VINCENNES UNIVERSITY

FINANCIAL STATEMENTS 2022-2023

Indiana's First College

Table of Contents

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AN EQUAL OPPORTUNITY EMPLOYER

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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, 2023 and 2022, 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, 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, 2023 and 2022, 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 Vincennes University Foundation, Inc. (Foundation), a component unit of the University as described in Note 1, which represent 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, 2023 and 2022, 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.

Emphasis of Matter

As discussed in Note 19 to the financial statements, in fiscal year 2023, the University adopted new accounting guidance Governmental Accounting Standards Board Statement 96 *Subscription-Based Information Technology Arrangements*. 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.

- 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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 Net Pension Liability Teachers' Retirement Fund 1996 Accounts (TRF 1996), the Schedule of Employer Contributions Teachers' Retirement Fund 1996 Accounts (TRF 1996), the Vincennes University Health Care Plan Schedule of Changes in Net OPEB Liability and Related Ratios, and the Vincennes University Health Care Plan Schedule of the University's Contributions, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2023, 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

Beth Kelley, CPA, CFE
Deputy State Examiner

October 23, 2023

Treasurer's Letter

It is my privilege to share the Vincennes University (VU) Financial Statements for fiscal year 2022-2023. The University's financial strength and sustainability is more than numbers - it is about ensuring that VU can fulfill its mission and vision.

The many contributions from our faculty and staff have put Vincennes University where we are excited for the future of our institution. Each new year brings incredible opportunities for our students as we work closely to enhance their experience at VU by:

- Growing corporate partnerships including Amazon, Cummins, Jet Access, John Deere, Toyota, Subaru and AmeriCrew.
- Building a new Center for Health Sciences and Active Learning to feature state-of-the-art clinical simulation labs which will be funded by the State of Indiana. The cutting-edge facility nearly doubles the current space that is available. The projected opening date is Fall 2025.
- Launching the future in automation by installing collaborative robot training facilities in Vincennes, Jasper, Lebanon and at Career Tech Centers throughout the State. The cobot labs are supported by an $8 million grant from the Lilly Endowment.
- Empowering a modern workforce by offering specialized education in an array of STEM education including biology, biotechnology, information technology, robotics, advanced manufacturing, cybersecurity and engineering.
- Enhancing careers in STEM by offering a weeklong academy for rising juniors and seniors to explore science, technology, engineering, and mathematics fields and understand college life through a residential experience on the Vincennes Campus.
- Collaborating with employers to offer training, certification, and apprenticeship by our Business Industry programs throughout the State.
- Diversifying our business model to adapt to an increasingly competitive higher education landscape and meeting the distance learning expectations and needs of modern students

VU has a long history of developing strong educational and training programs. While consideration for VU's overall sustainability is crucial, the best interests of our students are always at the heart of every decision. We strive to transform students' lives, ensure their success, and positively impact the communities in which they live, learn and serve.

I am pleased to present the 2022-2023 Vincennes University Financial Report for the fiscal year ending June 30, 2023. This report is a complete and permanent record of Vincennes University for the period stated.

Respectfully Submitted,

Timothy J Eaton

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

Vincennes University

Management's Discussion and Analysis

Vincennes University is pleased to present its financial statements for fiscal year 2023. 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, 2023, along with comparative information for the fiscal years ended June 30, 2022 and June 30, 2021. 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 2022 enrollment of approximately 8,428 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 nine 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: 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.

During fiscal year 2023, the University implemented GASB Statement No. 96*, Subscription-Based Information Technology Arrangements.* Since the University presents comparative statements, fiscal year 2022 has been restated to account for this new GASB.

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, 2023, 2022, and 2021 is summarized as follows:

STATEMENT OF NET POSITION	2023 (in thousands)	Restated 2022 (in thousands)	2021 (in thousands)
Current assets	$ 88,467	$ 89,466	$ 101,425
Non-current assets			
Investments	157,133	152,364	146,589
Capital assets, net	286,814	288,352	279,042
Other	23,470	2,556	21,057
Total assets	$ 555,884	$ 532,738	$ 548,113
Deferred outflows	$ 7,137	$ 13,648	$ 11,667
Current liabilities	$ 22,585	$ 23,744	$ 24,903
Non-current liabilities	32,073	35,919	37,883
Total liabilities	$ 54,658	$ 59,663	$ 62,786
Deferred inflows	$ 19,532	$ 9,756	$ 21,230
Net position	$ 488,831	$ 476,967	$ 475,764

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 bond premiums 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.

Fiscal Year 2022

As of June 30, 2022, the University's financial position remained solid, with an approximate 2.4 percent decrease in total assets and deferred outflows from fiscal year 2021 to fiscal year 2022. This decrease is primarily related to the $9.3 million increase in capital assets and a $4.9 million increase in cash and investments along with decreases of $16.1 million in the OPEB assets and the OPEB deferred outflows, $10.9 million in accounts and notes receivable, and $300,000 in prepaid expenses.

Current assets consist mainly of cash, short-term, inventory and net accounts receivable which decreased $12.0 million from 2021 to 2022. Net accounts receivable had a significant decrease totaling $10.8 million as a result of the 2021 accrual for the Higher Education Emergency Relief Funds which were received in fiscal year 2022. Cash and short-term investments decreased approximately $850,000 as a result of moving funds to long-term investments. Prepaid expenses also had a decrease of $300,000.

Non-current assets decreased $3.4 million from 2021. The majority of this fluctuation is related to the $18.3 million decrease in the OPEB asset as a result of unfavorable market conditions and changes in the actuarial assumptions. Capital assets increased $9.3 million during fiscal year 2022. Projects finalized during 2022 included phase two of the French Quarter housing project, the Jasper Administration Building HVAC project, and several infrastructure projects on the Vincennes Campus. The University ended the fiscal year with $5.6 million in building leases, net of depreciation, and $5.7 million in construction in progress which is primarily related to the HVAC renovation projects on the Vincennes campus. The University restated 2022 in 2023 to record approximately $900,000 in subscription-based information technology arrangements (SBITAs), net of depreciation. Long term investments increased $5.8 million and funds held with the bond trustee decreased $200,000 as a result of the Series N bond refinancing.

Deferred outflows of resources represent consumption of net assets that are applicable to a future reporting period. The deferred outflow of $13.6 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 which includes the $2.8 million decrease in unearned revenue as a result of the 2021 deferment of institutional dollars from the Higher Education Emergency Relief Funds which were recognized in 2022. Accounts payable and payroll liabilities increased $1.8 million which was related to the timing of payments. Current bond premiums decreased approximately $600,000 with the maturing of the Housing & Dining Revenue Bonds of 2006 and a current lease payable of $288,409 was established under GASB Statement No. 87, *Leases*. The University restated 2022 in 2023 to record a current subscription payable of $364,456 which was established under GASB 96, *Subscription-Based Information Technology Arrangements*.

The largest non-current liability for the University is outstanding bonds payable. Non-current liabilities decreased $2.0 million which consist primarily of recognizing the current portion of bonds and leases payable for $6.4 million and an increase totaling $4.2 million for leases payable under GASB Statement No. 87, *Leases*. The University restated fiscal year 2022 in fiscal year 2023 to record a subscription payable of $578,990 which was established under GASB 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 include $9.1 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:

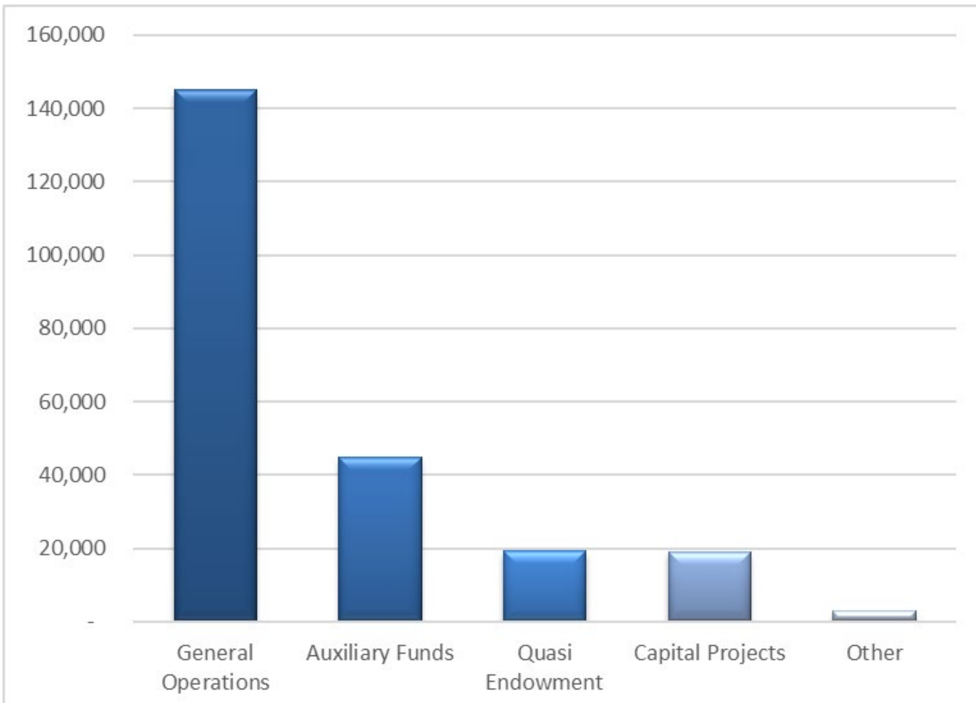
SUMMARY OF NET POSITION	2023 (in thousands)	Restated 2022 (in thousands)	2021 (in thousands)
Net Investment in Capital Assets	$ 248,199	$ 245,903	$ 235,122
Restricted:			
Non-expendable	2,379	2,379	2,379
Expendable	7,047	10,740	17,744
Unrestricted:			
Designated - Capital & other	22,114	20,152	20,204
Designated for Quasi Endowment	19,285	19,462	20,832
General Operations	144,975	132,945	131,884
Auxiliary	44,832	45,386	47,599
Total Net Position	$ 488,831	$ 476,967	$ 475,764

Net Investment in Capital Assets represents the institution's equity in property, plant and equipment net of accumulated depreciation 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. The Net Investment in Capital Assets increased by $2.3 million in 2023. This increase is 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. The French Quarter housing units and campus infrastructure projects contributed to the $10.8 million increase from 2021 to 2022.

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 2022 and 2023, capital appropriations totaling $7.0 million and $3.7 million were spent on the completion of several infrastructure projects..

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 increased 6.1 percent from 2022 to 2023 largely due to a decrease in the unrealized losses on investments. Unrestricted net position decreased 1.2 percent from 2021 to 2022 as a result of a net investment loss resulting from unrealized losses on investments.

Unrestricted Net Position – 2023
(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, 2023, 2022 and 2021 is provided below:

Revenues

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:

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2023	Restated 2022	2021
Operating Revenue:	(in thousands)	(in thousands)	(in thousands)
Tuition and fees, Net	$ 19,047	$ 19,765	$ 23,169
Auxiliary, Net	7,181	8,863	9,887
Grants and Contracts	26,786	23,739	17,706
Other	5,329	5,718	5,950
Total Operating Revenue	$ 58,343	$ 58,085	$ 56,712
Operating Expenses	125,468	138,061	116,976
Net Operating Loss	$ (67,125)	$ (79,976)	$ (60,264)
Non-Operating Revenues (Expenses):			
Governmental Appropriations	$ 57,626	$ 57,475	$ 53,322
Federal and State Student Aid	13,604	13,924	15,497
State Grant Revenue	7,431	7,816	4,897
Other Grants and Contracts	2,781	15,773	12,133
Gifts (including endowment and capital)	425	560	467
Investment and Endowment Income	(3,165)	(14,365)	(701)
Gain (Loss) on Disposition of Capital Assets	10	178	(13)
Other Income and Expense	(728)	(1,187)	(3,691)
Total Non-Operating Revenue	$ 77,984	$ 80,174	$ 81,911
Income before Other Revenues, Expenses, Gains or Losses	$ 10,859	$ 198	$ 21,647
Other Revenues, Expenses, Gains or Losses			
Capital Appropriations	1,005	1,005	21,027
Insurance Recovery on Capital Asset Impairment, Net	-	-	1,795
Increase in Net Position	$ 11,864	$ 1,203	$ 44,469
Net Position - Beginning of Year	476,967	475,764	430,966
Prior Period Adjustment for Change in Accounting Principle	-	-	329
Net Position - End of year	$ 488,831	$ 476,967	$ 475,764

- 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.

Fiscal Year 2022

Total University revenues of $140.5 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 slightly during 2022. The changes in revenue are related to the following activities:

- Student tuition and fees, net of scholarship allowances and bad debt, decreased $3.4 million. The decrease in tuition reflects the changing composition of the student enrollment model and related changes in the fee structure.

- Auxiliary revenues are generated primarily from student housing, bookstores, student activities, and workshops. Net auxiliary revenues decreased $1.0 million. This decrease was primarily related to the decline in residence hall occupancy and bookstore sales.

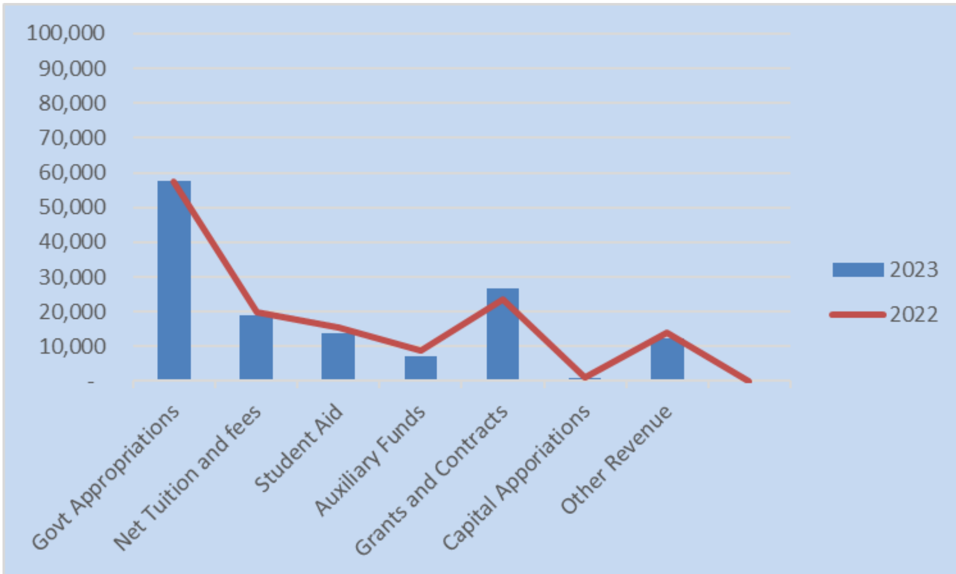
- Grants and contracts revenue increased approximately $6.0 million. This increase is related to the $3.0 million grant for the apprenticeship program under business and industry. The University also spent $2.3 million for phases two and three of Lilly's Charting the Future initiative and $640,000 in GEER funds from the State. The University received an estimated 61 percent of grant and contract revenue from federal agencies, 15 percent from state agencies, and 24 percent from nongovernmental agencies in fiscal year 2022.

- 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 University received $8.4 million from the Higher Education Emergency Relief Fund for the student portion. Funds were distributed to students using a formulated approach. The University also spent $5.1 million from the Higher Education Emergency Relief Fund for the institutional portion. The University's investment portfolio reflected a $16.1 million unrealized loss as a result of unfavorable market conditions. The State also increased their contribution to the Pre-1996 TRF pension plan resulting in a $3.0 million dollar increase in non-operating revenue.
The following is a graphic illustration of revenues by source (both operating and non-operating) used to fund the University for the years ended June 30, 2023 and 2022.

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, 2023 and 2022.

Revenue by Source
(in thousands of dollars)



Expenses

A comparative of the University's expenses for the years ending June 30, 2023, 2022, and 2021 is as follows:

EXPENSE BY NATURAL OBJECT	**2023**	*Restated* **2022**	**2021**
	(in thousands)	(in thousands)	(in thousands)
Operating:			
Compensation and benefits	$ 65,958	$ 72,334	$ 63,788
Supplies, services and equipment	38,252	34,758	30,101
Depreciation	17,359	15,575	13,580
Scholarships and fellowships	3,899	15,394	9,507
Total Operating Expenses	$ 125,468	$ 138,061	$ 116,976
Non-operating:			
Interest and other	728	1,187	3,703
Total Expenses	$ 126,196	$ 139,248	$ 120,679

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.

Fiscal Year 2022

For fiscal year 2022, total expenses of $139.2 million included operating expenses of $138.1 million and interest expense and other non-operating expenses of $1.1 million.

Operating expenses increased $21.1 million during fiscal year 2022. Significant changes include:

- Compensation and benefits increased $8.5 million from 2021 to 2022 as a result of the $6.8 million actuarial changes for the retiree postemployment benefits. The grantor’s trust experienced a $14.0 million decrease in investment income as a result of market conditions contributing to the increased costs. 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 State also increased their contribution to the Pre-1996 TRF pension plan resulting in a $3.0 million dollar increase in benefit costs.

- Overall, there is a $4.7 million increase in supplies, services and equipment which is directly related to expenditures incurred for the $3.0 million business and industry apprenticeship grant, the $1.1 million spent in Lilly grants, and an increase of $1.1 million in utility costs.

- Depreciation increased $2.0 million from the remaining additions of the French Quarter housing project and the replacement of the campus infrastructure. The University restated fiscal year 22 to record approximately $400,000 in subscription-based information technology arrangements (SBITAs).

- Scholarships and fellowships increased $5.9 million. This increase is directly related to the funds received from the Higher Education Emergency Relief Funds for the student disbursements.

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

The University has positioned itself to weather the uncertain times that our economy experiences. Prudent management, cost containment, conservative budgeting, and sensible investment strategies help ensure the University remains dedicated to its mission of teaching, and fulfilling its community service. We continuously strive to attract students, while increasing the intrinsic and 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 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.

The University must have campus facilities that are competitive to support the mission of the institution and scope of its programs and services. The University continues to execute its long-term plan to modernize and expand its teaching, and student facilities with a mix of new construction and technology. With State support, the University will build a new Center of Health Sciences and Active Learning to feature state-of-the-art clinical simulations. The projected opening date is Fall 2025.

Along with other institutions of higher education, employee retention and recruitment is an ongoing challenge for the University. With several major employee focused projects underway, the University is committed to reexamining the workplace and establishing a clear workforce strategy moving forward.

Health care is a continually changing environment. Health screenings and expanded wellness initiatives provide important information to employees for use in managing and improving personal health. The University continues to place emphasis on preventive health care to improve patient outcomes, create efficiencies and lower healthcare costs. Established over twenty years ago, the University has been able to utilize its grantors' health care trust in recent years to offset eligible retiree health care costs.

As Vincennes University blazes forward, fiscal year 2024 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, 2023 AND JUNE 30, 2022

	2023	*Restated* 2022
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 27,898,083	$ 74,660,636
Short-term Investments	51,183,313	5,505,333
Accounts Receivable (Less Allowance of $2,191,285 2023 and $2,186,022 2022)	6,711,411	6,836,587
Current Portion of Notes Receivable	91,793	259,331
Inventories	1,395,253	1,511,150
Accrued Interest Income	858,328	345,132
Prepaid Expenses	329,302	347,713
Total Current Assets	88,467,483	89,465,882
Non-current Assets		
Investments	157,133,094	152,364,058
Net Pension Asset	-	57,643
Derivative Instrument- Interest Rate Swap	-	3,891
Net OPEB Asset	23,207,768	2,178,552
Notes Receivable	24,005	62,456
Lease Receivable	237,437	253,280
Capital Assets, Net of Accumulated Depreciation	286,813,785	288,351,857
Total Non-current Assets	467,416,089	443,271,737
Total Assets	555,883,572	532,737,619
DEFERRED OUTFLOWS		
Deferral of Resources Indiana State Teachers Pension Plan	112,566	112,490
Deferral of Resources OPEB	7,014,607	13,522,808
Deferral of Bond Refunding Series N	10,198	12,655
Total Deferred Outflows	7,137,371	13,647,953
LIABILITIES		
Current Liabilities		
Accounts Payable	2,351,285	3,753,355
Accrued Payroll and Deductions Payable	1,826,324	3,511,621
Accrued Vacation Liability	1,358,844	1,320,652
Unearned Revenue	2,674,701	2,445,678
Accrued Interest on Debt	83,716	98,139
Bonds Payable	5,442,000	6,096,800
Lease Payable	335,904	288,409
Subscription Payable	1,033,780	364,456
Deposits	223,322	224,393
Deposits Held in Custody for Others	720	720
Other Liabilities	7,254,263	5,640,035
Total Current Liabilities	22,584,859	23,744,258
Non-current Liabilities		
Bonds Payable	24,169,600	29,530,600
Net Pension Liability	61,236	-
Lease Payable	5,515,996	5,429,694
Subscription Payable	1,997,881	578,990
Advances from Federal Government	328,555	379,290
Total Non-current Liabilities	32,073,268	35,918,574
Total Liabilities	54,658,127	59,662,832
DEFERRED INFLOWS		
Net Difference in the Projected and Actual Investments along with Indiana State Teachers 2016 Pension Contributions	125,896	258,569
Accumulated Increase in Fair Value of Hedging Derivatives	-	3,891
Net Differences in OPEB	19,121,657	9,144,557
Deferral of Leases	235,420	255,038
Deferral of Bond Refunding	48,545	93,832
Total Deferred Inflows	19,531,518	9,755,887
NET POSITION		
Net Investment in Capital Assets	248,198,823	245,902,559
Restricted for:		
Non-expendable:		
Scholarships & Instruction	2,379,586	2,379,586
Expendable:		
Capital Projects	2,954,903	6,750,226
Loan Funds	112,415	110,798
Scholarships, Grants & Instruction	3,980,077	3,878,781
Unrestricted	231,205,494	217,944,903
Total Net Position	$ 488,831,298	$ 476,966,853

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

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VINCENNES UNIVERSITY FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2023 and 2022

ASSETS	**June 30 2023**	**June 30 2022**
Current Assets		
Cash	$ 313,137	$ 367,172
Other Accounts Receivable	6,107	11,399
Accrued Interest Receivable	87,889	63,598
Prepaid Expense	23,499	22,835
Total Current Assets	430,632	465,004
Endowment Investments	41,406,653	38,517,724
Restricted Investments	75,424,421	73,536,739
Equipment	8,107	8,107
Accum. Deprec. - Equipment	(8,107)	(8,107)
Property	998,139	998,139
Total Assets	**$ 118,259,845**	**$ 113,517,606**
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	$ 5,286	$ 4,501
Vacation Accrual	14,239	12,189
Deferred Income Other	45,605	1,155
Due V.U. General Fund	10,040	10,453
Total Current Liabilities	75,170	28,298
Funds Held in Trust	66,302,664	63,777,814
Total Liabilities	66,377,834	63,806,112
Net Assets		
Without Donor Restrictions	3,910,571	3,733,392
With Donor Restrictions	47,971,440	45,978,102
Total Net Assets	51,882,011	49,711,494
Total Liabilities and Net Assets	**$ 118,259,845**	**$ 113,517,606**

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, 2023 AND JUNE 30, 2022

	2023		2022	
ASSETS	**Other Postemployment Benefit (OPEB) Trust**		**Other Postemployment Benefit (OPEB) Trust**	
Cash and Cash Equivalents	$	414,479	$	157,590
Accrued Interest Receivable	$	8,001	$	345
Investments at Fair Value:				
Equities	$	25,671,195	$	22,338,360
Mutual Funds	$	39,927,993	$	40,998,455
Total Investments	$	65,599,188	$	63,336,815
Total Assets	**$**	**66,021,668**	**$**	**63,494,750**
NET POSITION				
Restricted for:				
OPEB	**$**	**66,021,668**	**$**	**63,494,750**

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

VINCENNES UNIVERSITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023 AND JUNE 30, 2022

	2023	*Restated* 2022
Operating Revenues		
Student Tuition & Fees	$ 33,961,882	$ 33,336,591
Scholarship Allowance-Tuition & Fees	(14,914,787)	(13,571,474)
Grants and Contracts	26,785,678	23,739,225
Auxiliary Enterprises	12,369,710	12,352,081
Scholarship Allowance-Auxiliary Enterprises	(5,188,419)	(3,489,197)
Other Revenues	5,329,235	5,718,145
Total Operating Revenues	**$ 58,343,299**	**$ 58,085,371**
Operating Expenses		
Salaries and Wages	46,400,549	44,282,872
Benefits	19,556,990	28,050,938
Scholarships and Fellowships	3,899,249	15,394,356
Supplies and Other Services	35,515,655	31,799,832
Equipment	2,736,608	2,958,325
Depreciation	17,359,090	15,575,258
Total Operating Expenses	**$ 125,468,141**	**$ 138,061,581**
OPERATING LOSS	**$ (67,124,842)**	**$ (79,976,210)**
NON-OPERATING REVENUES (EXPENSES)		
Governmental Appropriations	57,626,089	57,474,468
Federal and State Student Aid	13,604,175	13,924,306
State Grant Revenue	7,431,582	7,815,734
Other Grants and Contracts	2,780,681	15,772,835
Gifts and Bequests	424,600	559,960
Investment Income	(3,164,647)	(13,068,743)
Endowment Income	(406)	(1,295,785)
Gain (Loss) on Disposition of Capital Assets	9,549	178,364
Interest & Other Costs on Capital Asset - Related Debt	(764,048)	(1,168,611)
Other Non-Operating Revenues (Expenses)	36,426	(18,742)
Total Non-Operating Revenues (Expenses)	**$ 77,984,001**	**$ 80,173,786**
Income before other revenues, expenses, gains or losses	**$ 10,859,159**	**$ 197,576**
OTHER REVENUES, EXPENSES, GAINS OR LOSSES		
Capital Appropriations	1,005,286	1,005,286
INCREASE IN NET POSITION	**$ 11,864,445**	**$ 1,202,862**
Net Position - Beginning of Year	**$ 476,966,853**	**$ 475,763,991**
Net Position - End of Year	**$ 488,831,298**	**$ 476,966,853**

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

VINCENNES UNIVERSITY FOUNDATION, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023
WITH COMPARATIVE FIGURES FOR 2022

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
SUPPORT AND REVENUE				
Contributions	$ 186,001	$ 703,821	$ 889,822	$ 852,191
Grants and Contracts	6,205	1,401,600	1,407,805	847,250
Other Income	61,148	196,333	257,481	260,744
Investment Income (Loss)	82,187	1,387,396	1,469,583	1,136,696
Unrealized Gain (Loss) on Investments	155,841	2,158,469	2,314,310	(7,447,660)
Administrative Income	367,303	-	367,303	330,788
Alumni Income & Community Series	-	90,570	90,570	94,548
Total Support and Revenue Before Releases	**$ 858,685**	**$ 5,938,189**	**$ 6,796,874**	**$ (3,925,443)**
Net Assets Released From Restrictions	**$ 3,944,851**	**$ (3,944,851)**	**-**	$ -
Total Support and Revenue	**$ 4,803,536**	**$ 1,993,338**	**$ 6,796,874**	**$ (3,925,443)**
EXPENSES				
Program Services	$ 3,766,766	$ -	$ 3,766,766	$ 4,248,585
Management and General	628,525	-	628,525	597,073
Fundraising	231,066	-	231,066	190,660
Total Expenses	**$ 4,626,357**	**$ -**	**$ 4,626,357**	**$ 5,036,318**
Total Change in Net Assets	**$ 177,179**	**$ 1,993,338**	**$ 2,170,517**	**$ (8,961,761)**
NET ASSETS, BEGINNING OF YEAR	**$ 3,733,392**	**$ 45,978,102**	**$ 49,711,494**	**$ 58,673,255**
NET ASSETS, END OF YEAR	**$ 3,910,571**	**$ 47,971,440**	**$ 51,882,011**	**$ 49,711,494**

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 YEARS ENDING JUNE 30, 2023 AND JUNE 30, 2022

	2023		2022	
ADDITIONS	**Other Postemployment Benefit (OPEB) Trust**		**Other Postemployment Benefit (OPEB) Trust**	
Contributions Received (Employer)	$	60,000	$	60,000
Investment Income				
Net Increase (Decrease) in the Fair Value of Investments		2,287,821		(9,004,345)
Interest and Dividends		2,262,440		1,570,517
Net Investment Income	$	4,550,261	$	(7,433,828)
Total Additions	$	4,610,261	$	(7,373,828)
Deductions				
Benefit Payments	$	2,043,706	$	2,044,388
Administrative Expenses		39,637		44,085
Total Deductions	$	2,083,343	$	2,088,473
Net Increase (Decrease) in Fiduciary Net Position	$	2,526,918	$	(9,462,301)
Net Position - Beginning	$	63,494,750	$	72,957,051
Net Position - Ending	**$**	**66,021,668**	**$**	**63,494,750**

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

VINCENNES UNIVERSITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023 AND JUNE 30, 2022

	2023	*Restated* 2022
CASH FLOWS FROM (FOR) OPERATING ACTIVITIES		
Tuition and Fees	$ 18,591,246	$ 20,679,636
Grants and Contracts	26,364,152	22,791,928
Payments to Suppliers	(37,848,774)	(33,610,722)
Payments to Employees	(47,510,978)	(44,152,431)
Payments for Benefits	(24,651,451)	(22,934,893)
Payments for Scholarships and Fellowships	(3,899,249)	(15,394,356)
Loans Issued to Students	-	-
Collection of Loans to Students	205,989	171,565
Repayments of Advances from Federal Government	(50,735)	(100,750)
Auxiliary Enterprise	7,203,422	9,013,167
Other Receipts	5,487,840	5,736,843
Net Cash Used in Operating Activities	$ (56,108,538)	$ (57,800,013)
CASH FLOWS FROM (FOR) NON-CAPITAL FINANCING ACTIVITIES		
Governmental Appropriations	$ 57,626,089	$ 57,474,468
Gifts and Grants for Other than Capital Purposes	25,336,911	45,911,176
Net Cash Provided by Non-capital Financing Activities	$ 82,963,000	$ 103,385,644
CASH FLOWS FROM (FOR) CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Capital Debt	$ 3,780,000	$ 31,250,000
Capital Appropriations	1,005,286	1,005,286
Capital grants and gifts received	-	-
Proceeds from Sale of Capital Assets	118,956	194,882
Purchases of Capital Assets and Construction	(12,417,064)	(18,858,964)
Bond Reserve Cash Returned (Deposited)	-	226,317
Principal Paid on Capital Lease	(510,514)	(445,299)
Principal Paid on Capital Subscription	(1,059,464)	(380,688)
Principal Paid on Capital Debt	(9,795,800)	(38,127,156)
Interest Paid on Capital Debt & Lease	(613,150)	(1,162,445)
Net Cash Used in Capital and Related Financing Activities	$ (19,491,750)	$ (26,298,067)
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES		
Proceeds from Sales and Maturities of Investments	$ 32,150,295	$ 61,622,040
Investment Income	5,576,518	3,251,381
Purchase of Investments	(91,852,078)	(57,825,560)
Net Cash Provided by (Used in) Investing Activities	$ (54,125,265)	$ 7,047,861
NET INCREASE (DECREASE) IN CASH	$ (46,762,553)	$ 26,335,425
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	74,660,636	48,325,211
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 27,898,083	$ 74,660,636

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

Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided by (Used in) Operating Activities:

Net Operating Revenues and Expenses	$ (67,124,842)	$ (79,976,210)
Adjustments to Reconcile Net Operating Revenues (Expenses) to Net Cash Provided by (Used in) Operating Activities		
Depreciation Expense	17,359,090	15,575,258
Changes in Assets and Liabilities:		
Receivables, Net	(1,033,834)	532,072
Other Receipts	(3,775)	(4,931)
Inventories	115,897	(103,626)
Other Assets	18,411	294,140
Student Loans	205,989	171,565
Advances from Federal Government	(50,735)	(100,750)
Advances from Federal Government	-	-
Net OPEB Asset	(4,543,916)	4,501,398
TRF Benefit	(13,870)	(32,842)
Accounts Payable and Accrued Liabilities	(1,436,017)	1,756,835
Unearned Income	229,023	(472,562)
Gifts in Kind	-	-
Cash Flows Reported in Other Categories:		
Cash Flows Reported in Other Categories:		
Other Non-Operating Revenues (Expenses)	170,041	59,640
Net Cash Used in Operating Activities	$ (56,108,538)	$ (57,800,013)

Supplemental Noncash Activities Information

The University has significant noncash activities related to unrealized interest of $8,953,772 and $16,579,060; right to use assets acquired with lease obligations of $486,804 and $4,678,019; and subscription-based technology assets acquired with!subscription obligations of $3,141,287 and $1,324,134 during fiscal years ended June 30, 2023 and 2022, respectively.

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

NOTES TO FINANCIAL STATEMENTS

VINCENNES UNIVERSITY

June 30, 2023

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, 2022, the University implemented the provisions of GASB Statement No. 87, *Leases* and for the fiscal year ending June 30, 2023, the University implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

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, 2023, the Foundation distributed $3,725,393 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 State 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. 87, *Leases*, was adopted in fiscal year 2022. In accordance with GASB 87 implementation guidance, the Statement's provisions were also applied to the University's comparative financial statements for fiscal year 2021. This GASB Statement is focused on improving accounting and financial reporting for leases. The new standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was adopted in fiscal year 2023. In accordance with GASB 96 implementation guidance, the Statement's provisions were also applied to the University's comparative financial statements for fiscal year 2022. 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 coveys 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. Included in these assets are the Net Pension Asset for the Indiana State Teacher's Pension Plan and the Net OPEB 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 accumulated changes in the fair value of hedging derivative instruments, the deferral of resources for the Indiana State Teacher's 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 covey 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. Deferred inflows of resources is an acquisition of net assets that is applicable to a future reporting period. These inflows include the Net Differences for the projected and actual investments for the Indiana State Teacher's Pension Plan, the OPEB Plan, and leases. Lease-related amounts are recognized at the inception of leases in which Vincennes University is the lessor and are recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease. Also included is the deferred inflows of resources from bond refunding

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, professional fees, 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.

<u>Scholarship Discounts and Allowances:</u> 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.

<u>Other Grants and Contracts:</u> The Coronavirus Aid, Relief, and Economic Security Act or, CARES Act, was passed by Congress on March 27th, 2020. This bill allotted funds to provide fast and direct economic aid to the American people negatively impacted by the COVID-19 pandemic. Subsequently, Congress allotted additional funding through the Coronavirus Response and Relief Supplemental Appropriations Act, 2021, or CRRSAA, and the American Rescue Plan, or ARP. Of that money, funds were given to the Office of Postsecondary Education as the Higher Education Emergency Relief Fund, or HEERF. To partially offset the financial impact to students and the losses incurred by the University due to the disruption caused by COVID 19, the University has been awarded these funds for fiscal years 2020-2023.

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

<u>Fiduciary Activities</u>: 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, 2023 and June 30, 2022, 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, 2023 and on June 30, 2022 equaled $27,898,083 and $74,660,636 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, 2023, the University had the following investments:

Investment Type	Market Value	Maturity Less than 1 Year	1-5 Years	6-10 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	-
	$ 208,316,407	$ 51,183,313	$ 70,895,457	$ 86,237,637

As of June 30, 2022, the University had the following investments:

Investment Type	Market Value	Maturity Less than 1 Year	1-5 Years	6-10 Years
Certificates of Deposits	$ -	$ -	$ -	$ -
U.S. Treasury Bonds	10,548,446	1,961,080	6,426,666	2,160,700
U.S. Government Agencies	146,906,026	3,544,253	118,346,585	25,015,188
Mutual Funds	414,919	-	414,919	-
	$ 157,869,391	$ 5,505,333	$ 125,188,170	$ 27,175,888

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, 2023 and June 30, 2022, the University was in compliance with its credit risk policy for all investments.

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
Total	$ 50,608,215	$ 12,821,641	$ 144,491,851	$ 394,700	$ 208,316,407

The Moody's credit ratings for the investments at June 30, 2022 were as follows:

Rating	Certificates of Deposit	U.S. Treasury Bonds	U.S. Government Agencies	Mutual Funds	Total
AAA	$ -	$ 10,548,446	$ 146,906,026	$ -	$ 157,454,472
AA	-	-	-	-	-
A	-	-	-	-	-
BBB	-	-	-	-	-
BB	-	-	-	-	-
Below BB	-	-	-	-	-
Not Rated	-	-	-	414,919	414,919
Total	$ -	$ 10,548,446	$ 146,906,026	$ 414,919	$ 157,869,391

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. There are currently no investments that represent 5 percent or more of the University's Net Assets being held at a single banking institution. 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, $10,459,501 of the U.S. Treasury Notes, $8,105,335 of the U.S. Government Agencies, and $397,700 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, 2023 and June 30, 2022:

FAIR VALUE MEASUREMENTS

		Fair Value Measurements Using		
June 30, 2023	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Investments by fair value level				
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	-	-
Total Investments	$ 157,708,192	$ 13,216,341	$ 144,491,851	$ -
Interest Rate Swaps	-	-	-	-
Total derivative instruments	$ -	$ -	$ -	$ -

		Fair Value Measurements Using		
June 30, 2022	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Investments by fair value level				
U.S. Treasury Bonds	$ 10,548,446	$ 10,548,446	$ -	$ -
Agency Securities	8,208,848	-	8,208,848	-
Agency Mortgage Securities	138,697,178	-	138,697,178	-
Mutual Funds	414,919	414,919	-	-
Total Investments	$ 157,869,391	$ 10,963,365	$ 146,906,026	$ -
Interest Rate Swaps	3,891	-	3,891	-
Total derivative instruments	$ 3,891	$ -	$ 3,891	$ -

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, 2023 and June 30, 2022.

Note 4 Accounts Receivable

Accounts Receivable are primarily comprised of the following at June 30:

	2023	2022
Student Tuition	$ 4,311,741	$ 3,505,712
Auxiliaries	788,888	884,933
Grants and Contracts	3,220,656	3,925,620
Other Receivable	581,411	706,344
Total Accounts Receivable	8,902,696	9,022,609
Allowance for Doubtful Accounts	(2,191,285)	(2,186,022)
Net Accounts Receivable	$ 6,711,411	$ 6,836,587

Note 5 Inventories

Inventories are stated at the lower of cost or market value. As of June 30, 2023 and 2022, total inventories were valued at $1,395,253 and $1,511,150. Of these totals, the bookstore's inventory was $1,033,721 and $1,135,668, respectively.

Note 6 - Derivative Instruments

During the year ended June 30, 2023, the University refinanced the Vincennes University Fee Bonds, Series I that were issued on December 23, 2008 and terminated its sole interest rate swap, resulting in a $128,058 of refunded savings with a SWAP asset termination settlement of $21,777.

The fair value balance and notional amount of the derivative instrument outstanding on June 30, 2022, classified by type and the changes in fair value of such derivative instrument for the year ended as reported in the comparative financial statements are as follows:

	Changes in Fair Value		Fair Value at June 30, 2022		Current Notional Amount
	Classification	Amount	Classification	Amount	
Cash flow hedge:					
Pay-fixed interest rate swap	Pay Fixed Interest Rate Swap	$230,914	Deferred Inflow of Resources	$3,891	$ 3,700,000

As of June 30, 2022, the University determined that the pay-fixed interest rate swap met the criteria for effectiveness. The pay-fixed, receive-variable interest rate swap is designed to synthetically fix the cash flows on the variable rate bonds. The fair value of the interest rate swap was estimated based on the present value of their estimated future cash flows.

The following tables display the objective and terms of the University's hedging derivative instrument outstanding as of June 30, 2022, along with the credit rating of the associated counterparty:

As of June 30, 2022:

Type	Objective	Current Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2009 Series I Bonds	$3,700,000	12/23/08	12/01/28	65% of 6 mo. USD-LIBOR-BBA w/ 1 Day Look back + 208.00 bps	Aa3

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, 2022, the University is in compliance with its credit risk policy for all investments. As of June 30, 2022, the fair value of the hedging derivative instrument was $3,891, representing an asset position. Since both the derivative instrument and the debt being hedged are with the same counterparty, there is no credit risk exposure since the fair value of the derivative instrument would be netted against the payoff of the debt.

Interest Rate Risk: Interest Rate Risk is the risk that changes in interest rates will adversely impact the fair market value of the derivative instrument. On its pay-fixed, receive-variable interest rate swap, the University will be negatively impacted by the lower rate environment, which will decrease the fair market value of its derivative instrument. The derivative instrument fixes the hedged debt at 4.09%.

Basis Risk: Basis Risk is the risk that the University may lose cash flows because of the differences in the indexes upon which the derivative instrument and the item it hedges are based. The University is not exposed to basis risk since the derivative instrument and the debt being hedged are both based on the six-month USD London InterBank Offered Rate (LIBOR) -BBA index.

Termination risk: The University or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract. The University is also exposed to termination risk if the student fee bonds are prepaid or partially prepaid, but only to the extent the notional amount of the swap transaction exceeds the remaining amount after the prepayment of the student fee bond.

Rollover Risk: Rollover Risk is the risk that the maturity of the derivative instrument is shorter than the maturity of the associated debt. Since both the derivative instrument and the debt being hedged have identical maturity dates, there is no rollover risk to the University.

NOTE 7 CAPITAL ASSETS

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

2023

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Capital Assets not being depreciated:					
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
Total Capital Assets not being depreciated	**29,145,862**	**7,454,747**	**1,530**	**(11,212,975)**	**25,386,104**
Capital Assets being depreciated:					
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
Total Capital Assets being depreciated	**433,666,134**	**8,641,114**	**2,580,277**	**11,212,975**	**450,939,946**
Less Accumulated Depreciation for:					
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
Total Accumulated Depreciation	**174,460,139**	**17,359,090**	**2,306,964**	**-**	**189,512,265**
Total Capital Assets being depreciated, net	**259,205,995**	**(8,717,976)**	**273,313**	**11,212,975**	**261,427,681**
Capital Assets, net	**$ 288,351,857**	**$ (1,263,229)**	**$ 274,843**	**$ -**	**$ 286,813,785**

2022

	Beginning Balances	Increases	Decreases	Transfers	Restated Ending Balances
Capital Assets not being depreciated:					
Land	$ 23,446,459	$ 77,536	$ 44,653	$ -	$ 23,479,342
Construction in Progress	19,093,900	13,521,486	-	(26,948,866)	5,666,520
Total Capital Assets not being depreciated	**42,540,359**	**13,599,022**	**44,653**	**(26,948,866)**	**29,145,862**
Capital Assets being depreciated:					
Building and Improvements	339,778,583	446,044	-	26,765,068	366,989,695
Equipment	54,909,826	4,904,508	744,971	183,798	59,253,161
Leased Asset - Building	1,421,125	4,678,019	-	-	6,099,144
Subscription - Equipment	-	1,324,134	-	-	1,324,134
Total Capital Assets being depreciated	**396,109,534**	**11,352,705**	**744,971**	**26,948,866**	**433,666,134**
Less Accumulated Depreciation for:					
Building & Improvements	124,309,673	9,954,442	-	-	134,264,115
Equipment	35,197,638	4,825,246	722,988	-	39,299,896
Leased Asset - Building	100,558	396,735	-	-	497,293
Subscription - Equipment	-	398,835	-	-	398,835
Total Accumulated Depreciation	**159,607,869**	**15,575,258**	**722,988**	**-**	**174,460,139**
Total Capital Assets being depreciated, net	**236,501,665**	**(4,222,553)**	**21,983**	**26,948,866**	**259,205,995**
Capital Assets, net	**$ 279,042,024**	**$ 9,376,469**	**$ 66,636**	**$ -**	**$ 288,351,857**

NOTE 8 Non-Current Liabilities

The non-current liability activity for the fiscal years ended June 30, 2023 and 2022 are summarized as follows:

	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
Total Non-current Liabilities	**$ 35,918,574**	**$ 1,647,429**	**$ 5,492,735**	**$ 32,073,268**

	Restated **Balance June 30, 2021**	Additions	Reductions	***Restated*** **Balance June 30, 2022**
Bonds Payable, Net of Unamortized Premium and Discount	$ 35,923,447	$ -	$ 6,392,847	$ 29,530,600
Net Pension Liability	11,870	-	11,870	-
Derivative Instrument - Interest Rate Swap	227,023	-	227,023	-
Advances from Federal Government	480,040	-	100,750	379,290
Lease Payable	1,240,794	4,188,900	-	5,429,694
Subscription Payable	-	578,990	-	578,990
Total Non-current Liabilities	**$ 37,883,174**	**$ 4,767,890**	**$ 6,732,490**	**$ 35,918,574**

* GASB Statement No. 87, *Leases,* was implemented in fiscal year 2022. Lease Payable reflects required restatement for impact of GASB 87 in fiscal year 2021, the beginning year for implementation.

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 9 Long Term Debt

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 Bonds, Series 2021	1.430%	8,725,000	8,505,000	1,065,000	7,440,000	870,000
Total Bonds Payable			$ 35,627,400	$ 9,795,800	$ 29,611,600	$ 5,442,000
Unamortized Bond Premium (Discount)						
Due Within One Year			(6,096,800)		(5,442,000)	
Total Long Term Liabilities			$ 29,530,600		$ 24,169,600	
Unamortized Deferred Outflow for Series N			(12,655)		(10,198)	
Unamortized Deferred Inflow for Series N			93,832		48,545	

Long-term debt activity for the years ended June 30, 2022, and June 30, 2021 is summarized as follows:

			Direct Placement				Other Debt			
	Interest Rate	Amount Issued	Amount Outstanding June 30, 2021	Amount Retired/Refunded * 2021-22	Amount Outstanding June 30, 2022	Amount Due Within One Year	Amount Outstanding June 30, 2021	Amount Retired/Refunded * 2021-22	Amount Outstanding June 30, 2022	Amount Due Within One Year
Dormitory and Dining Facilities Revenue Bonds of 1983, Series A	3.000%	$ 5,000,000					$ 420,000	$ 420,000 *	$ -	$ -
Auxiliary Facilities System Revenue Bonds, Series 2006	4.126%	13,440,000					645,000	645,000	-	-
Auxiliary Facilities System Revenue Bonds, Series 2009	4.728%	10,160,000					5,655,000	5,655,000 *	-	-
Auxiliary Facilities System Revenue Bonds, Series 2013	3.630%	4,526,800	$ 3,284,000	$ 3,284,000 *	$ -	$ -				
Student Fee Bonds, Series H	4.373%	4,545,000					1,840,000	1,840,000 *	-	-
Student Fee Bonds, Series I	4.090%	9,095,000	4,210,000	510,000	3,700,000	520,000				
Student Fee Bonds, Series J	3.858%	26,795,000					5,825,000	5,825,000 *	-	-
Student Fee Bonds, Series K	3.160%	5,895,000	2,276,000	427,000	1,849,000	441,000				
Student Fee Bonds, Series L	2.350%	8,045,000	3,836,000	552,600	3,283,400	565,800				
Student Fee Bonds, Series M-1	2.730%	10,000,000	7,725,620	7,725,620 *	-	-				
Student Fee Bonds, Series M-2	2.420%	10,000,000	6,787,935	6,787,935 *	-	-				
Student Fee Bonds, Series N	1.170%	22,525,000	-	4,235,000	18,290,000	3,505,000				
Auxiliary Facilities System Revenue Bonds, Series 2021	1.430%	8,725,000	-	220,000	8,505,000	1,065,000				
Total Bonds Payable			$ 28,119,555	$ 23,742,155	$ 35,627,400	$ 6,096,800	$ 14,385,000	$ 14,385,000	$ -	$ -
Unamortized Bond Premium (Discount)							126,301			
Due Within One Year			(2,777,409)		(6,096,800)		(3,930,000)	-	-	
Total Long Term Liabilities			$ 25,342,146		$ 29,530,600		$ 10,581,301	$ -	$ -	
Unamortized Deferred Outflow for Series N					(12,655)		-	-	-	
Unamortized Deferred Inflow for Series N					93,832					

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 2006, were issued in February 2006 by the Board of Trustees to refund the University's outstanding 1989, 1991, and 1996 series bonds for the construction of Vanderburgh and Godare Residence Halls. These bonds matured in December 2021.

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 Vanderburgh 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, 2023			
	Fixed Rate Bonds Total		Total
Fiscal Year Ending June 30,	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
	$ 29,611,600	$ 1,397,285	$ 31,008,885

ANNUAL DEBT SERVICE REQUIREMENTS AS OF JUNE 30, 2022						
	Fixed Rate Bonds Total		Variable Rate Bonds		Hedging Derivatives, Net	Total
Fiscal Year Ending June 30,	Principal	Interest	Principal	Interest		
2023	$ 5,576,800	$ 441,300	$ 520,000	$ 79,901	$ 66,112	$ 6,684,113
2024	4,934,000	360,425	540,000	68,150	56,390	5,958,965
2025	5,021,800	284,105	560,000	55,953	46,297	5,968,155
2026	5,101,200	206,338	580,000	43,307	35,834	5,966,679
2027	5,196,600	124,114	1,500,000	50,357	41,668	6,912,739
2028-2032	5,582,000	144,219	-	-	-	5,726,219
2033-2034	515,000	7,043	-	-	-	522,043
	$ 31,927,400	$ 1,567,544	$ 3,700,000	$ 297,668	$ 246,301	$ 37,738,913

Note 10 - 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 $6,515,500 and $6,099,144 at June 30, 2023 and 2022, respectively. Accumulated amortization totaled $913,881 and $497,293 at June 30, 2023 and 2022, respectively.

The amount of lease assets by major classes of underlying assets at June 30, 2023 and 2022, respectively, are as follows:

	Right-to-Use Asset	
Asset Class	June 30, 2023	June 30, 2022
Buildings, Net	$ 5,601,619	$ 5,601,851
	$ 5,601,619	$ 5,601,851

As of June 30, 2023, the scheduled fiscal year maturities of lease liabilities and related interest expense are as 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
	$ 5,851,900	$ 1,779,710

As of June 30, 2022, the scheduled fiscal year maturities of lease liabilities and related interest expense are as as follows:

Fiscal Year Ending June 30	Principal	Interest
2023	$ 288,409	$ 180,278
2024	322,621	171,611
2025	337,047	162,101
2026	320,278	152,465
2027	264,537	143,379
2028-2032	1,494,208	577,792
2033-2037	1,547,515	315,484
2038-2042	1,143,488	81,511
	$ 5,718,103	$ 1,784,621

Note 10 - Lessee and Lessor Arrangements - continued

Lessor Arrangements

The University leases space on its cell tower to the Integrated Public Safety Commission. In accordance with GASB Statement No. 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 rate 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, 2023 and 2022, the University recognized revenue, including interest income, related to this lease agreement totaling $28,367 and $28,852, respectively.

Note 11 - Subscription-Based Information Technology Arrangements

The University engaged in subscription-based information technology arrangements with vendors during fiscal years 2022 and 2023. 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 $4,465,421 and $1,324,134 at June 30, 2023 and 2022, respectively. Accumulated amortization totaled $1,468,359 and $398,835 at June 30, 2023 and 2022, respectively. Commitments under SBITAs before the commencement of subscription term totaled $26,900 and $52,000 for fiscal years 2023 and 2022, 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, 2023 and 2022, respectively, are as follows:

	Right-to-Use Asset	
Asset Class	June 30, 2023	June 30, 2022
Net Equipment (Software)	$ 2,997,062	$ 925,299
	$ 2,997,062	$ 925,299

As of June 30, 2023, the scheduled fiscal year maturities of software subscription liabilities and related interest expense are as 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	-	-
	$ 3,031,661	$ 179,022

As of June 30, 2022, the scheduled fiscal year maturities of software subscription liabilities and related interest expense are as as follows:

Fiscal Year Ending June 30	Principal	Interest
2023	$ 364,456	$ 6,392
2024	394,308	2,809
2025	163,824	859
2026	20,858	129
2027	-	-
2028-2032	-	-
2033-2037	-	-
2038-2042	-	-
	$ 943,446	$ 10,189

Note 12 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 $5,384,985 as of June 30, 2023 and $5,276,867 as of June 30, 2022. The Opal C. Ramsey fund held $4,104,574 of the total funds as of June 30, 2023 and $4,009,925 at June 30, 2022.

NOTE 13 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, 2023, there were 693 employees were covered by TIAA. During 2022-23, Vincennes University contributed $4,066,142 to TIAA on the employees' behalf for wages totaling $41,162,364.

On June 30, 2022, 693 employees were covered by TIAA. During 2021-22, Vincennes University contributed $3,772,076 to TIAA on the employees' behalf for wages totaling $38,432,328.

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 14 – TRF Pension Plans

General Information about the Teachers' Retirement Pension Plans

General Plan Description The Indiana 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.

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 two components: TRF Pre-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. 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. No member contributions are required.

The Actuarially Determined Contribution (ADC) for TRF Pre-96 DB was $1,600.6 million in 2021. This includes the base appropriation of $946.6 million and $30.0 million of lottery proceeds to fund the supplemental reserve account for postretirement benefits, and $2.3 million of employer contributions from grant monies. In addition, HEA 1001-2021 granted a special appropriation of $600.0 million in fiscal year 2021. No member contributions are required.

For the fiscal year ending June 30, 2022, there were 26 employees participating in the plan with annual pay equal to $1,478,888 and for the fiscal year ending June 30, 2021, there were 31 employees participating in the plan with annual pay equal to $1,975,732. The University contributed at an actuarially determined under the entry age normal cost to be 5.5 percent of covered payroll in 2022 and 2021.

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 $128,243 and $170,090 for the fiscal years ended June 30, 2022 and June 30, 2021.

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

On June 30, 2023 and June 30, 2022, Vincennes University reported a liability of zero dollars. The State's proportionate share of the net pension liability is 100%. 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.

In the 2021 actuarial study, reported in the University's 2022 financial statements, standard actuarial roll forward techniques were used to project the total pension liability computed as of June 30, 2020 to the June 30, 2021 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.

For the years ended June 30, 2023 and June 30, 2022, the University recognized pension expense totaling $7,431,582 and $7,815,734, along with non-operating revenue in the same amount for the State's contribution.

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 two components: 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 2022, all participating employers in the TRF 1996 Account were required to contribute 5.50 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. During fiscal year 2021, all participating employers in the TRF 1996 Account were required to contribute 5.50 percent of the covered payroll in which the University contributed $24,602 based on payroll totaling $447,309 for seven 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 $31,948 and $38,021 for the fiscal years ended June 30, 2022 and June 30, 2021.

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

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.

At June 30, 2022, Vincennes University reported an asset of $57,643 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, 2020 to the June 30, 2021 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, 2021, the University's proportion was .01227 percent.

For the years ended June 30, 2023 and June 30, 2022, VU recognized pension expense of $8,986 and $(12,698) respectively. On June 30, 2022 and June 30, 2021, VU reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

2023

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
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	-
Totals	$ 112,566	$ 125,896

Employer contributions totaling $22,856 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, 2024.

2022

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 16,535	$ 18,936
Changes of assumptions	75,678	31,932
Net difference between projected and actual earnings on pension plan investments	-	102,450
Changes in proportion and differences between employer contributions and proportionate share of contributions	133	105,251
Employer contributions subsequent to the measurement date	20,144	-
Totals	$ 112,490	$ 258,569

Employer contributions totaling $20,144 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, 2023.

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)

In the 2021 actuary study, reported in the University’s 2022 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:	
2022	$ (36,551)
2023	(33,493)
2024	(32,650)
2025	(38,951)
2026	(9,801)
Thereafter	(14,777)

<u>The 2022 Sensitivity of the University’s proportionate share of the net pension liability to changes in the discount rate (as reported in the 2021 Actuarial Report)</u> 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	$ 106,609	$ (57,643)	$ (190,115)

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 of 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 Equity	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.

Actuarial Assumptions for TRF Pre-1996 and TRF 1996 for 2022

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Asset Valuation Date	June 30, 2021
Liabilities	June 30, 2020- Member census data as of June 30, 2020 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2020 and June 30, 2021.
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%	7.3%
Fixed Income - Ex Inflation -Linked	20.00%	1.5%
Fixed Income - Inflation-Linked	15.00%	-0.3%
Commodities	10.00%	0.8%
Real Estate	10.00%	4.2%
Absolute Return	5.00%	2.5%
Risk Parity	20.00%	4.4%
Leverage Offset	-15.00%	-1.4%

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 15 Other Postemployment Benefits

This note reports the other postemployment benefits for fiscal years 2023 and 2022.

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, 2023 and 2022, the number of employees covered by the benefit terms:

	2023	2022
Active Employees	691	687
Inactive or beneficiaries currently receiving benefit payments	279	285
Total	970	972

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 2023 and 2022, the University drew $2 million each year 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, 2023 and 2022, 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, 2023 and 2022, were determined based on an actuarial valuation date of July 1, 2022 projected to July 1, 2023 for 2023 and July 1, 2021 for 2022 using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal Level Percentage of Salary
- Inflation Rate - 2.00%

- Payroll Growth – Merit increases based on the Public Employees Retirement Fund Actuarial Valuation as of 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 5.60% as of June 30, 2023 and 3.70% as of June 30, 2022 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 the standard withdrawal table Saranson T-9 adjusted to reflect the University's actual withdrawal experience in 2018 through 2022.

- Healthcare cost trend rates: For 2023, based on the actual rate of increase from the medical premium rates effective January 1, 2022 to those effective January 1, 2023, 7.0 percent for 2024 and 6.50 percent for 2025, decreasing .5 percent per year to an ultimate rate of 4.50 percent for 2029 and later years.

- Mortality Rates – For 2023 and 2022, 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, 5.60% for 2023 and 3.70% for 2022. 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 assumed to be 5.60% for 2023 and 3.70% for 2022. This was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. 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 2023 and 2022. The combined long-term expected rate of return are summarized below:

Asset Class	Target Allocation	2023 L/T Expected ROR	2022 L/T Expected ROR
U.S. Broad Equity	26.00%	7.40%	6.60%
Global ex-U.S. Equity	8.00%	7.50%	6.80%
Core U.S. Fixed	41.00%	4.20%	1.70%
Short Duration Fixed Income	20.00%	3.80%	1.50%
Cash Equivalents	5.00%	2.80%	1.20%
Total	100.00%	5.60%	3.70%

Changes in Net OPEB Liability (Asset) –The following table reports the components of 2023 changes in net OPEB (asset):

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (Asset)
Beginning Balance	$ 61,316,198	$ 63,494,750	(2,178,552)
Changes for the Year:			
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)
Change of 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
Net Change	$ (18,502,298)	$ 2,526,918	$ (21,029,216)
Ending Balances	**$ 42,813,900**	**$ 66,021,668**	**$ (23,207,768)**

The following table reports the components of 2022 changes in net OPEB liability (asset):

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (Asset)
Beginning Balance	$ 52,492,435	$ 72,957,051	$ (20,464,616)
Changes for the Year:			
Service Cost	396,807	-	396,807
Interest	1,915,299	-	1,915,299
Difference between expected and actual experience	4,797,997	-	4,797,997
Change of benefit terms	3,611,633	-	3,611,633
Changes in assumptions	371,465	-	371,465
Benefit Payments	(2,269,438)	(2,269,438)	-
Contributions - Employer		285,050	(285,050)
Net Investment Income		(7,433,828)	7,433,828
Administrative expense		(44,085)	44,085
Net Change	$ 8,823,763	$ (9,462,301)	$ 18,286,064
Ending Balances	**$ 61,316,198**	**$ 63,494,750**	**$ (2,178,552)**

Sensitivity Results The following presents the Net OPEB Liability (Asset) as of June 30, 2023 and 2022, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

As of June 30, 2023	Net OPEB Asset	As of June 30, 2022	Net OPEB Liability (Asset)
1% Decrease 4.60%	$ (18,244,887)	1% Decrease 2.70%	$ 6,455,194
Current Discount Rate 5.60%	$ (23,207,768)	Current Discount Rate 3.70%	$ (2,178,552)
1% Increase 6.60%	$ (27,369,698)	1% Increase 4.70%	$ (9,243,787)

The following presents the Net OPEB Liability (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, 2023	Net OPEB Asset
1 % Decrease	$ (27,332,454)
Current Trend Rates	$ (23,207,768)
1% Increase	$ (18,346,429)

The following presents the Net OPEB Asset as of June 30, 2022, 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 7.50%, decreasing to an ultimate rate of 4.50%.
- The 1% decrease in health care trend rates would assume an initial rate of 6.50%, decreasing to an ultimate rate of 3.50%.
- The 1% increase in health care trend rates would assume an initial rate of 8.50%, decreasing to an ultimate rate of 5.50%.

As of June 30, 2022	Net OPEB Liability (Asset)
1 % Decrease	$ (8,607,924)
Current Trend Rates	$ (2,178,552)
1% Increase	$ 5,544,506

Deferred Outflows / (Inflows) of Resources For the years ending June 30, 2023 and 2022, the University recognized OPEB expenses/negative expenses of ($3,842,624) and $4,786,449. The University reported deferred outflows of resources and deferred inflows of resources related OPEB from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 2,878,799	$ (7,865,515)	$ 5,437,021	$ (8,119,774)
Changes in Assumptions	2,721,384	(11,256,142)	4,175,457	(1,024,783)
Net difference between projects and actual earnings on OPEB plan investments	1,414,424	-	3,910,330	-
Total	$ 7,014,607	$ (19,121,657)	$ 13,522,808	$ (9,144,557)

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

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

Year Ended June 30, 2022		Amount
2023	$	(38,544)
2024	$	(592,868)
2025	$	1,956,560
2026	$	3,053,103
2027	$	-
Thereafter	$	-

Note 16 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 $744,477 for the fiscal year 2022-23. The estimated liability for the fiscal year 2021-22 was $658,533.

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, 2023 and 2022 were as follows:

	2023	2022
Balance, beginning of year	$ 658,533	$ 1,102,779
Claims incurred	11,544,091	11,182,191
Claim payments	(11,458,147)	(11,626,437)
Balance, end of year	$ 744,477	$ 658,533

Note 17 Deposits Held in Custody of Others

At June 30, 2023 and 2022, deposits held by the University for others were $720. The deposits are held by the University for external events.

NOTE 18 Functional Statement

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

2023

	Salaries and Benefits	Scholarships Fellowships/	Supplies and Other Services	Equipment	Depreciation	Total
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
Total Operating expenses	$ 65,957,539	$ 3,899,249	$ 35,515,655	$ 2,736,608	$ 17,359,090	$ 125,468,141

2022

	Salaries and Benefits	Scholarships Fellowships/	Supplies and Other Services	Equipment	Depreciation	*Restated* Total
Instruction	$ 37,229,218	$ -	$ 13,769,981	$ 1,873,219	$ -	$ 52,872,418
Academic Support	4,020,545	-	1,255,456	160,400	-	5,436,401
Public Service	6,200,583	-	3,402,123	162,385	-	9,765,091
Student Service	4,441,674	-	2,243,998	54,609	-	6,740,281
Operation and Maintenance of Plant	3,794,524	-	4,072,481	477,220	-	8,344,225
Institutional Support	13,539,234	-	1,487,827	93,787	-	15,120,848
Depreciation	-	-	-	-	15,575,258	15,575,258
Auxiliary Enterprises	3,108,032	-	5,567,966	136,705	-	8,812,703
Student Aid Expense	-	15,394,356	-	-	-	15,394,356
Total Operating expenses	$ 72,333,810	$ 15,394,356	$ 31,799,832	$ 2,958,325	$ 15,575,258	$ 138,061,581

Note 19 - Changes in Accounting Principles

GASB Statement 96, *Subscription-Based Information Technology Arrangements*

Effective for the fiscal year ended June 30, 2023, the University adopted GASB Statement 96, *Subscription-Based Information Technology Arrangements*, (GASB). This statement establishes new requirements for calculating and reporting the University's subscription based IT arrangements. The adoption of GASB 96 has been reflected using an implementation date of July 1, 2021, the beginning of the earliest period presented in the University's comparative financial statements. As a result, the University right-to-control assets totaled $1,324,134, and related accumulated amortization of $398,835, at June 30, 2022.

Subscription payable was recorded totaling $943,446.

These balances were calculated using the facts and circumstances that existed at July 1, 2021, as prescribed by GASB 96. There was no impact to the beginning net position at July 1, 2021.

Beginning net position as of July 1, 2022 was restated for the effects of the University's adoption of GASB 96 as follows:

	June 30, 2022 as originally reported	GASB 96 Impact	July 1, 2022 as Restated
Current assets	$ 89,465,882	$ -	$ 89,465,882
Noncurrent assets	442,346,438	925,299	443,271,737
Total assets	531,812,320	925,299	532,737,619
Deferred outflows of resources	13,647,953	-	13,647,953
Current liabilities	23,379,802	364,456	23,744,258
Noncurrent liabilities	35,339,584	578,990	35,918,574
Total liabilities	58,719,386	943,446	59,662,832
Deferred inflows of resources	9,755,887	-	9,755,887
Net Position	$ 476,985,000	$ (18,147)	$ 476,966,853

Note 20 - 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, 2023		June 30, 2022	
	COST	MARKET	COST	MARKET
Without Donor Restrictions	$ 2,481,684	$ 2,588,810	$ 2,278,641	$ 2,371,197
With Donor Restrictions	108,474,289	114,242,264	108,498,915	109,683,266
TOTALS	$ 110,955,973	$ 116,831,074	$ 110,777,556	$ 112,054,463
Investments composed of:				
Money Market Funds	$ 1,144,936	$ 1,144,936	$ 2,629,741	$ 2,629,741
Bonds	12,328,689	11,266,696	11,260,753	10,421,118
Mutual Funds:				
Equity	41,856,829	53,980,801	38,030,160	44,979,104
Fixed Income	54,201,554	49,162,787	58,856,902	54,024,500
Balanced	1,423,965	1,275,854	-	-
TOTALS	$ 110,955,973	$ 116,831,074	$ 110,777,556	$ 112,054,463

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*

	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%
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%
4. Employer's covered-employee payroll	$ 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
6. Plan fiduciary net position as a percentage of the total pension liability**	36.40%	35.40%	26.20%	26.10%	25.40%	23.10%	22.60%	23.60%	25.90%

*GASB Statement No. 68 requires disclosure of a 10-year schedule. The financial statement information was not available prior to those presented.
Additional years will be included in future reports as data becomes available.

**Adjusted to reflect DB activity only due to the DB/DC split effective January 1, 2018.
Measurement Dates were 6/30/2022, 6/30/2021, 6/30/2020, 6/30/2019, 6/30/2018, 6/30/2017, 6/30/2016, 6/30/2015 and 6/30/2014.

Schedule of Employer Contributions
Teachers' Retirement Fund Pre-1996 Accounts (TRF Pre-1996)
Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	$ 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	$ 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	$ 1,478,888	$ 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	5.50%	5.50%	5.50%	7.50%	7.50%	7.50%	7.50%	5.63%	3.75%

*Complete data for this schedule is not available prior to 2014.

Schedule of Employer's Share of Net Pension Liability

Teachers' Retirement Fund 1996 Accounts (TRF 1996)
Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
1. Employer's proportion of the net pension liability (asset)	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)	$ 61,236	$ (57,643)	$ 11,870	$ (29,192)	$ 31,654	$ 207,930	$ 283,095	$ 216,002	$ 25,064
3. Employer's covered-employee payroll	$ 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	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**	91.90%	106.20%	98.80%	102.40%	98.00%	88.00%	84.90%	88.90%	98.80%

*Complete data for this schedule is not available prior to 2014.

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

Measurement Dates were 6/30/2022, 6/30/2021, 6/30/2020, 6/30/2019, 6/30/2018, 6/30/2017, 6/30/2016, 6/30/2015 and 6/30/2014.

Schedule of Employer Contributions

Teachers' Retirement Fund 1996 Accounts (TRF 1996)
Last 10 Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	$ 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	$ 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	$ 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	5.50%	5.50%	5.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%

* Complete data for this schedule is not available prior to 2014.

RSI Notes for TRF Pre-1996 and TRF 1996

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 was modified pursuant to HEA 1059. Previously, Indiana statute generally required TRF members to have 15 years of service to qualify for a survivor benfit prior to retirement. Statute now allows a qualifiying 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 was 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.

* GASB Statement No. 68 requires disclosure of a 10-year schedule. The financial statement information was not available prior to those presented. Additional years will be included in future reports as data becomes available.

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

Measurement Dates were 6/30/2022, 6/30/2021, 6/30/2020, 6/30/2019, 6/30/2018, 6/30/2017, 6/30/2016, 6/30/2015 and 6/30/2014.

Required Supplementary Information

Vincennes University Healthcare Plan
Schedule of Changes in Net OPEB Liability and Related Ratios ***

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	$ 366,421	$ 396,807	$ 323,802	$ 376,951	$ 382,426	$ 270,195
Interest	2,233,036	1,915,299	2,260,402	3,242,584	2,718,431	3,310,012
Change in benefit terms	0	3,611,633	-	-	-	-
Change in assumptions	(14,070,177)	371,465	5,593,625	1,305,275	(5,123,923)	14,553,977
Differences between expected and actual experience	(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	(2,684,997)	(2,269,438)	(2,407,228)	(3,013,396)	(2,404,802)	(2,509,814)
Net Change in Total OPEB Liability	(18,502,298)	8,823,763	2,486,989	(13,462,598)	3,565,255	8,014,565
Total OPEB Liability - Beginning (a)	61,316,198	52,492,435	50,005,446	63,468,044	59,902,789	51,888,224
Total OPEB Liability - Ending (a)	$ 42,813,900	$ 61,316,198	$ 52,492,435	$ 50,005,446	$ 63,468,044	$ 59,902,789
Plan Fiduciary Net Position						
Contributions - employer	$ 701,291	$ 285,050	$ 415,971	$ 3,036,891	$ 2,415,203	$ 2,534,150
Contributions - member	0	-	-	-	-	-
Net Investment income	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	(2,684,997)	(2,269,438)	(2,407,228)	(3,013,396)	(2,404,802)	(2,509,814)
Administrative expense	(39,637)	(44,085)	(50,369)	(47,897)	(44,937)	(49,184)
Net Change in Plan Fiduciary Net Position	2,526,918	(9,462,301)	8,662,223	1,898,016	2,803,554	1,972,371
Plan Fiduciary Net Position - Beginning (b)	63,494,750	72,957,051	64,294,828	62,396,812	59,593,258	57,620,887
Plan Fiduciary Net Position - Ending (b)	$ 66,021,668	$ 63,494,750	$ 72,957,051	$ 64,294,828	$ 62,396,812	$ 59,593,258
Net OPEB Liability (Asset) Beginning (a) - (b)	$ (2,178,552)	$ (20,464,616)	$ (14,289,382)	$ 1,071,232	$ (309,531)	$ 5,732,663
Net OPEB Liability (Asset) Ending (a) - (b)	$ (23,207,768)	$ (2,178,552)	$ (20,464,616)	$ (14,289,382)	$ 1,071,232	$ 309,531
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	154.2%	103.6%	139.0%	128.6%	98.3%	99.5%
Covered Employee Payroll	$ 34,636,500	$ 33,766,298	$ 33,525,288	$ 34,031,574	$ 33,501,334	$ 34,637,847
Net OPEB Liability (Asset) as a Percentage of Covered- Employee Payroll	-67.0%	-6.5%	-61.0%	-42.0%	3.2%	0.9%

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

RSI NOTES FOR OPEB

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 Benefit 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 Healthcare Plan

SCHEDULE OF THE UNIVERSITY'S CONTRIBUTIONS

	2023	2022	2021	2020	2019
Actuarially Determined Contribution (ADC)	$ 244,912	$ -	$ -	$ 481,468	$ 419,559
Contributions in relation to the ADC	701,291	285,050	415,971	3,036,891	2,534,150
Contribution deficiency (excess)	$ (456,379)	$ (285,050)	$ (415,971)	$ (2,555,423)	$ (2,114,591)
Covered employee payroll	$ 34,636,500	$ 33,766,298	$ 33,525,288	$ 34,031,574	$ 33,501,334
Contributions as a percentage of covered employee payroll	2.0%	0.8%	1.2%	8.9%	7.6%

	2018	2017	2016	2015	2014
Actuarially Determined Contribution (ADC)	$ -	$ 359,603	$ 1,060,381	$ 1,898,593	$ 2,507,561
Contributions in relation to the ADC	2,534,150	6,579,862	5,896,030	6,428,380	4,384,798
Contribution deficiency (excess)	$ (2,534,150)	$ (6,220,259)	$ (4,835,649)	$ (4,529,787)	$ (1,877,237)
Covered employee payroll	$ 34,637,847	$ 34,778,458	$ 34,557,145	$ 33,687,669	$ 32,706,475
Contributions as a percentage of covered employee payroll	7.3%	18.9%	17.1%	19.1%	13.4%

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

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