VINCENNES UNIVERSITY

FINANCIAL REPORT

2021-2022

Vincennes University

S'INSTRUIRE POUR SERVIR

VINCENNES UNIVERSITY'S

Mission & Vision

Mission Statement

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

Vision Statement

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

Values

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

VINCENNES UNIVERSITY

Financial Report

2021-2022

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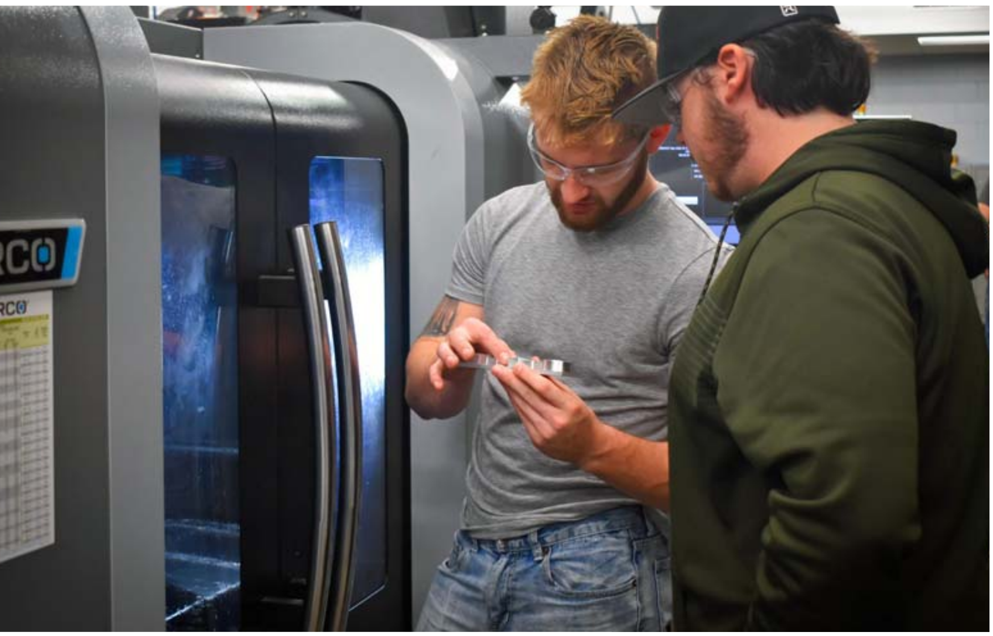

STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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, 2022 and 2021, 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, 2022 and 2021, 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 aggregate discretely presented component units as of June 30, 2022 and 2021, and the respective changes in financial position for the years then ended. Those statements, which were audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with *Government Auditing Standards*, were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors.

Basis for Opinions

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Emphasis of Matter

As discussed in Note 19 to the financial statements, in fiscal year 2022, the University adopted new accounting guidance Governmental Accounting Standards Board Statement 87 *Leases*. 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.

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 20, 2022, 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 20, 2022

VINCENNES UNIVERSITY

Treasurer's Report

It is my privilege to share the Vincennes University (VU) Financial Statements for fiscal year 2021-2022. This financial report contains more than numbers. It reflects the incredible community of our students, faculty and staff which has allowed the University to move forward despite the challenges generated by the pandemic. I am grateful for their shared commitment and resilience.

VU continues to present strong financial health while advancing the mission of a quality education and focusing on student affordability. The University administered the Residential Opportunity Housing Scholarships worth up to $5,000 per student for those qualified students living on campus during fiscal year 2021-2022. This allowed our students to decrease their student loan debt while pursuing an education.

VU continues to be a leader in creating innovative solutions for industry partners across Indiana and throughout the country. In an ever-changing world, the University sees its role as the hub for new technologies, connecting our students with employers eager to recruit our graduates. Our partnerships with global, regional and local employers allow the University to expose students to a high-quality, industry-driven education and prepares our students for a skilled, high-tech workforce. The University recently unveiled new technology labs which include Applied Robotics and Automation, Additive Manufacturing and Reverse Engineering, and the HURCO Advanced CNC Machining Technology Center.

The University offers a broad range of enrichment programs and camps focusing on science, technology, engineering, mathematics, and sports for K-12 students. Students are able to expand their educational horizons and immerse themselves in unique hands-on learning environments with many camps offered at no cost, thanks to many generous supporters, including the Lilly Endowment Incorporated.

The final phase of the French Quarter housing development officially opened in the Spring 2022 on the Vincennes campus and provides an additional four housing units for a total of eight housing units with apartment-style living while paying homage to the French heritage of the area. These apartments are designed to meet the needs of today's students.

I am confident in our ability to provide for our students, faculty and staff with the continued support from the State of Indiana. Along with our prudent stewardship, the guidance of our trustees, and the unwavering dedication of our faculty and staff to serve students, give me the assurance that Vincennes University will continue "blazing the trails".

I am pleased to present the 2021-2022 Vincennes University Financial Report for the fiscal year ended June 30, 2022. This report is a complete and permanent record of Vincennes University for the period stated.

Respectfully submitted,

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

Management's Discussion and Analysis

Vincennes University is pleased to present its financial statements for fiscal year 2022. 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, 2022, along with comparative information for the fiscal years ended June 30, 2021 and June 30, 2020. 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 2021 enrollment of approximately 8,276 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 three financial statements: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. These 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. The University implemented GASB Statement No. 87, *Leases*, during fiscal year 2022. Since the University presents comparative statements, fiscal year 2021 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, 2022, 2021, and 2020 is summarized as follows:

Statement of Net Position	2022 (in thousands)	Restated 2021 (in thousands)	2020 (in thousands)
Current Assets	$ 89,466	$ 101,425	$ 109,836
Non-current Assets			
Investments	152,364	146,589	119,039
Capital, Assets, net	287,427	279,042	260,215
Other	2,555	21,057	14,712
Total Assets	**$ 531,812**	**$ 548,113**	**$ 503,802**
Deferred Outflows	**$ 13,648**	**$ 11,667**	**$ 13,412**
Current Liabilities	$ 23,380	$ 24,903	$ 23,731
Non-current Liabilities	35,339	37,883	43,811
Total Liabilities	**$ 58,719**	**$ 62,786**	**$ 67,542**
Deferred Inflows	**$ 9,756**	**$ 21,230**	**$ 18,706**
Net Position	**$ 476,985**	**$ 475,764**	**$ 430,966**

FISCAL YEAR 2022

As of June 30, 2022, the University's financial position remained solid, with an approximate 3.0 percent decrease in total assets and deferred outflows from fiscal year 2021 to fiscal year 2022. This decrease is primarily related to the $8.4 million increase in capital assets and a $4.9 million increase in cash and investments along with the decrease 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 investments, 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 $4.3 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 $8.4 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. 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 $1.5 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 largest non-current liability for the University is outstanding bonds payable. Non-current liabilities decreased $2.5 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*. 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.

FISCAL YEAR 2021

As of June 30, 2021, the University's financial position remained solid, with total assets and deferred outflows of $559.8 million as compared to $517.2 million from the previous fiscal year. The increase of $42.6 million dollars in total assets and deferred outflows is mainly related to the $18.8 million increase in capital assets, the $10.8 million increase in accounts receivable and lease receivables, the $8.4 million increase in cash and investments, the $6.2 million increase in the OPEB asset, and the decrease of $1.7 million in deferred outflows. Under GASB 87, fiscal 2021 was restated with $1.6 million for capital assets, lease receivables and accrued interest income.

Current assets consist of cash, short-term investments, inventory, and accounts and lease receivable. Accounts receivable includes grants, student loans, and student receivables for tuition and room and board. There was a net decrease of $8.4 million in current assets. This decrease is related to the transfer of $19.2 million in cash and short-term investments to long-term investments. This decrease is offset by the increase of $10.5 million in receivables as a result of the accrual for the Higher Education Emergency Relief Funds. There was also a small increase of slightly over $300,000 in prepaid expenses.

Non-current assets increased $52.7 million from 2020. The majority of this fluctuation is related to the $19.2 million shift in the investment portfolio from cash and short-term investments to long-term investments. Projects finalized during 2021 included phase one of the French Quarter housing project, the Davis Hall HVAC project and replacement of the campus infrastructure. The University ended the fiscal year with $19.1 million in construction in progress which is primarily related to phase two of the French Quarter housing project and continuation of the campus infrastructure project. Building leases, net of depreciation, totaling $1.3 million met the GASB 87 qualifications and were retroactively added to the fixed asset system. The increase of $6.1 million in the OPEB asset is related to the investment growth in the grantor's trust during 2021. The remaining increase of $7.0 million is related to the expansion of the University's Business and Industry program, unspent capital appropriations, and the addition of the lease receivable under GASB 87.

Deferred outflows of resources represent consumption of net assets that are applicable to a future reporting period. The deferred outflow of $11.7 million is primarily a result of the amortization of the change in assumptions and the net difference between the expected and actual experience in the OPEB plan. The change of assumptions and the expected and actual experience will be amortized over 5 years as required by GASB 75.

Total current liabilities include all liabilities that are payable within the next fiscal year and consist primarily of accounts payable, bonds payable, accrued compensation, accrued vacation liability, deposits held in custody, and unearned revenue. Total current liabilities increased $1.2 million from the previous year which includes the $2.7 million increase in unearned revenue as a result of the deferment of institutional dollars from the Higher Education Emergency Relief Funds and the $1.2 decrease in accounts payable related to the timing of prior year construction payments. Deposits held in custody of others decreased $3.5 million from 2020 as a result of the separation of Complete College America ($1.8 million) and the adoption of GASB 84, *Fiduciary Activities*. The Wabash River Regional Development Authority ($1.4 million) was identified as a fiduciary and a prior period adjustment of approximately $300,000 was made to move the University's student clubs to the Statement of Revenues, Expenses, and Changes in Net Position since the clubs did not meet the definition of fiduciary. Other liabilities increased $3.1 million which is primarily related to the increase in the health insurance reserve. This is the first year that the University drew funds for retiree claims from the grantor's trust which increased the reserve during 2021. The University restated the accrued interest on debt and the short-term lease payable which increased current assets by approximately $100,000. Restatement of fiscal year 2021 is related to the implementation of GASB 87.

The largest non-current liability for the University is outstanding bonds payable. Non-current liabilities decreased $5.9 million which consist primarily of the current portion of bonds payable and an increase totaling $1.2 million for leases payable under GASB Statement No. 87, *Leases*. 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 $21.0 million, representing the difference between the expected and actual experience of the OPEB plan, which will be amortized over a period of 5 years.

Net Position

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

Summary of Net Position	2022 (in thousands)	Restated 2021 (in thousands)	2020 (in thousands)
Net Investment in Capital Assets	$ 245,921	$ 235,122	$ 211,026
Restricted:			
Non-expendable	2,379	2,379	2,379
Expendable	10,740	17,744	17,479
Unrestricted:			
Designated - Capital & Other	20,152	20,204	22,932
Designated for Quasi Endowment	19,462	20,832	22,070
General Operations	132,945	131,884	111,263
Auxiliary	45,386	47,599	43,817
Total Net Position	**$ 476,985**	**$ 475,764**	**$ 430,966**

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. This category increased by $10.8 million in 2022. This increase is largely driven by the completion of the French Quarter housing units and campus infrastructure projects. These two projects also contributed to the $24.1 million increase from 2020 to 2021.

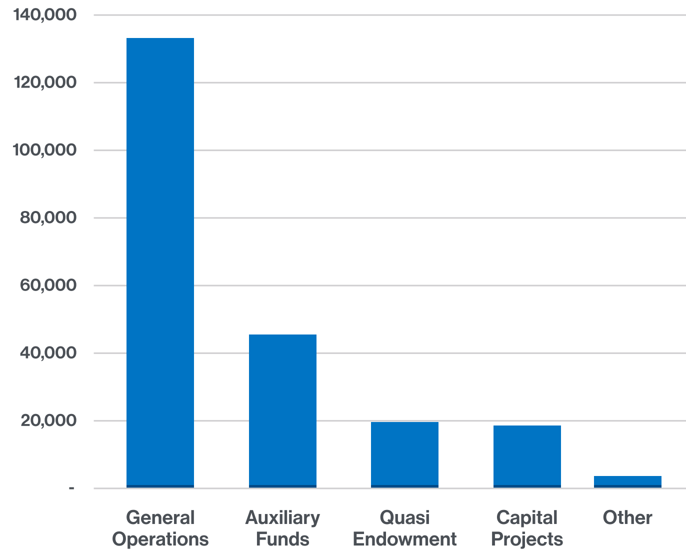
Restricted net position is the restricted component of net position which consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. *Restricted net position non-expendable* primarily includes the University's permanent endowment funds. The corpus 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 year 2022, capital appropriations were spent on the completion of several infrastructure projects. This net position remained relatively unchanged from 2020 to 2021.

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. Maintaining adequate levels of unrestricted net position is one of several key factors that have enabled the University to maintain its credit rating. Unrestricted net position decreased 1.2 percent from 2021 to 2022 with general fund increasing $1.1 million and auxiliary funds decreasing $2.2 million.

Unrestricted net position increased $20.4 million or 10.2% in 2021 and increased $18 million or 9.9% in 2020. The 2021 positive gain is predominately due to the $6.2 million change in the OPEB asset, the $1.6 million dollar increase from Higher Education Emergency Relief Funds for prior year lost revenue, an approximate $2.5 million net profit increase in the Business and Industry program, an approximate $4.0 million decrease in general fund and auxiliary operating costs as a result of the pandemic, and a $7.0 million decrease from the prior year for the transfer of funds from auxiliary to fund the French Quarter apartments.

2022 Unrestricted Net Position

(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 expense, 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, 2022, 2021 and 2020 is provided below:

Statement of Revenues, Expenses, and Changes in Net Position	2022 (in thousands)	Restated 2021 (in thousands)	2020 (in thousands)
Operating Revenues:			
Tuition & Fees, Net	$ 19,765	$ 23,169	$ 21,635
Auxiliary, Net	8,863	9,887	9,363
Grants and Contracts	23,739	17,706	17,021
Other	5,718	5,950	3,495
Total Operating Revenues	**$ 58,085**	**$ 56,712**	**$ 51,514**
Operating Expenses	**138,043**	**116,976**	**118,348**
Net Operating Loss	**$ (79,958)**	**$ (60,264)**	**$ (66,834)**
Non-Operating Revenues (Expenses):			
Governmental Appropriations	57,475	53,322	56,272
Federal and State Student Aid	13,924	15,497	18,220
State Grant Revenue	7,816	4,897	4,772
Other Grants and Contracts	15,773	12,133	4,549
Gifts (including endowment and capital)	560	467	1,760
Investment and Endowment Income	(14,365)	(701)	6,877
Gain (Loss) on Disposition of Capital Assets	178	(13)	(839)
Other Income and Expense	(1,187)	(3,691)	(1,696)
Total Non-Operating Revenue	**$ 80,174**	**$ 81,911**	**$ 89,915**
Income before Other Revenues, Expenses, Gains or Losses	**$ 216**	**$ 21,647**	**$ 23,081**
Other Revenues, Expenses, Gains or Losses			
Capital Appropriations	1,005	21,027	7,284
Insurance Recovery on Capital Asset Impairment, Net	-	1,795	2,284
Insurance Recovery for Other Storm Damage	-	-	235
Increase in Net Position	**$ 1,221**	**$ 44,469**	**$ 32,884**
Net Position - Beginning of Year	**475,764**	**430,966**	**398,082**
Prior Period Adjustment for Change in Accounting Principle	-	329	-
Net Position - End of Year	**$ 476,985**	**$ 475,764**	**$ 430,966**

Revenues

FISCAL YEAR 2022

Total University revenues of $141.0 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 resident 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, which 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

FISCAL YEAR 2021

Total University revenues of $165.5 million consist of operating revenue, non-operating revenue, capital appropriations, insurance recoveries from storm damage, and the change in accounting principle. 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.

Operating revenues increased $5.2 million during 2021. The changes in revenue are related to the following activities:

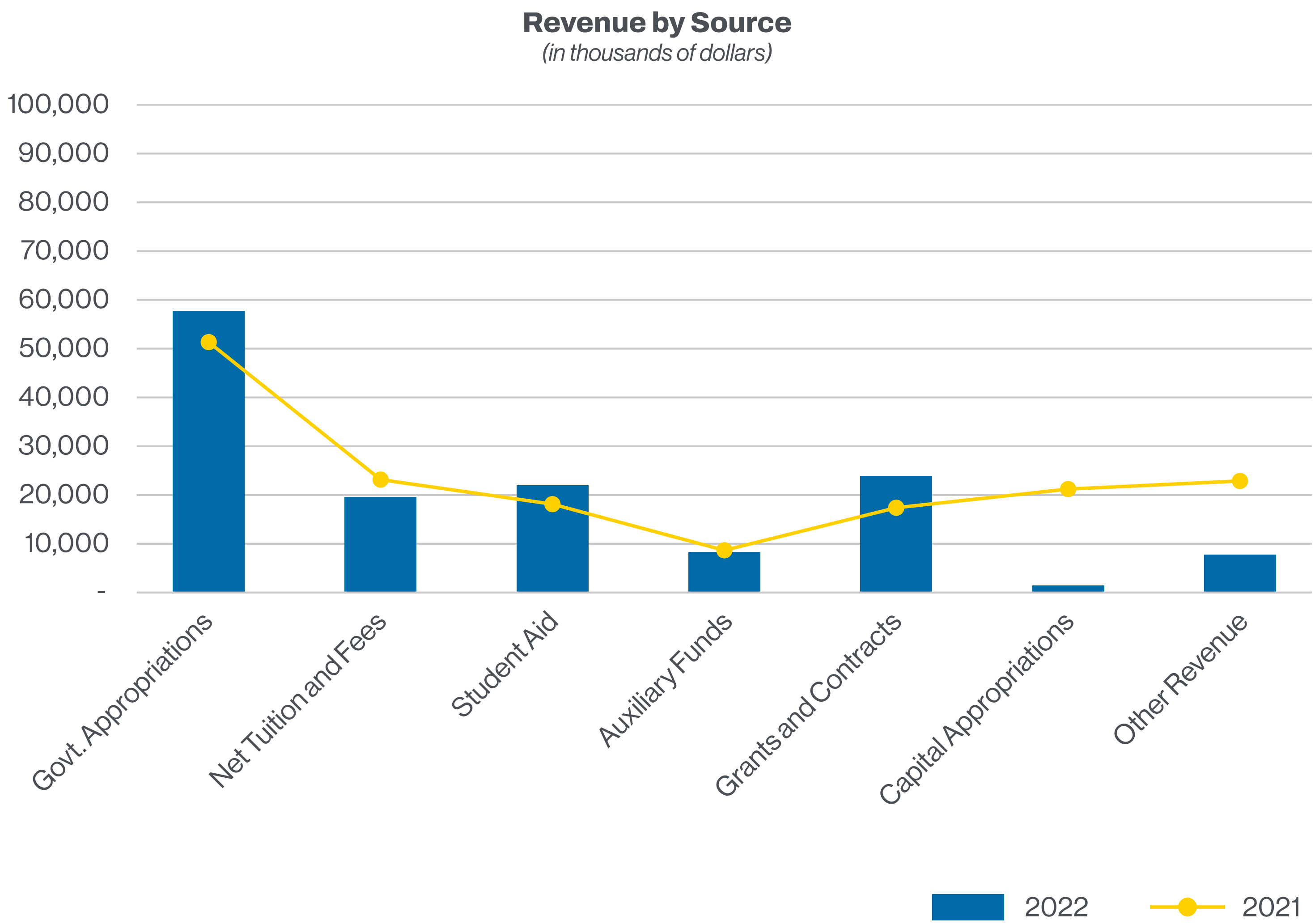
- Student tuition and fees, net of scholarship allowances and bad debt, increased $1.5 million. This net increase is primarily related to growth in the University's Business and Industry program which was offset by the decrease in the scholarship allowance. The decrease in the scholarship allowance is a direct result of the decrease in aid offered due to the enrollment decline.
- Auxiliary revenues are generated primarily from student housing, bookstores, student activities, and workshops. Overall net auxiliary revenues remained unchanged from the prior year. This is primarily related to the increase in housing rates and the addition of housing for the Business & Industry program on the Vincennes campus which offset the decrease in enrollment during fiscal year 2021. The net auxiliary revenue also experienced a decrease in the scholarship and bad debt allowances as a result of the decline in enrollment and the decrease in accounts receivable.
- Grants and contracts revenue increased $685,000. This increase is not related to a specific grant since there were small increases for grants and contracts overall. The University received an estimated 65 percent of grant and contract revenue from federal agencies, 22 percent from state agencies, and 13 percent from nongovernmental agencies in fiscal year 2021.

- Other revenue increased $2.5 million which is primarily related to growth in the University's Business and Industry program during fiscal year 2021.

Non-operating revenue, which includes the revenue in the other revenues, expenses and gains or losses category along with the prior period adjustment, increased 6.0 percent during fiscal year 2021. The majority of this increase is related to the funds received from the Higher Education Emergency Relief Funds under the CARES Act. The University received $2.8 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 $9.3 million from the Higher Education Emergency Relief Fund for the institutional portion. The majority of these funds were utilized to cover lost revenue from 2020 and 2021 including the 7.0 percent cut in State Appropriations.

The University also experienced severe storm damage in April 2020 which destroyed the Harrison Hall dorm along with other property damage on the Vincennes campus. The University received a final settlement totaling $1.80 million from insurance proceeds during fiscal year 2021. Further details are in Note 18.

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, 2022 and 2021.



Expenses

A comparative of the University's expenses for the years ending June 30, 2022, 2021, and 2020 is as follows:

Expense by Natural Object	2022 (in thousands)	*Restated* 2021 (in thousands)	2020 (in thousands)
Operating:			
Compensation and benefits	$ 72,334	$ 63,788	$ 64,563
Supplies, services and equipment	35,139	30,101	31,043
Depreciation	15,177	13,580	12,402
Scholarships and fellowships	15,394	9,507	10,340
Total Operating Expenses	**$ 138,044**	**$ 116,976**	**$ 118,348**
Non-operating:			
Interest and other	1,187	3,703	2,675
Total Expenses	**$ 139,231**	**$ 120,679**	**$ 121,023**

FISCAL YEAR 2022

For fiscal year 2022, total expenses of $139.2 million included operating expenses of $138.0 million and interest expense and other non-operating expenses of $1.2 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 $5.0 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 $1.6 million from the remaining additions of the French Quarter housing project and the replacement of the campus infrastructure.

- 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.

FISCAL YEAR 2021

For fiscal year 2021, total expenses of $120.7 million included operating expenses of $117.0 million and interest expense and other non-operating expenses of $3.7 million.

Operating expenses decreased $1.4 million, or 1.2 percent, during fiscal year 2021. Significant changes include:

- Compensation and benefits decreased $775,000 as a result of the actuarial changes in the University's retiree health care trending rates for 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.

- Overall, there is a $942,000 decrease in supplies, services and equipment which is directly related to the low enrollment as a result of the pandemic.

- Depreciation increased $1.2 million from the addition of the French Quarter housing project and the replacement of the campus infrastructure.

- Scholarships and fellowships decreased $833,000. This decrease is related to the decline enrollment from 2020 to 2021.

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

A crucial element to the University's future continues to be a strong relationship with the State of Indiana. The ability to attract and retain employers in the state remains vital to Indiana's future sustained economic growth. In an already competitive recruiting environment and a decreasing "going rate" among recent high school graduates, the University is well positioned for a prominent role in addressing the challenges facing higher education with competitive tuition rates, continued expansion of online and early college course offerings, and innovative technology training.

The University's continued operational viability is dependent upon the level of the ongoing State support. For the most recent fiscal year, State appropriations totaled $57.0 million which represented approximately 50 percent of VU's total operating revenues. The University also depends on the State to provide appropriations in support of its capital programs. During fiscal year 2022, the University received $1.0 million for repairs and maintenance.

Recent trends in higher education demonstrate the changing landscape for U.S. colleges and universities. Leadership is committed to investing in initiatives that align with the mission of the University as well as creating an environment that streamlines operations across all campuses. The University continues to take steps to enhance student recruitment, both in marketing efforts and in providing additional scholarship funding. The University also continues to deploy cost containment strategies and is aware of its fiduciary responsibility to provide an affordable education to its students. Despite the challenges generated by the pandemic which includes inflation, a limited labor market for potential employees, maintaining a competitive wage scale, and the downward investment earnings in the market, the University strives to maintain its financial position using diversified revenue sources and system-wide cost containment measures.

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 $35.2 million from the Higher Education Emergency Relief Fund from the Department of Education. These funds include $14.2 for students and $21.0 for institutional. As of June 30, 2022, there was $13.7 disbursed to students and there was $18.8 million spent of the institutional funds. The remaining funds will be spent during fiscal year 2023.

The University will be required to implement the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* effective for the fiscal year ending June 30, 2023. This GASB Statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements. The University is in the process of reviewing the impact of this standard on its financial statements.

Health care is a continually changing environment. The Primary Care Center provides on-site access to medical care for students and employees. 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 heath care costs. Established over twenty years ago, the University has been able to utilize its grantor's health care trust in recent years to offset eligible retiree health care costs.

Vincennes University Statement of Net Position

AS OF JUNE 30, 2022 AND JUNE 30, 2021

ASSETS		2022		Restated 2021
Current Assets				
Cash and Cash Equivalents	$	74,660,636	$	48,325,211
Short-term Investments		5,505,333		32,702,008
Accounts Receivable (Less Allowance of $2,186,022 2022 and $2,834,669 2021)		6,836,587		17,617,572
Current Portion of Notes Receivable		259,331		394,970
Inventories		1,511,150		1,407,524
Accrued Interest Income		345,132		336,216
Prepaid Expenses		347,713		641,853
Total Current Assets	**$**	**89,465,882**	**$**	**101,425,354**
Non-current Assets				
Funds held with Bond Trustee for Debt Service	$	-	$	226,317
Investments		152,364,058		146,588,688
Net Pension Asset		57,643		-
Derivative Instrument- Interest Rate Swap		3,891		-
Net OPEB Asset		2,178,552		20,464,616
Notes Receivable		62,456		98,382
Lease Receivable		253,280		267,967
Capital Assets, Net of Accumulated Depreciation		287,426,558		279,042,024
Total Non-current Assets	**$**	**442,346,438**	**$**	**446,687,994**
Total Assets	**$**	**531,812,320**	**$**	**548,113,348**
DEFERRED OUTFLOWS				
Accumulated Decrease in Fair Value of Hedging Derivatives	$	-	$	227,023
Deferral of Resources Indiana State Teachers Pension Plan		112,490		74,132
Deferral of Resources OPEB		13,522,808		11,366,110
Deferral of Bond Refunding Series N		12,655		-
Total Deferred Outflows	**$**	**13,647,953**	**$**	**11,667,265**
LIABILITIES				
Current Liabilities				
Accounts Payable	$	3,753,355	$	2,712,463
Accrued Payroll and Deductions Payable		3,511,621		2,729,203
Accrued Vacation Liability		1,320,652		1,325,141
Unearned Revenue		2,445,678		5,209,937
Accrued Interest on Debt		98,139		210,243
Bonds Payable		6,096,800		6,707,409
Lease Payable		288,409		81,196
Deposits		224,393		165,755
Deposits Held in Custody for Others		720		720
Other Liabilities		5,640,035		5,760,660
Total Current Liabilities	**$**	**23,379,802**	**$**	**24,902,727**
Non-current Liabilities				
Bonds Payable (Net of Unamortized Bond Premium (Discount) of $0 2022 and $126,301 2021)	$	29,530,600	$	35,923,447
Lease Payable		5,429,694		1,240,794
Net Pension Liability		-		11,870
Derivative Instrument - Interest Rate Swap		-		227,023
Advances from Federal Government		379,290		480,040
Total Non-current Liabilities	**$**	**35,339,584**	**$**	**37,883,174**
Total Liabilities	**$**	**58,719,386**	**$**	**62,785,901**
DEFERRED INFLOWS				
Net Difference in the Projected and Actual Investments Along with Indiana State Teachers 2016 Pension Contributions	$	258,569	$	183,540
Accumulated Increase in Fair Value of Hedging Derivatives		3,891		-
Net Differences in OPEB		9,144,557		20,772,524
Deferral of Leases		255,038		274,657
Deferral of Bond Refunding		93,832		-
Total Deferred Inflows	**$**	**9,755,887**	**$**	**21,230,721**
NET POSITION				
Net Investment in Capital Assets	$	245,920,706	$	235,121,562
Restricted for:				
Non-Expendable:				
Scholarships & Instruction		2,379,586		2,379,586
Expendable:				
Capital Projects		6,750,226		13,651,929
Loan Funds		110,798		290,985
Scholarships, Grants & Instruction		3,878,781		3,801,328
Unrestricted		217,944,903		220,518,601
Total Net Position	**$**	**476,985,000**	**$**	**475,763,991**

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

Component Unit – Statement of Financial Position

AS OF JUNE 30, 2022 WITH COMPARATIVE FIGURES FOR 2021

Assets	June 30, 2022	June 30, 2021
Current Assets		
Cash	$ 367,172	$ 427,034
Investments	2,371,197	2,758,234
Other Accounts Receivable	11,399	7,291
Accrued Interest Receivable	63,598	32,588
Prepaid Expense	22,835	56,967
Total Current Assets	**$ 2,836,201**	**$ 3,282,114**
Endowment Investments	36,146,527	42,054,731
Trust Investments	73,536,739	85,710,881
Equipment	8,107	8,107
Accum. Deprec. - Equipment	(8,107)	(8,107)
Property	998,139	998,139
Total Assets	**$ 113,517,606**	**$ 132,045,865**
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	$ 4,501	$ 18,337
Vacation Accrual	12,189	13,473
Deferred Income Other	1,155	68,600
Due V.U. General Fund	10,453	23,259
Total Current Liabilities	**$ 28,298**	**$ 123,669**
Funds Held in Trust	$ 63,777,814	$ 73,248,941
Total Liablities	**$ 63,806,112**	**$ 73,372,610**
Net Assets		
Without Donor Restrictions	$ 3,733,392	$ 4,208,549
With Donor Restrictions	45,978,102	54,464,706
Total Net Assets	**$ 49,711,494**	**$ 58,673,255**
Total Liabilities and Net Assets	**$ 113,517,606**	**$ 132,045,865**

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, 2022 AND JUNE 30,2021

	2022		2021	
Assets	**Other Postemployment Benefit (OPEB) Trust**	**Custodial Fund** Wabash River Regional Dev Authority	**Other Postemployment Benefit (OPEB) Trust**	**Custodial Fund** Wabash River Regional Dev Authority
Cash and Cash Equivalents	$ 157,590	$ -	$ 2,198,017	$ 528,204
Accrued Interest Receivable	345	-	16	-
Investments at Fair Value:				
Equities	22,338,360	-	26,277,125	-
Mutual Funds	40,998,455	-	44,481,893	-
Total Investments	**$ 63,336,815**	**$ -**	**$ 70,759,018**	**$ -**
Total Assets	**$ 63,494,750**	**$ -**	**$ 72,957,051**	**$ 528,204**
Liabilities				
Accounts Payable	$ -	$ -	$ -	$ 270,970
Total Liabilities	**$ -**	**$ -**	**$ -**	**$ 270,970**
Net Position				
Restricted for:				
OPEB	**$ 63,494,750**	**$ -**	**$ 72,957,051**	**$ -**
Organizations	**$ -**	**$ -**	**$ -**	**$ 257,234**

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

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

FOR THE YEAR ENDED JUNE 30, 2022 AND JUNE 30, 2021

		2022		Restated 2021
Operating Revenues				
Student Tuition & Fees	$	33,336,591	$	35,217,353
Scholarship Allowance-Tuition & Fees		(13,571,474)		(12,048,705)
Grants and Contracts		23,739,225		17,705,851
Auxiliary Enterprises		12,352,081		13,159,815
Scholarship Allowance-Auxiliary Enterprises		(3,489,197)		(3,272,317)
Other Revenues		5,718,145		5,949,604
Total Operating Revenues	**$**	**58,085,371**	**$**	**56,711,601**
Operating Expenses				
Salaries and Wages	$	44,282,872	$	44,699,408
Benefits		28,050,938		19,088,696
Scholarships and Fellowships		15,394,356		9,507,140
Supplies and Other Services		32,180,520		27,599,472
Equipment		2,958,325		2,501,539
Depreciation		15,176,423		13,579,708
Total Operating Expenses	**$**	**138,043,434**	**$**	**116,975,963**
Operating Loss	**$**	**(79,958,063)**	**$**	**(60,264,362)**
Non Operating Revenues (Expenses)				
Governmental Appropriations	$	57,474,468	$	53,321,951
Federal and State Student Aid		13,924,306		15,496,940
State Grant Revenue		7,815,734		4,896,642
Other Grants and Contracts		15,772,835		12,133,498
Gifts and Bequests		559,960		466,815
Investment Income		(13,068,743)		(624,940)
Endowment Income		(1,295,785)		(76,410)
Gain (Loss) on Disposition of Capital Assets		178,364		(12,707)
Interest & Other Costs on Capital Asset - Related Debt		(1,168,611)		(1,650,387)
Other Non-Operating Revenues (Expenses)		(18,742)		(2,040,045)
Total Non-Operating Revenues (Expenses)	**$**	**80,173,786**	**$**	**81,911,357**
Income before other revenues, expenses, gains or losses	$	215,723	$	21,646,995
Other Revenues, Expenses, Gains or Losses				
Capital Appropriations		1,005,286		21,026,786
Insurance Recovery on Capital Asset Impairment, Net - See Note 18		-		1,795,229
Insurance Recovery for Other Storm Damage		-		-
Increase in Net Position	**$**	**1,221,009**	**$**	**44,469,010**
Net Position - Beginning of Year	**$**	**475,763,991**	**$**	**430,966,194**
Prior Period Adjustment for Change in Accounting Principle - Note 19	**$**	**-**	**$**	**328,787**
Net Position - End of Year	**$**	**476,985,000**	**$**	**475,763,991**

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

Component Unit – Statements of Activities and Changes in Net Assets

FOR THE YEAR ENDED JUNE 30, 2022 WITH COMPARATIVE FIGURES FOR 2021

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
Support and Revenue				
Contributions	$ 143,281	$ 708,910	$ 852,191	$ 1,680,166
Grants and Contracts	-	847,250	847,250	10,901,400
Other Income	55,824	204,920	260,744	181,482
Investment Income (Loss)	71,697	1,064,999	1,136,696	2,331,499
Unrealized Gain (Loss) on Investments	(404,615)	(7,043,045)	(7,447,660)	6,758,224
Administrative Income	330,788	-	330,788	326,124
Alumni Income & Community Series	193	94,355	94,548	-
Total Support and Revenue Before Releases	**$ 197,168**	**$ (4,122,611)**	**$ (3,925,443)**	**$ 22,178,895**
Net Assets Released From Restrictions	**$ 4,364,117**	**$ (4,364,117)**	**-**	**-**
Total Support and Revenue	**$ 4,561,285**	**$ (8,486,728)**	**$ (3,925,443)**	**$ 22,178,895**
Expenses				
Program Expenditures	$ 4,248,585	$ -	$ 4,248,585	$ 2,490,329
Management and General	597,073	-	597,073	619,298
Fundraising	190,660	-	190,660	96,508
Total Expenses	**$ 5,036,318**	**$ -**	**$ 5,036,318**	**$ 3,206,135**
Increase (Decrease) in Net Assets	**$ (475,033)**	**$ (8,486,728)**	**$ (8,961,761)**	**$ 18,972,760**
Additions	-	18,621	18,621	25,786
Deductions	(124)	(18,497)	(18,621)	(25,786)
Total Change in Net Assets	**$ (475,157)**	**$ (8,486,604)**	**$ (8,961,761)**	**$ 18,972,760**
NET ASSETS, BEGINNING OF YEAR	**$ 4,208,549**	**$ 54,464,706**	**$ 58,673,255**	**$ 39,700,495**
NET ASSETS, END OF YEAR	**$ 3,733,392**	**$ 45,978,102**	**$ 49,711,494**	**$ 58,673,255**

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

Vincennes University Statement of Changes in Fiduciary Net Position

FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2022 AND JUNE 30, 2021

	2022		2021	
Additions	**Other Postemployment Benefit (OPEB) Trust**	**Custodial Fund** Wabash River Regional Dev Authority	**Other Postemployment Benefit (OPEB) Trust**	**Custodial Fund** Wabash River Regional Dev Authority
Contributions Received (Employer)	$ 60,000	$ 50,000	$ 60,000	$ -
Investment Income				
Net Increase (Decrease) in the Fair Value of Investments	(9,004,345)	-	7,842,197	-
Interest and Dividends	1,570,517	-	2,861,652	-
Net Investment Income	**$ (7,433,828)**	**$ -**	**$ 10,703,849**	**$ -**
Total Additions	**$ (7,373,828)**	**$ 50,000**	**$ 10,763,849**	**$ -**
Deductions				
Benefit Payments	$ 2,044,388	$ -	$ 2,051,257	$ -
Administrative Expenses	44,085	-	50,369	-
Grants Administered	-	307,234	-	1,092,766
Total Deductions	**$ 2,088,473**	**$ (307,234)**	**$ 2,101,626**	**$ (1,092,766)**
Net Increase (Decrease) in Fiduciary Net Position	**$ (9,462,301)**	**$ (257,234)**	**$ 8,662,223**	**$ (1,092,766)**
Net Position - Beginning	**$ 72,957,051**	**$ 257,234**	**$ 64,294,828**	**$ 1,350,000**
Net Position - Ending	**$ 63,494,750**	**$ -**	**$ 72,957,051**	**$ 257,234**

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

Vincennes University Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2022 AND JUNE 30, 2021

		2022		Restated 2021
Cash Flows From (For) Operating Activities				
Tuition and Fees	$	20,679,636	$	22,126,486
Grants and Contracts		22,791,928		18,494,001
Payments to Suppliers		(33,991,410)		(28,841,206)
Payments to Employees		(44,152,431)		(44,616,106)
Payments for Benefits		(22,934,893)		(21,648,524)
Payments for Scholarships and Fellowships		(15,394,356)		(9,507,140)
Collection of Loans to Students		171,565		92,174
Repayments of Advances from Federal Government		(100,750)		(220,516)
Auxiliary Enterprise		9,013,167		10,716,146
Other Receipts		5,736,843		6,865,593
Net Cash Used in Operating Activities	**$**	**(58,180,701)**	**$**	**(46,539,092)**
Cash Flows From (For) Non-Capital Financing Activities				
Governmental Appropriations	$	57,474,468	$	53,321,951
Gifts and Grants for Other than Capital Purposes		45,911,176		21,841,332
Funds Held in Trust for Others		-		(3,172,790)
Net Cash Provided by Non-capital Financing Activities	**$**	**103,385,644**	**$**	**71,990,493**
Cash Flows From (For) Capital and Related Financing Activities				
Proceeds from Capital Debt	$	31,250,000	$	-
Capital Appropriations		1,005,286		21,026,786
Proceeds from Sale of Capital Assets		194,882		53,897
Insurance Recovery		-		1,795,229
Purchases of Capital Assets and Construction		(18,858,964)		(30,912,838)
Bond Reserve Cash Returned (Deposited)		226,317		11,237
Principal Paid on Capital Lease		(445,299)		(120,700)
Principal Paid on Capital Debt		(38,127,156)		(6,449,748)
Interest Paid on Capital Debt & Lease		(1,162,445)		(1,764,345)
Net Cash Used in Capital and Related Financing Activities	**$**	**(25,917,379)**	**$**	**(16,360,482)**
Cash Flows From (For) Investing Activities				
Proceeds from Sales and Maturities of Investments	$	61,622,040	$	81,078,726
Investment Income		3,251,381		3,569,699
Purchase of Investments		(57,825,560)		(114,931,503)
Net Cash Provided By (Used in) Investing Activities	**$**	**7,047,861**	**$**	**(30,283,078)**
Net Increase (Decrease) in Cash	**$**	**26,335,425**	**$**	**(21,192,159)**
Cash and Cash Equivalents - Beginning of Year	**$**	**48,325,211**	**$**	**69,517,370**
Cash and Cash Equivalents - End of Year	**$**	**74,660,636**	**$**	**48,325,211**

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

Vincennes University Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2022 AND JUNE 30, 2021

		2022		Restated 2021
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided by (Used in)Operating Activities:				
Net Operating Revenues and Expenses	$	(79,958,063)	$	(60,264,362)
Prior Period Adjustment for Change in Accounting Principle		-		328,787
Adjustments to Reconcile Net Operating Revenues (Expenses) to Net Cash Provided by (Used in) Operating Activities				
Depreciation Expense		15,176,423		13,579,708
Changes in Assets and Liabilities:				
Receivables, Net		532,072		760,319
Other Receipts		(4,931)		6,691
Inventories		(103,626)		(2,589)
Other Assets		294,140		(304,180)
Student Loans		171,565		92,174
Advances from Federal Government		(100,750)		(220,516)
Net OPEB Asset		4,501,398		(2,264,789)
TRF Benefit		(32,842)		(6,258)
Accounts Payable and Accrued Liabilities		1,756,835		1,342,852
Unearned Income		(472,562)		386,110
Cash Flows Reported in Other Categories				
Other Non-Operating Revenues (Expenses)		59,640		26,961
Net Cash Used in Operating Activities	**$**	**(58,180,701)**	**$**	**(46,539,092)**

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

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. In fiscal year 2021, the University adopted GASB Statement No.84, F*iduciary Activities.* Effective for the fiscal year ending June 30, 2022, the University implemented the provisions of GASB Statement No. 87, *Leases*.

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. The University has one custodial fund with the Wabash River Regional Development Authority (RDA). The Wabash River RDA includes six counties and was formed as part of the State's Regional Cities Initiative. Under GASB 84, these fiduciary funds are 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, 2022, the Foundation distributed $4,208,173 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.

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.

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.

Deposits with Bond Trustee: Deposits held with the bond trustee for long-term debt obligations as required by the bond indenture are classified as noncurrent assets.

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. 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 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.

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: The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resources flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

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.

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

Other Grants and Contracts: 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.

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

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

Other Post Employee Benefit (OPEB) Trust Funds

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

Custodial Funds

The funds are used to account for assets that the University holds on behalf of others in a custodial capacity.

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, where by 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, 2022 and June 30, 2021, 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, 2022 and on June 30, 2021 equaled $74,660,636 and $48,325,211 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, 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	-
Total	**$ 157,869,391**	**$ 5,505,333**	**$ 125,188,170**	**$ 27,175,888**

As of June 30, 2021, the University had the following investments:

Investment Type	Market Value	Maturity Less than 1 Year	1-5 Years	6-10 Years
Certificates of Deposits	$ 10,018,710	$ 10,018,710	$ -	$ -
U.S. Treasury Bonds	9,577,596	655,225	7,023,914	1,898,457
U.S. Government Agencies	159,255,037	22,028,073	122,887,832	14,339,132
Mutual Funds	439,353	-	439,353	-
Total	**$ 179,290,696**	**$ 32,702,008**	**$ 130,351,099**	**$ 16,237,589**

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 and June 30, 2021, the University was in compliance with its credit risk policy for all investments.

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**

The Moody's credit ratings for the investments at June 30, 2021 were as follows:

Rating	Certificates of Deposit	U.S. Treasury Bonds	U.S. Government Agencies	Mutual Funds	Total
AAA	$ -	$ 9,577,596	$ 159,255,037	$ -	$ 168,832,633
AA	-	-	-	-	-
A	-	-	-	-	-
BBB	-	-	-	-	-
BB	-	-	-	-	-
Below BB	-	-	-	-	-
Not Rated	10,018,710	-	-	439,353	10,458,063
Total	**$ 10,018,710**	**$ 9,577,596**	**$ 159,255,037**	**$ 439,353**	**$ 179,290,696**

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 insuring 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, $10,548,446 of the U.S. Treasury Notes, $8,208,848 of the U.S. Government Agencies, and $414,919 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, 2022 and June 30, 2021:

		Fair Value Measurements Using:		
JUNE 30, 2022 **Investments by fair value level**	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
U.S. Treasury Bonds	$ 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**	**$ -**

		Fair Value Measurements Using:		
JUNE 30, 2021 **Investments by fair value level**	**Fair Value**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
U.S. Treasury Bonds	$ 9,577,596	$ 9,577,596	$ -	$ -
Agency Securities	10,752,310	-	10,752,310	-
Agency Mortgage Securities	148,502,727	-	148,502,727	-
Mutual Funds	439,353	439,353	-	-
Total Investments	**$ 169,271,986**	**$ 10,016,949**	**$ 159,255,037**	**$ -**
Interest Rate Swaps	(227,023)	-	(227,023)	-
Total derivative instruments	**$ (227,023)**	**$ -**	**$ (227,023)**	**$ -**

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, 2022 and June 30, 2021.

Note 4 – Accounts Receivable

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

	2022	Restated 2021
Student Tuition	$ 3,505,712	$ 4,968,557
Auxiliaries	884,933	1,293,431
Grants and Contracts	3,925,620	13,389,807
Lease	14,687	14,238
Other Receivable	691,657	786,208
Total Accounts Receivable	**$ 9,022,609**	**$ 20,452,241**
Allowance for Doubtful Accounts	(2,186,022)	(2,834,669)
Net Accounts Receivable	**$ 6,836,587**	**$ 17,617,572**

Note 5 – Inventories

Inventories are stated at the lower of cost or market value. As of June 30, 2022 and 2021, total inventories were valued at $1,511,150 and $1,407,524. Of these totals, the bookstore's inventory was $1,135,668 and $1,068,755, respectively.

Note 6 – Derivative Instruments

The fair value balance and notional amount of the derivative instrument outstanding on June 30, 2022 and June 30, 2021, 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		
	Classification	Amount	Classification	Amount	Current Notional 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

	Changes in Fair Value		Fair Value at June 30, 2021		
	Classification	Amount	Classification	Amount	Current Notional Amount
Cash flow hedge: Pay-fixed interest rate swap	Pay Fixed Interest Rate Swap	$132,101	Deferred Outflow of Resources	($227,023)	$4,210,000

As of June 30, 2022 and as of June 30, 2021, 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 and as of June 30, 2021, 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	12/1/28	65% of 6 mo. USD-LIBOR-BBA w/ 1 Day Look back + 208.00 bps	Aa3

As of June 30, 2021						
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	$4,210,000	12/23/08	12/1/28	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 and June 30, 2021, the University is in compliance with its credit risk policy for all investments. The fair value of the hedging derivative instrument, in an asset position as of June 30, 2022, was $3,891. As of June 30, 2021, the fair value of the hedging derivative instrument was ($227,023), representing a liability 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:

2022	Beginning Balances	Increases	Decreases	Transfers	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
Total Capital Assets being depreciated	**396,109,534**	**10,028,571**	**744,971**	**26,948,866**	**432,342,000**
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
Total Accumulated Depreciation	**159,607,869**	**15,176,423**	**722,988**	**-**	**174,061,304**
Total Capital Assets being depreciated, net	**236,501,665**	**(5,147,852)**	**21,983**	**26,948,866**	**258,280,696**
Capital Assets, net	**$ 279,042,024**	**$ 8,451,170**	**$ 66,636**	**$ -**	**$ 287,426,558**

2021	Beginning Balances	Increases	Decreases	Transfers	*Restated* Ending Balances
Capital Assets not being depreciated:					
Land	$ 23,478,679	$ 50,698	$ 82,918	$ -	$ 23,446,459
Construction in Progress	11,383,503	28,277,818	1,079,855	(19,487,566)	19,093,900
Total Capital Assets not being depreciated	**34,862,182**	**28,328,516**	**1,162,773**	**(19,487,566)**	**42,540,359**
Capital Assets being depreciated:					
Building and Improvements	320,291,017	-	-	19,487,566	339,778,583
Equipment	52,325,922	3,897,835	1,313,931	-	54,909,826
Leased Asset - Building	-	1,421,125	-	-	1,421,125
Total Capital Assets being depreciated	**372,616,939**	**5,318,960**	**1,313,931**	**19,478,566**	**396,109,534**
Less Accumulated Depreciation for:					
Building & Improvements	115,232,899	9,076,774	-	-	124,309,673
Equipment	32,031,495	4,402,376	1,236,233	-	35,197,638
Leased Asset - Building	-	100,558	-	-	100,558
Total Accumulated Depreciation	**147,264,394**	**13,579,708**	**1,236,233**	**-**	**159,607,869**
Total Capital Assets being depreciated, net	**225,352,545**	**(8,260,748)**	**77,698**	**19,487,566**	**236,501,665**
Capital Assets, net	**$ 260,214,727**	**$ 20,067,768**	**$ 1,240,471**	**$ -**	**$ 279,042,024**

Note 8 – Non-Current Liabilities

The non-current liability activity for the fiscal years ended June 30, 2022 and 2021 are summarized as follows:

	Restated Balance June 30, 2021	Additions	Reductions	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
Total Non-current Liabilities	**$ 37,883,174**	**$ 4,188,900**	**$ 6,732,490**	**$ 35,339,584**

	Balance June 30, 2020	Additions and Restatement	Reductions	*Restated* Balance June 30, 2021
Bonds Payable, Net of Unamortized Premium and Discount	$ 42,751,667	$ -	$ 6,828,220	$ 35,923,447
Net Pension Liability	-	11,870	-	11,870
Derivative Instrument - Interest Rate Swap	359,124	-	132,101	227,023
Advances from Federal Government	700,556	-	220,516	480,040
Lease Payable *	-	1,240,794	-	1,240,794
Total Non-current Liabilities	**$ 43,811,347**	**$ 1,252,664**	**$ 7,180,837**	**$ 37,883,174**

* 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.

Note 9 – Long-Term Debt

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

			Direct Placement				Other Debit			
	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 Bond, 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**					

Debt obligations are generally callable by the University, bear interest at fixed and variable rates ranging from 1.17% to 4.09%, and mature at various dates through fiscal year 2034. Using rates as of June 30, 2022, scheduled fiscal year maturities of bonds payable and related interest expense are shown below. These amounts assume that the current interest rates on variable-rate bonds and the current reference rates of hedging derivative instruments will remain the same for their term. As these rates change, interest rates on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary. See Footnote 6 for information on derivative instruments.

For Student Fee Bonds, Series N, and Auxiliary Facilities System Revenue Bonds, Series 2021, the difference between the reaquisition price and the net carrying amount of the old debt is reported as a deferred inflow of resources and as a deferred outflow of resources and is being amortized over the life of the old debt or new debt, whichever is shorter.

Fiscal Year Ending June 30,	Fixed Rate Bonds Total		Variable Rate Bonds		Hedging Derivatives, Net	Total
	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
Total	**$ 31,927,400**	**$ 1,567,544**	**$ 3,700,000**	**$ 297,668**	**$ 246,301**	**$ 37,738,913**

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

BONDS SECURED BY STUDENT FEES

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

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

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

The Vincennes University Student Fee Bonds, Series 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 issurance 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%.

Funds held with Bond Trustee				
Current Funds Expected to be Depleted Within a Year				
		2022		**2021**
Revenue Bonds, Series 2009	$	-	$	6,870
Revenue Bonds, Series 2006		-		8,935
Revenue Bonds, Series 2013		-		456
Revenue Bonds, Series 2021		18,846		-
Other Bond & Interest Accounts		121		50
Total Current *(Reported as Cash)*	**$**	**18,967**	**$**	**16,311**
Dorm & Dining Bonds of 1983 A & B Vigo Hall		-		226,317
Total Funds held with Bond Trustee	**$**	**18,967**	**$**	**242,628**

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 $6,099,144 and $1,421,125 at June 30, 2022 and 2021, respectively. Accumulated amortization totaled $497,293 and $100,558 at June 30, 2022 and 2021, respectively.

The amount of lease assets by major classes of underlying assets at June 30, 2022 and 2021, respectively, are as follows:

Right-to-Use Asset				
Asset Class		**June 30, 2022**		*Restated* **June 30, 2021**
Buildings	$	5,718,103	$	1,321,990
	$	**5,718,103**	**$**	**1,321,990**

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

As of June 30, 2021, the scheduled fiscal year maturities of lease liabilities and related interest expense are as follows:

Fiscal Year Ending June 30		Principal		Interest
2022	$	81,196	$	39,671
2023		83,566		37,302
2024		86,002		34,866
2025		88,511		32,357
2026		80,094		29,906
2027-2031		450,766		110,234
2032-2036		451,855		32,145
	$	**1,321,990**	**$**	**316,481**

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, 2022 and 2021, the University recognized revenue, including interest income, related to this lease agreement totaling $28,852 and $28,546, respectively.

Note 11 – Scholarships and Instructions

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 $5,276,867 as of June 30, 2022 and $5,263,356 as of June 30, 2021. The Opal C. Ramsey fund held $4,009,925 of the total funds as of June 30, 2022 and $3,969,778 at June 30, 2021.

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

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

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

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

On June 30, 2021, 696 employees were covered by TIAA and total wages were $38,649,811. During 2020-21, Vincennes University contributed $3,758,512 to TIAA on the employees' behalf.

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

Note 13 – TRF Pension Plan

General Information about the Teachers' Retirement Pension Plans

General Plan Description The Indiana 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 $1,600.6 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. As a non-employer contributing entity, the State of Indiana contributed $973.5 million in fiscal year 2020.

For the fiscal year ending June 30, 2021, there were 28 employees participating in the plan with annual pay equal to $1,975,732 and for fiscal year ending June 30, 2020, there were 27 employees participating in the plan with annual pay equal to $2,585,868. The University contributed at an actuarially determined under the entry age normal cost to be 5.5 percent in 2021 and 5.5 percent in 2020 of covered payroll.

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 $170,090 and $223,025 for the fiscal years ended June 30, 2021 and June 30, 2020.

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

On June 30, 2022 and June 30, 2021, Vincennes University reported a liability of zero dollars. The State's proportionate share of the net pension liability is 100%. 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.

In the 2020 actuarial study, reported in the University's 2021 financial statements, standard actuarial roll forward techniques were used to project the total pension liability computed as of June 30, 2019 to the June 30, 2020 measurement date. The basis used by the actuary to determine the proportionate share of the net pension liability and corresponding pension amount is the actual contributions made to the Plan during the fiscal year since they are representative of future contributions.

For the years ended June 30, 2022 and June 30, 2021, the University recognized pension expense totaling $7,815,734 and $4,896,642, 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 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 five employees. During fiscal year 2020, all participating employers in the TRF 1996 Account were required to contribute 5.50 percent of the covered payroll in which the University contributed $27,784 based on payroll totaling $505,163 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 $38,021 and $42,939 for the fiscal years ended June 30, 2021 and June 30, 2020.

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

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 it consistent with the manner in which contributions to the pension plan are determined. At June 30, 2021, the University's proportion was .01227 percent.

At June 30, 2021, Vincennes University reported a liability of $11,870 for its proportionate share of the net pension liability. Standard actuarial roll forward techniques were used to project the total pension liability computed as of June 30, 2019 to the June 30, 2020 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 it consistent with the manner in which contributions to the pension plan are determined. At June 30, 2020, the University's proportion was .01523 percent.

For the years ended June 30, 2022 and June 30, 2021, VU recognized pension expense of ($12,698) and $17,831 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:

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.

2021		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8,015	$ 26,586
Changes of assumptions	22,975	44,684
Net difference between projected and actual earnings on pension plan investments	18,903	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	149	112,270
Employer contributions subsequent to the measurement date	24,090	-
Totals	**$ 74,132**	**$ 183,540**

Employer contributions totaling $24,090 were reported as deferred outflows of resources related to pensions resulting from VU's contributions subsequent to the measurement date. This amount was recognized as a reduction of the net pension liability in the year ended June 30, 2022.

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)

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) 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)

In the 2020 actuarial study, reported in the University's 2021 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:	
2021	$ (16,138)
2022	(14,486)
2023	(10,690)
2024	(9,644)
2025	(17,465)
Thereafter	(65,075)

The 2021 Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate (as reported in the 2020 Actuarial Report) The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 6.75 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 (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

Net Pension Liability Discount Rate Sensitivity			
	1% Decrease (5.75%)	Current (6.75%)	1% Increase (7.75%)
Employer's proportionate share of the net pension liability	$181,476	$11,870	$(125,285)

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 - .5%, 2039 and on - .6%
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.

Actuarial Assumptions for TRF Pre-1996 and TRF 1996 for 2021

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

Asset Valuation Date	June 30, 2020
Liabilities	June 30, 2019- Member census data as of June 30, 2019 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2019 and June 30, 2020.
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Inflation	2.25%
Salary increases	2.50% to 12.50%, including inflation
Investment rate of return	6.75% (includes inflation and net investment expenses)
Cost-of-living adjustments	2020-2021- 13th check, 2022-2033 - 0.40%, 2034-2038 - 0.50%, 2039 and on - 0.60%
Experience Study Data	Period of 5 years ended June 30, 2019

The mortality assumptions changed from the RP-2014 White Collar and Disabled Mortality Tables, with Social Security Administration generational improvement scale from 2006 to Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The 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. Various real return premiums over the baseline inflation rate have been established for each asset class. In order to determine the expected long-term nominal rate of return, the asset class geometric real returns are projected on a 30-year time horizon. These returns are combined with a projected covariance matrix and the target allocations to create a range of expected longer-term real rates for the portfolio.

Global Asset Classes	Target Allocation	Geometric Basis Long-Term Expected Real Rate of Return
Public Equity	22.00%	4.4%
Private Markets	14.00%	7.6%
Fixed Income - Ex Inflation -Linked	20.00%	1.9%
Fixed Income - Inflation-Linked	7.00%	.5%
Commodities	8.00%	1.6%
Real Estate	7.00%	5.8%
Absolute Return	10.00%	2.9%
Risk Parity	12.00%	5.5%

Discount Rate The Total Pension Liability (TPL) for each defined benefit pension plan was calculated using the long-term expected rate of return of 6.75%. 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 6.75% long-term assumed investment rate of return. Based on those assumptions, each defined benefit pension plan's Fiduciary Net Position were projected to be available to make all projected future benefit payments of current plan members, therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the TPL for each plan.

Note – 14 Other Postemployment Benefits

This note reports the other postemployment benefits for fiscal years 2022 and 2021

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, 2022 and 2021, the number of employees covered by the benefit terms:

	2022	2021
Active Employees	687	694
Inactive or beneficiaries currently receiving benefit payments	285	293
Total	972	987

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. Fiscal year 2021 was the first year that the University drew $2 million 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, 2022 and 2021, and the total OPEB liabilities (assets) used to calculate the net OPEB assets were determined by actuarial valuations as of those dates.

Actuarial Assumptions- Actuarial Assumptions- The total OPEB assets as of June 30, 2022 and 2021, were determined based on an actuarial valuation date of July 1, 2020 projected to July 1, 2021 for 2022 and July 1, 2020 for 2021 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 3.70% as of June 30, 2022 and July 1, 2021 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 2011 through 2016.

Age	Rate
55-56	3.50%
57-58	4.00%
59	8.00%
60	17.50%
61	30.00%
62	20.00%
63	25.00%
64	30.00%
65-66	40.00%
67+	100.00%

- Turnover Rates - Assumption used to project terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retiree health coverage. Withdrawal rates are based on standard withdrawal table Saranson T-9 adjusted to reflect the University's actual withdrawal experience in 2011 through 2016.
- Healthcare cost trend rates: 7.50 percent for 2023 and 7.0 percent for 2024, decreasing .5 percent per year to an ultimate rate of 4.50 percent for 2029 and later years.
- Mortality Rates – For 2022 and 2021, 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 2016.

Discount Rate – The discount rate used to value benefits was the long-term expected rate of return on plan investments, 3.70% for 2022 and 2021. The plan's net fiduciary position is projected to be sufficient to make projected benefit payments. When the OPEB plan investments are insufficient to meet the cash flow needs of the plan, 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 3.70% for 2022 and 2021. 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 and adding in expected inflation (2.30%). 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 2022 and 2021. The combined long-term expected rate of return also remained unchanged from 2021 to 2022 as summarized below:

Asset Class	Target Allocation	2022 L/T Expected ROR	2021 L/T Expected ROR
U.S. Broad Equity	26.00%	6.60%	6.60%
Global ex-U.S. Equity	8.00%	6.80%	6.80%
Domestic Fixed Income	41.00%	1.70%	1.70%
Short Duration Fixed Income	20.00%	1.50%	1.50%
Cash Equivalents	5.00%	1.20%	1.00%
Total	**100.00%**	**3.70%**	**3.70%**

Changes in Net OPEB Liability (Asset) – The following table reports the components of 2022 changes in net OPEB (asset):

Schedule of Changes in Net OPEB Liability

	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
Changes in 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 Balance	**$ 61,316,198**	**$ 63,494,750**	**$ (2,178,552)**

The following table reports the components of 2021 changes in net OPEB liability (asset)

Schedule of Changes in Net OPEB Liability			
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB (Asset)
Beginning Balance	$ 50,005,446	$ 64,294,828	$ (14,289,382)
Changes for the Year			
Service cost	323,802	-	323,802
Interest	2,260,402	-	2,260,402
Difference between expected and actual experience	(3,283,612)	-	(3,283,612)
Changes in assumptions	5,593,625	-	5,593,625
Benefit Payments	(2,407,228)	(2,407,228)	-
Contributions - Employer	-	415,971	(415,971)
Net Investment income	-	10,703,849	(10,703,849)
Administrative expense	-	(50,369)	50,369
Net Change	**$ 2,486,989**	**$ 8,662,223**	**$ (6,175,234)**
Ending Balance	**$ 52,492,435**	**$ 72,957,051**	**$ (20,464,616)**

Sensitivity Results The following presents the Net OPEB Liability (Asset) as of June 30, 2022 and 2021, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

As of June 30, 2022	Net OPEB Liability (Asset)
1% Decrease 2.70%	$ 6,455,194
Current Discount Rate 3.70%	$ (2,178,552)
1% Increase 4.70%	$ (9,243,787)

As of June 30, 2021	Net OPEB Asset
1% Decrease 2.70%	$ (12,919,197)
Current Discount Rate 3.70%	$ (20,464,616)
1% Increase 4.70%	$ (26,620,817)

The following presents the Net OPEB Liability (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

The following presents the Net OPEB Asset as of June 30, 2021, 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, 2021	Net OPEB Asset
1% Decrease	$ (26,401,876)
Current Trend Rates	$ (20,464,616)
1% Increase	$ (13,273,010)

Deferred Outflows / (Inflows) of Resources For the years ending June 30, 2022 and 2021, the University recognized OPEB expenses/negative expenses of $4,786,449 and $(1,848,817). The University reported deferred outflows of resources and deferred inflows of resources related OPEB from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 5,437,021	$ (8,119,774)	$ 3,197,248	$ (13,373,259)
Changes in Assumptions	4,175,457	(1,024,783)	8,168,862	(2,049,568)
Net difference between projects and actual earnings on OPEB plan investments	3,910,330	-	-	(5,349,697)
Total	**$ 13,522,808**	**$ (9,144,557)**	**$ 11,366,110**	**$ (20,772,524)**

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

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

Year ended June 30, 2021:		Amount
2022	$	(1,572,253)
2023	$	(3,091,647)
2024	$	(3,645,971)
2025	$	(1,096,543)
2026	$	-
Thereafter	$	-

Note 15 – Risk Management

The University is exposed to various risks of loss: torts, theft, damage or destruction of assets; errors or omissions; job-related illnesses or injuries to employees; and health and other medical benefits provided to employees and their dependents. The University handles these risks of loss through combinations of risk retention and commercial insurance. For building and contents, the risk retention is $100,000 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 $658,533 for the fiscal year 2021-22. The estimated liability for the fiscal year 2020-21 was $1,102,779.

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, 2022 and 2021 were as follows:

	2022	2021
Balance, beginning of year	$ 1,102,779	$ 1,203,986
Claims incurred	11,182,191	11,208,843
Claim payments	(11,626,437)	(11,310,050)
Balance, end of year	$ 658,533	$ 1,102,779

Note 16 – Deposits Held in Custody of Others

At June 30, 2022 and 2021, deposits held by the University for others was $720. The deposits are held by the University for external events.

Note 17 – Functional Statement

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

2022	Salaries and Benefits	Scholarships/ Fellowships	Supplies and Other Services	Equipment	Depreciation	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	-	1,868,515	93,787	-	15,501,536
Depreciation	-	-	-	-	15,176,423	15,176,423
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**	**$ 32,180,520**	**$ 2,958,325**	**$ 15,176,423**	**$ 138,043,434**

2021	Salaries and Benefits	Scholarships/ Fellowships	Supplies and Other Services	Equipment	Depreciation	*Restated* Total
Instruction	$ 35,542,645	$ -	$ 9,507,999	$ 1,201,422	$ -	$ 46,252,066
Academic Support	3,610,584	-	1,058,453	6,125	-	4,675,162
Public Service	6,005,202	-	3,525,909	336,547	-	9,867,658
Student Service	4,387,607	-	2,003,177	11,797	-	6,402,581
Operation and Maintenance of Plant	3,768,505	-	4,112,005	835,353	-	8,715,863
Institutional Support	7,181,064	-	2,069,910	60,090	-	9,311,064
Depreciation	-	-	-	-	13,579,708	13,579,708
Auxiliary Enterprises	3,292,497	-	5,322,019	50,205	-	8,664,721
Student Aid Expense	-	9,507,140	-	-	-	9,507,140
Total Operating Expenses	**$ 63,788,104**	**$ 9,507,140**	**$ 27,599,472**	**$ 2,501,539**	**$ 13,579,708**	**$ 116,975,963**

Note 18 – Insurance Recoveries

On April 8, 2020, the University experienced strong storms causing significant damage to Harrison Hall dormatory and the surrounding area on the Vincennes campus. In accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries,* insurance recovery received was used to offset the amount of loss for Harrison Hall. The net amount received was reported on the Statement of Revenues, Expenses, and Changes in Net Position as non-operating revenue.

The final settlement for Harrison Hall totaling $1,795,229 was received in fiscal year 2021.

Note 19 – Changes in Accounting Principles

Effective for the fiscal year ended June 30, 2022, the University adopted GASB Statement 87, *Leases,* (GASB 87). This statement supersedes GASB Statement No. 62 and establishes new requirements for calculating and reporting the University's lease activities. The adoption of GASB 87 has been reflected using an implementation date of July 1, 2020, the beginning of the earliest period presented in the University's comparative financial statements. As a result, the University recorded leased right-to-use assets totaling $1,421,125, and related accumulated amortization of $100,558, at June 30, 2021.

Lease payable was recorded totaling $1,321,990, as well as an increase in accrued interest payable of $16,022, and an increase in deferred inflows of resources of $274,657, at June 30, 2021.

Increase in lease receivable of $282,205 and accrued interest receivable of $706, were also reported at June 30, 2021.

These balances were calculated using the facts and circumstances that existed at July 1, 2020, as prescribed by GASB 87. There was no impact to beginning net position at July 1, 2020.

Beginning net position as of July 1, 2021 was restated for the effects of the University's adoption of GASB 87 as follows:

		June 30, 2021 as originally reported		GASB 87 Impact		July 1, 2021 as *Restated*
Current Assets	$	101,410,410	$	14,944	$	101,425,354
Noncurrent Assets		445,099,460		1,588,534		446,687,994
Total Assets	**$**	**546,509,870**	**$**	**1,603,478**	**$**	**548,113,348**
Deferred Outflows of Resources	**$**	**11,667,265**	**$**	**-**	**$**	**11,667,265**
Current Liabilities		24,805,509		97,218		24,902,727
Noncurrent Liabilities		36,642,380		1,240,794		37,883,174
Total Liabilities	**$**	**61,447,889**	**$**	**1,338,012**	**$**	**62,785,901**
Deferred Inflows of Resources	**$**	**20,956,064**	**$**	**274,657**	**$**	**21,230,721**
Net Position	**$**	**475,773,182**	**$**	**(9,191)**	**$**	**475,763,991**

Effective for the fiscal year ended June 30, 2021, the University adopted GASB Statement No, 84, *Fiduciary Activities* (GASB 84). This statement establishes criteria for identifying fiduciary activities and requires that fiduciary activities be reported in a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Position.

The University's grantor trust which is held at the University's foundation meets the definition of a fiduciary. The grantor's trust was established to provide certain post retirement benefits for those employees of Vincennes University and their eligible dependents covered by the plan. This plan is properly reported in the 2021 fiduciary activity statements.

In certain instances, the University serves as a depository for external entities. The University has no involvement with the funds. These funds are reported as custodial funds in the fiduciary statements. Currently, the University has one custodial fund with the Wabash River Regional Development Authority (RDA). As of June 30, 2021, the Wabash River Regional Development Authority had $528,204 in cash with accounts payable totaling $270,970 and expenditures totaling $1,092,766. It was not practical to restate FY20 RDA custodial activity for GASB 84.

GASB 84 allows business-type activities, such as the University, to report activities that otherwise be considered custodial funds in the University's Statement of Net Position and Statement of Cash Flows as an operating activity if upon receipt, the funds are normally expected to be held for three months or less. At the current time, Vincennes University does not have custodial funds which meet this definition.

The University had previously reported student club accounts as funds held in trust. Under GASB 84, the student clubs did not meet the definition of a fiduciary activity and a $328,787 adjustment to beginning net position was recognized as a change in accounting principle during fiscal year 2021. Since it was not practical to restate the prior year financial statements, the cumulative effect of the change in accounting principle was displayed in the current year.

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, 2022				June 30, 2021			
	Cost		Market		Cost		Market	
Without Donor Restrictions	$	2,278,641	$	2,371,197	$	2,261,063	$	2,758,234
With Donor Restrictions		108,498,915		109,683,266		110,524,208		127,765,612
Totals	**$**	**110,777,556**	**$**	**112,054,463**	**$**	**112,785,271**	**$**	**130,523,846**
Investments composed of:								
U.S. Government Bonds	$	4,429,206	$	4,180,144	$	2,232,877	$	2,301,333
Common Stock		103,718,609		105,244,578		96,780,801		114,432,431
Certificates of Deposit		-		-		325,000		343,481
Miscellaneous Cash Equivalents		2,629,741		2,629,741		13,446,593		13,446,601
Totals	**$**	**110,777,556**	**$**	**112,054,463**	**$**	**112,785,271**	**$**	**130,523,846**

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*

	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%
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%
4. Employer's covered-employee payroll	$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
6. Plan fiduciary net position as a percentage of the total pension liability**	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 6/30/2021, 6/30/2019, 6/30/2018, 6/30/2017, 6/30/2016, 6/30/2015 and 6/30/2014.

Schedules of Employer Contributions

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

	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	$ 107,991	$ 142,223	$ 219,141	$ 351,021	$ 312,886	$ 371,923	$ 293,388	$ 269,508
Contributions in relation to the statutorily required contribution	$ 107,991	$ 142,223	$ 219,141	$ 351,021	$ 312,886	$ 371,923	$ 293,388	$ 269,508
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll	$1,975,732	$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%	7.50%	7.50%	7.50%	7.50%	5.63%	3.75%

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

Schedules of Employer's Share of Net Pension Liability

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

	2021	2020	2019	2018	2017	2016	2015	2014
1. Employer's proportion of the net pension liability (asset)	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)	$ (57,643)	$ 11,870	$ (29,192)	$ 31,654	$ 207,930	$ 283,095	$ 216,002	$ 25,064
3. Employer's covered-employee payroll	$ 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%	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 **	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 the DB/DC split effective January 1, 2018.

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

Schedules of Employer Contributions

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

	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	$ 24,602	$ 27,784	$ 49,680	$ 67,271	$ 71,099	$ 78,351	$ 84,313	$ 102,315
Contributions in relation to the statutorily required contribution	$ 24,602	$ 27,784	$ 49,680	$ 67,271	$ 71,099	$ 78,351	$ 84,313	$ 102,315
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer's covered-employee payroll	$ 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%	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 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 benefit prior to retirement. Statute now allows a qualifying spouse/dependent to receive a benefit if the deceased member had a minimum of 10 years of creditable service. No subsequent changes in benefits have been made.

Changes in Plan Provisions: For the actuarial valuation as of June 30, 2018, the COLA assumption was changed due to passage of Senate Enrolled Act No. 373. In lieu of a 1.0% COLA beginning on January 1, 2020, INPRS assumes the COLA will be replaced by a 13th check for 2020 and 2021. HEA 1001-2021 granted a 1% COLA effective January 1, 2022. 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.

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%.

* 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 6/30/2021, 6/30/2020, 6/30/2019, 6/30/2018, 6/30/2017, 6/30/2016, 6/30/2015 and 6/30/2014.

Vincennes University Health Care Plan

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

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	$ 396,807	$ 323,802	$ 376,951	$ 382,426	$ 270,195
Interest	1,915,299	2,260,402	3,242,584	2,718,431	3,310,012
Change in benefit terms	3,611,633	-	-	-	-
Change in assumptions	371,465	5,593,625	1,305,275	(5,123,923)	14,553,977
Differences between expected and actual experience	4,797,997	(3,283,612)	(15,374,012)	7,993,123	(7,609,805)
Benefit payments, including refunds of member contributions	(2,269,438)	(2,407,228)	(3,013,396)	(2,404,802)	(2,509,814)
Net Change in Total OPEB Liability	**$ 8,823,763**	**$ 2,486,989**	**$(13,462,598)**	**$ 3,565,255**	**$ 8,014,565**
Total OPEB Liability - Beginning (a)	**$ 52,492,435**	**$ 50,005,446**	**$ 63,468,044**	**$ 59,902,789**	**$ 51,888,224**
Total OPEB Liability - Ending (a)	**$ 61,316,198**	**$ 52,492,435**	**$ 50,005,446**	**$ 63,468,044**	**$ 59,902,789**
Plan Fiduciary Net Position					
Contributions - employer	$ 285,050	$ 415,971	$ 3,036,891	$ 2,415,203	$ 2,534,150
Contributions - member	-	-	-	-	-
Net Investment income	(7,433,828)	10,703,849	1,922,418	2,838,090	1,997,219
Benefit payments, including refunds of member contributions	(2,269,438)	(2,407,228)	(3,013,396)	(2,404,802)	(2,509,814)
Administrative expense	(44,085)	(50,369)	(47,897)	(44,937)	(49,184)
Net Change in Plan Fiduciary Net Position	**$ (9,462,301)**	**$ 8,662,223**	**$ 1,898,016**	**$ 2,803,554**	**$ 1,972,371**
Plan Fiduciary Net Position - Beginning (b)	**$ 72,957,051**	**$ 64,294,828**	**$ 62,396,812**	**$ 59,593,258**	**$ 57,620,887**
Plan Fiduciary Net Position - Ending (b)	**$ 63,494,750**	**$ 72,957,051**	**$ 64,294,828**	**$ 62,396,812**	**$ 59,593,258**
Net OPEB Liability (Asset) Beginning (a) - (b)	**$(20,464,616)**	**$(14,289,382)**	**$ 1,071,232**	**$ (309,531)**	**$ 5,732,663**
Net OPEB Liability (Asset) Ending (a) - (b)	**$ (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	**103.6%**	**139.0%**	**128.6%**	**98.3%**	**99.5%**
Covered Employee Payroll	**$ 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	**-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 2022:

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

Change in Assumptions: From FY21 to FY22, the mortality assumption was updated from the SOA MP-2019 mortality improvement scale to the SOA MP-2021 improvement scale. The payroll growth assumption has been updated to follow the Public Employees Retirement Fund (PERF) Actuarial Valuation as of June 30, 2021. Health care trend rates have been updated to an initial rate of 7.5% decreasing by 0.50% per year to an ultimate rate of 4.5% for pre-65 benefits and an initial rate of 6.5% decreasing by 0.25% per year to an ultimate rate of 4.5% for post-65 benefits. Dental trend rates have been updated to 4.0% per year.

Fiscal Year 2021:

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

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

Fiscal Year 2020:

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

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

Fiscal Year 2019:

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

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

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

Vincennes University Health Care Plan

Schedule of University's Contributions

	2022	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	$ -	$ -	$ 481,468	$ 419,559	$ -
Contributions in relation to the ADC	285,050	415,971	3,036,891	2,534,150	2,534,150
Contribution deficiency (excess)	**$ (285,050)**	**$ (415,971)**	**$ (2,555,423)**	**$ (2,114,591)**	**$ (2,534,150)**
Covered employee payroll	**$ 33,766,298**	**$ 33,525,288**	**$ 34,031,574**	**$ 33,501,334**	**$ 34,637,847**
Contributions as a percentage of covered employee payroll	**0.8%**	**1.2%**	**8.9%**	**7.6%**	**7.3%**

	2017	2016	2015	2014	2013
Actuarially Determined Contribution (ADC)	$ 359,603	$ 1,060,381	$ 1,898,593	$ 2,507,561	$ 3,444,271
Contributions in relation to the ADC	6,579,862	5,896,030	6,428,380	4,384,798	5,234,790
Contribution deficiency (excess)	**$ (6,220,259)**	**$ (4,835,649)**	**$ (4,529,787)**	**$ (1,877,237)**	**$ (1,790,519)**
Covered employee payroll	**$ 34,778,458**	**$ 34,557,145**	**$ 33,687,669**	**$ 32,706,475**	**$ 34,054,596**
Contributions as a percentage of covered employee payroll	**18.9%**	**17.1%**	**19.1%**	**13.4%**	**15.4%**

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 Board of Trustees

UNIVERSITY OFFICERS

Vincennes University

1002 North First Street
Vincennes, IN 47591
www.vinu.edu