the prior year. This is based on the Station's prorated share of the Indiana University-Bloomington campus Institutional Support costs.

For contributions:

- Individual contributions were $509,080, an increase of 4.74% over the prior year.
- Corporate and foundation contributions were $277,135 an increase of 28.74% from the prior year.
- The Station received an additional $3,645 endowment gift as seed money for the Al Cobine Endowment fund for jazz programming.
- In-kind support was $9,280, an increase from the prior year.

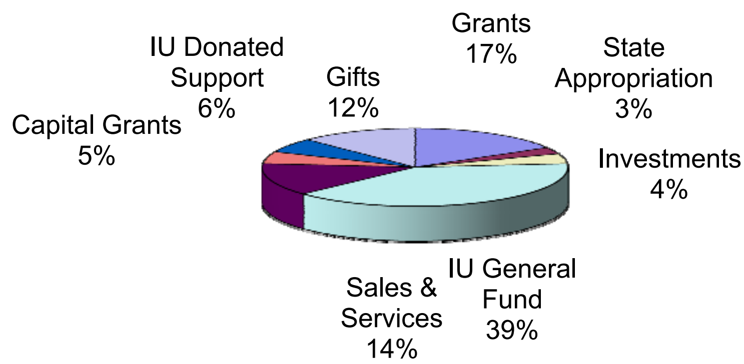
For other non-operating income:

- Interest and dividends earned by the Indiana University Foundation Pooled funds increased slightly.

Other revenue consisted of three capital grants totaling $320,059. This is a decrease of $53,101 in capital grant revenues from the prior year.

In summary, total revenues of the Station increased by $242,265 from $6,135,825 in 2010 to $6,378,089 in 2011, an overall increase of 3.95%. The compositions of these revenues are displayed in the following graph:

Fiscal Year 2011 Total Revenues



Expenses

Operating expenses were $6,289,571 for the 2011 fiscal year. This was an increase over the previous fiscal year of $287,604 or 4.79%. Changes in the major categories of expenses were:

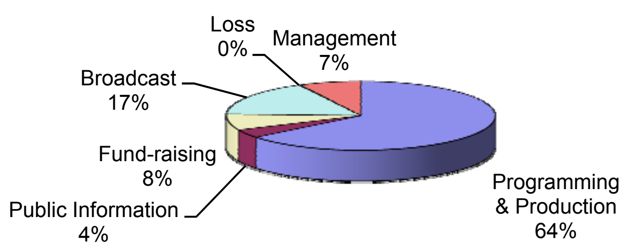
For all functional areas:

- Professional and support staff received a 3% salary increase in November 2010 for the remainder of the year ended June 30, 2011. The professional staff fringe benefit rate increased by 3.58% for non-grant accounts and 5.70% for grant accounts. The support staff fringe benefit rate increased by 1.64%.
- Accrued vacation and sick leave costs increased by $33,531.

For specific functional areas:

- Programming and production costs increased 11%, reflecting higher dues.
- Broadcasting costs decreased 14% due to the completion of the conversion to digitally compatible TV studio/control room production equipment.
- Public information and promotion costs increased 4%.
- Management and general expenses increased 7%.
- Fund-raising, membership development, and underwriting solicitation costs increased 4%.

The Station had a non-operating loss of $10,763 on the disposal of capital assets. In 2010, there was a loss of $34,786 on the disposal of capital assets. The composition of total expenses, including operating and non-operating, are displayed below by major category:



Net Assets

Net assets increased by $77,755 in 2011, compared to a $99,071 increase in net assets in 2010. The operating loss increased $384,378 from the previous fiscal year and the net non-operating revenues increased by $479,431. Ending net assets were $4,786,902, compared to ending net assets in 2010 of $4,709,147. This was a 1.65% increase in net assets.

Statement of Cash Flows

The Statement of Cash Flows provides a means to assess the financial health of the Station by providing relevant information about the cash receipts and cash payments of the Station during a certain period. It assists the user in determining whether the Station has the ability to generate future net cash flows to meet its obligation as they come due, and to determine the need for external financing.

Cash Flows for the Period	June 30, 2011	June 30, 2010
Net cash provided (used) by:		
Operating activities	($3,218,951)	($2,797,306)
Noncapital financing activities	3,462,190	3,169,391
Capital and related financing activities	(211,211)	228,704
Investing activities	(165,902)	17,173
Net decrease in cash	(133,874)	617,962
Beginning cash and cash equivalent balances	1,229,399	611,437
Ending cash and cash equivalent balances	$1,095,525	$1,229,399

Cash used by operating activities increased by $421,645. This increase in the use of cash was the result of increases in operating expenses.

Noncapital financing activities increased by $292,799. This increase was the result of increases in general fund support and contributions.

Cash used by capital and related financing activities decreased by $439,915 due to the matching requirements of the three capital grants for equipment purchases. Equipment purchased for less than $5,000, the capitalization threshold, was recorded as operating expenses.

Cash provided by investing activities decreased by $183,075 due to the purchase of long-term investments and a decrease in investment earnings.

In summary, the net decrease in cash and cash equivalents in 2011 was due primarily to the decreases in the operating loss and capital equipment purchases.

Capital Assets

At June 30, 2011, the Station had $2,547,980 invested in capital assets, net of accumulated depreciation. Depreciation charges for the years ending June 30, 2011, and June 30, 2010, totaled $730,772 and $718,048, respectively. Details of these assets are shown below:

Net Capital Assets at Year-End	June 30, 2011	June 30, 2010
Transmission, Antenna, and Tower	$ 618,731	$1,042,693
Studio and Other Broadcast Equipment	1,929,249	1,715,552
Furniture and Fixtures	0	0
Capital Assets, Net	$2,547,980	$2,758,245

Major capital purchases for the year totaled $534,903 and included:

- 1 multi-format production switcher
- 1 wireless intercom
- 4 XDCAM HD decks
- 2 digi-power Tele-zoom lens
- 1 digi-power zoom lens
- 4 LCD viewfinders
- 1 large lens adapter
- 1 master setup panel
- 3 multi-format HD cameras
- 4 camera control units
- 1 chyron LEX3
- 1 fluid head with pan bars
- 1 HD or SD single channel + key digital disc recorder

The digital equipment conversion is now complete. We believe we will be awarded a grant during FY12 to install an emergency generator at the TV transmitter to allow the station to continue broadcasting after a natural disaster.

Economic Outlook

In the near future, the US Congress will be making a series of long-term decisions about the federal budget, including the funding levels for public television. Management's conclusion is that the final budgetary product will spread some financial pain across most parts of discretionary spending, resulting in some reduction in our federal funding. State and University support seem likely to continue at the current level. We balance these static resources against a large, longtime member base and improving grants and major gifts. The duties of several positions vacated as a result of IU's early retirement incentive plan have been distributed among remaining staff; thus, we have reduced our cost of doing business to stay within available revenue. We continue to seek additional revenue-generating activities; for example, the station recently began its first vehicle donation program. Others are in the works.

WTIU-TV
A PUBLIC TELECOMMUNICATIONS ENTITY OWNED AND OPERATED BY INDIANA UNIVERSITY
STATEMENT OF NET ASSETS
June 30, 2011 and 2010

	2011	2010
Assets		
Current Assets:		
Cash and Cash Equivalents	$ 1,095,525	$ 1,229,399
Other Receivables, Net of Allowance for Doubtful Accounts of $0 in 2011 and $0 in 2010	21,531	21,309
Costs Incurred for Programming Not Yet Broadcast	10,530	18,347
Prepaid and Other	11,514	5,620
Investments (Note 2)	1,637,545	1,200,116
Total Current Assets	2,776,645	2,474,791
Noncurrent Assets:		
Property and Equipment (Note 3):		
Television and Other Equipment, Net of Accumulated Depreciation of $5,974,853 in 2011 and $5,282,342 in 2010	2,547,980	2,758,245
Total Assets	$ 5,324,625	$ 5,233,036
Liabilities		
Current Liabilities:		
Accounts Payable and Accrued Expenses	$ 71,311	$ 106,026
Funding for Programming Not Yet Broadcast	17,136	25,754
Long-Term Liabilities - Current Portion	250,000	224,000
Total Current Liabilities	338,447	355,780
Noncurrent Liabilities:		
Long-Term Liabilities (Note 5)	199,276	168,109
Total Liabilities	537,723	523,889
Net Assets		
Invested in Capital Assets	2,547,980	2,758,245
Restricted for Expendable Station Activities:		
Educational Programs	68,422	46,301
Restricted Endowment for Jazz Program Activities	24,187	17,099
Restricted for Capital Acquisitions	-	(54,049)
Unrestricted	2,146,313	1,941,551
Total Net Assets	4,786,902	4,709,147
Total Liabilities and Net Assets	$ 5,324,625	$ 5,233,036

The accompanying notes are an integral part of the financial statements.

WTIU-TV
A PUBLIC TELECOMMUNICATIONS ENTITY OWNED AND OPERATED BY INDIANA UNIVERSITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the Years Ended June 30, 2011 and 2010

	2011	2010
Operating Revenues		
CPB Community Service Grant	$ 995,263	$ 918,432
Facility Sales and Services	853,831	984,849
Other Income From CPB and PBS	39,462	95,219
Miscellaneous Grants	24,650	52,776
Event Income	1,912	-
Royalty Income	4,995	28,879
Total Operating Revenues	1,920,113	2,080,155
Operating Expenses		
Program Services:		
Programming and Production	4,045,145	3,637,619
Broadcasting	1,052,353	1,229,748
Public Information and Promotion	249,868	241,194
Total Program Expenses	5,347,366	5,108,561
Supporting Services:		
Management and General	469,279	439,495
Fundraising, Membership Development, and Underwriting Solicitation	472,926	453,911
Total Supporting Expenses	942,205	893,406
Total Operating Expenses	6,289,571	6,001,967
Operating Loss	(4,369,458)	(3,921,812)
Nonoperating Revenues (Expenses)		
General Fund Support From Indiana University	2,514,081	2,313,563
Donated Facilities and Administrative Support From Indiana University	385,892	340,966
Appropriation From State of Indiana	176,250	176,224
Individual Contributions	505,435	482,611
Corporate/Foundation Contributions	277,135	215,259
Endowment Contributions	3,645	3,415
In-Kind Support - Other	9,280	5,150
Interest and Dividends	72,409	73,194
Net Increase in the Fair Value of Investments	193,790	72,130
Gain (Loss) on Sale of Investments	-	(3)
Gain (Loss) on Disposal of Capital Assets	(10,763)	(34,786)
Net Nonoperating Revenues (Expenses)	4,127,154	3,647,723
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	(242,304)	(274,089)
Capital grants - DOC NTIA/PTFP	238,081	79,510
Capital grant - CPB	81,978	293,650
Increase (Decrease) in Net Assets	77,755	99,071
Net Assets		
Net assets - Beginning of Year	4,709,147	4,610,076
Net Assets - End of Year	$ 4,786,902	$ 4,709,147

The accompanying notes are an integral part of the financial statements.

WTIU-TV
A PUBLIC TELECOMMUNICATIONS ENTITY OWNED AND OPERATED BY INDIANA UNIVERSITY
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2011 and 2010

	2011	2010
Cash Flows From Operating Activities:		
Grants	$ 1,059,376	$ 989,526
Sales and Services	854,757	978,131
Payments to Employees	(3,094,785)	(2,959,196)
Payments to Vendors	(2,046,152)	(1,914,045)
Other Receipts	7,853	108,278
Net Cash Used by Operating Activities	(3,218,951)	(2,797,306)
Cash Flows From Noncapital Financing Activities:		
General Fund Support From Indiana University	2,514,081	2,313,563
Appropriation From State of Indiana	176,250	176,224
Contributions	771,859	679,604
Net Cash Provided by Noncapital Financing Activities	3,462,190	3,169,391
Cash Flows From Capital and Related Financing Activities:		
Capital Grant	320,059	373,160
Proceeds From Sale of Capital Assets	3,613	17,241
Purchase of Capital Assets	(534,883)	(161,697)
Net Cash Provided (Used) by Capital and Related Financing Activities	(211,211)	228,704
Cash Flows From Investing Activities:		
Proceeds From Sales of Investments	5,524	7,445
Purchase of Investments	(243,638)	(63,535)
Interest and Dividends on Investments	72,212	73,263
Net Cash Provided (Used) by Investing Activities	(165,902)	17,173
Net Increase (Decrease) in Cash	(133,874)	617,962
Cash and Cash Equivalents - Beginning of Year	1,229,399	611,437
Cash and Cash Equivalents - End of Year	$ 1,095,525	$ 1,229,399
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:		
Operating Loss	$ (4,369,458)	$ (3,921,812)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation	730,772	718,048
Donated Facilities and Administrative Support From Indiana University	385,892	340,966
In-Kind Support - State of Indiana/Other	9,280	5,150
(Increase) Decrease in Assets:		
Other Receivables, Net of Allowance for Doubtful Accounts	188	(6,718)
Costs Incurred for Programming Not Yet Broadcast	7,817	(13,654)
Prepaid and Other	(5,894)	3,396
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(34,716)	53,681
Long-Term Liabilities - Current Portion	26,000	-
Long-Term Liabilities	31,168	23,637
Net Cash Used by Operating Activities	$ (3,218,951)	$ (2,797,306)

The accompanying notes are an integral part of the financial statements.

1. Summary of Significant Accounting Policies

   A. Organization

   WTIU-TV (the Station) is owned by the Trustees of Indiana University, Bloomington, Indiana. The Station is operated by the Radio and Television Services Department of Indiana University.

   Portions of both contribution and membership income and expenditures are deposited with and disbursed by the Indiana University Foundation.

   B. Basis of Accounting

   The accompanying financial statements have been prepared by the Station as a special-purpose government entity engaged in business type activities. Business type activities are those that are financed in whole or in part by fees charged to external parties for goods and services. Accordingly, these financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when an obligation has been incurred. Eliminations have been made to minimize the "double-counting" of internal activities. Interfund receivables and payables have been eliminated in the Statement of Net Assets. Eliminations have been made in the Statement of Revenues, Expenses, and Changes in Net Assets to remove the "doubling-up" effect of internal service fund activity.

   C. Operating Revenues

   Operating revenues consist of the community service grant from the Corporation for Public Broadcasting, production sales and services, royalties, auction revenues, special event revenues, and miscellaneous grants for operating activities.

   D. Revenue Recognition - Unrestricted

   Unrestricted contributions, pledges, and grants are recorded as revenue in the Statement of Revenues, Expenses, and Changes in Net Assets when received. Contributions for underwriting are recorded as revenue in the Statement of Revenues, Expenses, and Changes in Net Assets when the underwriting credits have aired.

   E. Revenue Recognition - Restricted

   Operating funds restricted by the donor, grantor, or other outside party for particular operating purposes are deemed to be earned and reported as revenues when the Station has incurred expenditures in compliance with the specific restrictions. Such amounts received but not yet earned are reported as restricted deferred amounts.

F. Production Programming (Completed Contract Method or Purchased Programming)

Costs incurred for programs not yet broadcast relate to programs produced by the Station that will be initially broadcast subsequent to the fiscal year-end. This classification includes costs of program and film rights and licenses acquired prior to the fiscal year-end, and initially utilized subsequent to the fiscal year-end. Unearned restricted contributions and grants that support these acquisitions are deferred in the accompanying balance sheet. Concurrent with initial broadcasting of the programs, their costs will be reported as incurred operating expenses and related financing will be reported as earned revenues in the Statement of Revenues, Expenses, and Changes in Net Assets.

G. Statement of Cash Flows

Cash flows are presented using the direct method. Cash equivalents include demand deposits and bank certificates of original maturities of thirty days or less.

H. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Revenues, Expenses, and Changes in Net Assets. Accordingly, certain costs have been allocated among program and supporting services benefited based on total personnel costs or other systematic bases.

I. Income Taxes

The Station is exempt from federal income tax, except on activities unrelated to its exempt purpose, under Internal Revenue Code Section 501(c)(3). There was no required provision for income taxes for fiscal year 2011.

J. Enterprise Fund Election

The Station, reporting as an enterprise fund using proprietary fund accounting, had the option of electing to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The Station did not elect to do this.

K. Investment Valuation

Investments are presented in the financial statements at fair market value as of June 30, 2011.

L. Use of Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted resources are available, the Station first applies the restricted resources. Once the restricted resources are depleted, the Station then applies its unrestricted resources.

M. Capital Assets

The capitalization threshold for capital assets is $5,000. Capital assets are recorded at cost. Depreciation is provided over the estimated useful lives of the respective assets (excluding assets funded by the Federal Government) using the straight-line method calculated on a monthly basis. The estimated lives of such assets range between 3 and 25 years.

2. Investments

The pooled investments are currently managed 100 percent for the University by the Indiana University Foundation. The funds are invested in accordance with the investment policy approved by the Indiana University Board of Trustees. The value of the pooled shares is determined each quarter on the basis of the total fair value of pooled investments and the number of pooled shares outstanding. Income from pooled funds is distributed pro rata to each participating fund according to the number of pooled shares it holds. At June 30, 2011, pooled shares were invested in pooled long-term and pooled short-term funds. Investment pooled funds at cost were $1,614,154 and had a fair market value of $1,637,545 at June 30, 2011.

3. Property and Equipment

	Beginning Balance	Additions	Retirements	Ending Balance
Transmission, Antenna, and Tower	$ 3,920,803	$ (134,522)	$ -	$ 3,786,281
Studio and Other Broadcast Equipment	3,998,968	669,425	52,657	4,615,736
Furniture and Fixtures	120,816	-	-	120,816
Totals	8,040,587	534,903	52,657	8,522,833
Less Accumulated Depreciation:				
Transmission, Antenna, and Tower	2,878,110	289,440	-	3,167,550
Studio and Other Broadcast Equipment	2,283,416	441,332	38,261	2,686,487
Furniture and Fixtures	120,816	-	-	120,816
Total Accumulated Depreciation	5,282,342	730,772	38,261	5,974,853
Capital Assets, Net	$ 2,758,245	$ (195,869)	$ 14,396	$ 2,547,980

Donated assets from the University were recorded by the Station at the acquisition price of the University. The depreciation expenses by the University were recorded on the Station's records as accumulated depreciation.

Depreciation expense for the years ended June 30, 2011, and June 30, 2010, were $730,772 and $718,048, respectively, and were charged to the major functional areas as follows:

	2011	2010
Programming and Production	$ 441,332	$ 385,250
Broadcasting	289,440	332,429
Public Information and Promotion	-	73
Management and General	-	154
Fundraising, Membership Development, and Underwriting	-	142
Total Depreciation Expense	$ 730,772	$ 718,048

For capital assets partially financed with U.S. Department of Commerce NTIA/PTFP grants, the Federal Government requires a ten year lien establishing it as the priority secured creditor. This is to enforce its reversionary interest in the fixed asset for a ten year period (dating from the PTFP's approval of the final inventory for the grant); in case the Station defaults on the terms and conditions of the grant. The capital assets against which the Federal Government has a lien are:

Capital Assets	DOC Grant No.	Original Cost	Lien Through
Digital TV Studio Production Equipment	18-02-N03030	$ 369,074	2014
High Definition Studio Camera Systems	18-02-N06114	467,278	2018
High Definition Conversion - Production	18-02-N07152	695,700	2019

4. In-Kind Support

In-kind support is divided between administrative support supplied by Indiana University and other in-kind contributions from sources outside the University.

Administrative support from Indiana University consists of institutional support, donated facilities, and physical plant operations. These are included as revenue and expense in the Statement of Revenues, Expenses, and Changes in Net Assets.

Institutional support is estimated at $153,673 and is computed using operating expenses as the base.

The value of donated facilities is calculated on the Annual Value Computations for Buildings and Tower Facilities form provided by the Corporation for Public Broadcasting and totals $202,411 for the recently renovated Radio and TV Building and $16,450 for the new roof and satellite dish mount for the Radio and TV Building. No value is claimed for the Transmitter Building because its remaining useful life is zero.

Physical plant is estimated at $13,358. This represents the Station's pro rata share of allowable physical plant costs not allocated by the University based on gross square feet. The physical plant costs allocated to the Station by the University are included in the general fund support from the University.

5. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Noncurrent Portion
Compensated absences	$ 392,109	$ 241,433	$ 184,266	$ 449,276	$ 250,000	$ 199,276

6. Pension Plan

The Station's appointed employees are covered by the same retirement plans as other employees of Indiana University. The required contributions are pooled at the university level and charged to the Station at a predetermined rate. Non-exempt employees are covered by PERF (Public Employees' Retirement Fund), which is a defined benefit plan. Total PERF pension expenses for the years ended June 30, 2011, and June 30, 2010, were $46,939 and $56,756, respectively. Exempt employees are covered by the IU Retirement Plan. This is a defined contribution plan with three funding levels. In addition, the University provides early retirement benefits to certain appointed academic and professional staff. These employees are covered by the IUSERP (IU Supplemental Early Retirement Program) or the 18/20 Retirement Plan. The IU Retirement Plan, IUSERP, and the 18/20 Retirement Plan pension expenses for the years ended June 30, 2011, and June 30, 2010, were $218,728 and $213,272, respectively. Complete details of these plans can be found in the Indiana University Annual Financial Report.

7. Accounts Payable and Accrued Expenses

The Station's accounts payable and accrued expenses at June 30, 2011, and June 30, 2010, were primarily accrued payroll.