
Indiana University Radio and TV

Public Telecommunications Entities Operated as a Department of Indiana
University

Financial Report
with Supplementary Information
June 30, 2023

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Independent Auditor's Report

To the Board of Trustees
Indiana University Radio and TV

Opinion

We have audited the financial statements of Indiana University Radio and TV (the "Stations"), a department of Indiana University (the "University"), as of and for the years ended June 30, 2023 and 2022 and the related notes to the financial statements, which collectively comprise the Stations' basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Indiana University Radio and TV as of June 30, 2023 and 2022 and the changes in its financial position and, where applicable, its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Stations and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

As discussed in Note 2 to the financial statements, a certain error resulting in an understatement of previously reported revenue and cash for the year ended June 30, 2022 was discovered by the Stations' management during the current year. Accordingly, the 2022 financial statements have been restated to correct the error. Our opinion is not modified with respect to this matter.

As described in Note 1 to the financial statements, these financial statements of the Stations are intended to present the financial position, changes in financial position, and changes in cash flows of only that portion of the University's business-type activities that are attributable to the transactions of the department. They do not purport to, and do not, present fairly the financial position of the University as of June 30, 2023 and 2022 or the changes in its financial position or its cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America. 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 Stations' 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 Audits 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits 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 audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Stations' 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 Stations' 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the Stations' proportionate share of the net pension liability, schedule of pension contributions, and schedule of changes in the total OPEB liability and related ratios 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, which 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.

To the Board of Trustees
Indiana University Radio and TV

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Indiana University Radio and TV's basic financial statements. The other supplementary information, as identified in the table of contents and, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Additional Information

Management is responsible for the accompanying trustees and administrative officers of Indiana University, which is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Our opinion on the financial statements does not cover such information, and we do not express an opinion or any form of assurance thereon.

Plante & Moran, PLLC

January 31, 2024

Introduction

The following discussion and analysis provides an overview of WFIU-FM and WTIU-TV (the Stations) combined audited financial statements for the fiscal year ended June 30, 2023, along with selected comparative data for the fiscal years ended June 30, 2022 and 2021. Three financial statements are described in the following discussion and analysis: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. The Stations' financial statements, related notes to the financial statements, and required supplementary information, including management's discussion and analysis have been prepared in accordance with Governmental Accounting Standards Board (GASB) principles. GASB required supplementary information is not audited and should be read in conjunction with the financial statements and notes to the financial statements.

The Statement of Net Position is the Stations' balance sheet. The statement presents the Stations' financial position by reporting all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the as of the end of the fiscal year. The net position is the residual value of the Stations' assets and deferred outflows of resources, after liabilities and deferred inflows of resources are deducted, and is one indicator of the financial condition of the Stations.

The Statement of Revenues, Expenses, and Changes in Net Position is the Stations' income statement. The statement presents the total revenues recognized and expenses incurred by the Stations during the fiscal year, along with the increase or decrease in net position. This statement depicts the Stations' revenue streams, along with the categories of expenses supported by that revenue. Changes in net position are an indication of improvement or decline in the Stations' overall financial condition.

The Statement of Cash Flows provides additional information about the Stations' financial results by presenting detailed information about cash inflows and outflows during the fiscal year. The statement reports the major sources and uses of cash and is useful in the assessment of the Stations' ability to generate future net cash flows and to meet obligations as they come due.

The Stations restated fiscal year 2022 financial statements due to a correction of an error. The Stations' calculation of the fiscal year 2022 general fund support from Indiana University was understated due to omission of certain revenues subject to the University's support. As a result, both general fund support and cash increased by \$1,038,148. Change in net position and ending net position at June 30, 2022 also saw an equal increase resulting from this restatement.

The Stations adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, during fiscal year ending June 30, 2023. The provisions of this Statement are effective for reporting periods beginning after June 15, 2022, and should be applied retroactively by restating financial statements, if practicable, for all prior periods presented. None of the prior periods presented in the financial statements and accompanying notes to the financial statements were impacted by this Statement and therefore were not restated.

June 30, 2023

Statement of Net Position

A comparison of WFIU's and WTIU's combined assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30, 2023, 2022 and 2021 is summarized as follows:

Condensed Statement of Net Position					
	<i>June 30, 2023</i>		<i>June 30, 2022 (as restated)</i>		<i>June 30, 2021</i>
Current assets	\$	3,539,089	\$	3,351,397	\$ 3,307,019
Noncurrent assets		4,196,422		4,512,710	4,770,465
Total assets		7,735,511		7,864,107	8,077,484
Deferred outflows of resources		240,196		268,887	256,832
Current Liabilities		581,581		512,724	614,913
Noncurrent Liabilities		831,390		692,622	955,199
Total liabilities		1,412,971		1,205,346	1,570,112
Deferred inflows of resources		767,430		1,138,762	958,426
Net investment in capital assets		3,886,153		4,011,390	4,237,592
Restricted net position		54,073		59,810	59,663
Unrestricted net position		1,855,080		1,717,686	1,508,523
Total net position	\$	5,795,306	\$	5,788,886	\$ 5,805,778

Total Assets

Total assets at June 30, 2023, were \$7,735,511, a decrease of \$128,596, or 1.6%, from 2022. The decrease was partially attributable to a reduction in cash and cash equivalents and lease receivables. These decreases were partially offset by an increase in other receivables. Cash and cash equivalents decreased primarily as a result of declines in Corporation for Public Broadcasting (CPB) contributions and general fund support from Indiana University (university). Lease receivables decreased primarily due to the amortization of GASB 87 leases. Other receivables increased, which was primarily driven by the timing of receivables realization. Net investment in capital assets comprised \$3,886,153, or 50.2%, of the total assets at June 30, 2023.

Total assets at June 30, 2022, were \$7,864,107, a decrease of \$213,377, or 2.6%, from 2021. The decrease was primarily attributable to a reduction in grants receivable and capital assets. Grants receivable decreased due to FCC Repack Program that ended in fiscal year 2022. Capital assets also decreased due to the ending of the FCC Repack Program, as the replacement of aging equipment under this program primarily occurred in fiscal year 2020 and fiscal year 2021. Thus, the ending of this program resulted in year over year reduction in capital assets. Net investment in capital assets comprised \$4,011,390, or 51.0%, of the total assets at June 30, 2022.

Capital Assets

At June 30, 2023, 2022, and 2021, the Stations had \$3,886,153, \$4,011,390, and \$4,237,592, respectively, invested in capital assets, net of accumulated depreciation. Depreciation charges for the years ended June 30, 2023, 2022, and 2021, totaled \$688,772, \$598,826, and \$604,024, respectively.

June 30, 2023

Details of these assets are shown below:

Capital Assets				
	June 30, 2023	June 30, 2022	June 30, 2021	
Building components	\$ 293,795	\$ 293,795	\$ 293,795	
Transmission, antenna, and tower	5,233,327	4,691,804	4,739,367	
Studio and other broadcast equipment	5,503,286	5,724,829	5,821,901	
Less: accumulated depreciation	(7,144,255)	(6,699,038)	(6,617,471)	
Total capital assets, net	\$ 3,886,153	\$ 4,011,390	\$ 4,237,592	

Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of resources applicable to a future reporting period, but do not require a further exchange of goods or services. Deferred outflows represent the consumption of net position applicable to a future reporting period and will not be recognized as expenses or expenditures until then. Certain changes in resources related to the net pension liability and the OPEB liability are reported as deferred outflows of resources.

Deferred outflows of resources at June 30, 2023 were \$240,196, a decrease of \$28,691, or 10.7%, from 2022. Deferred outflows of resources at June 30, 2022 were \$268,887, an increase of \$12,055, or 4.7% from 2021. Changes in deferred outflows of resources are the result of fluctuations in pension and other postemployment benefit obligations.

Total Liabilities

Total liabilities were \$1,412,971 at June 30, 2023, an increase of \$207,625, or 17.2%, from 2022. The increase was primarily attributable to increases in accounts payable and net pension liabilities. The increase in accounts payable was primarily attributable to timing differences and billing cycle changes. The net pension liability increased as a result of low market returns for the applicable reporting period. Noncurrent liabilities were \$831,390, or 58.8%, of the total liabilities at June 30, 2023.

Total liabilities were \$1,205,346 at June 30, 2022 a decrease of \$364,766, or 23.2%, from 2021. The decrease was primarily attributable to a decline in net pension and net OPEB liabilities, in conjunction with decreases in accounts payable and compensated absences. The net pension liability decreased as a result of high market returns for the applicable reporting period. The accounts payable decrease was primarily due to timing differences and billing cycle changes. Compensated absences decreased primarily as a result of vacant positions at the Stations. Noncurrent liabilities were \$692,622, or 57.5%, of the total liabilities at June 30, 2022.

Deferred Inflows of Resources

Deferred inflows of resources represent the acquisition of resources applicable to a future reporting period, but do not require a further exchange of goods or services. Deferred inflows represent an acquisition of net position applicable to a future reporting period and will not be recognized as revenue until then. Included in these amounts are lease receivables under GASB 87, the net pension liability, and the OPEB liability.

Deferred inflows of resources at June 30, 2023 were \$767,430, a decrease of \$371,332, or 32.6%, from 2022. Deferred inflows of resources at June 30, 2022 were \$1,138,762, an increase of \$180,336, or 18.8%, from 2021. Changes in deferred inflows of resources are the result of fluctuations in pension and other postemployment benefit obligations, in addition to changes related to lease receivables under GASB 87.

June 30, 2023

Net Position

Net position is the residual of all other elements presented in the Statement of Net Position. Net position is classified into three major categories:

- Net investment in capital assets consists of the Stations' investment in capital assets, such as equipment, buildings, land, infrastructure, and improvements, net of accumulated depreciation and related debt.
- Restricted net position consists of amounts subject to externally imposed restrictions governing usage.
- Unrestricted net position includes amounts designated by the Stations or committed to support specific purposes.

The Stations' net investment in capital assets reflects the institutional capital investment in sustaining and enhancing the Stations' mission and strategic plans. The net investment in capital assets decreased \$125,237, or 3.1%, and \$226,202, or 5.3%, in 2023 and 2022, respectively.

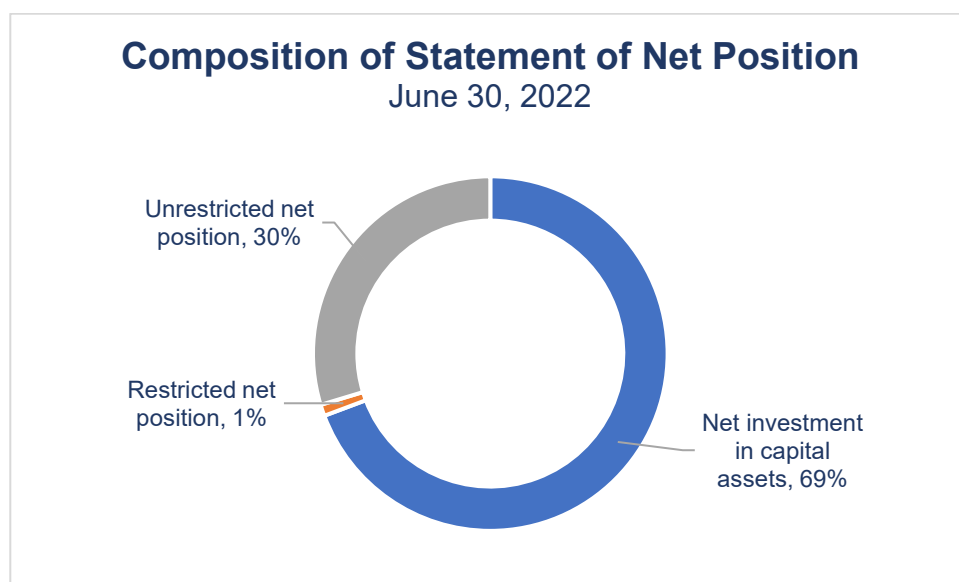
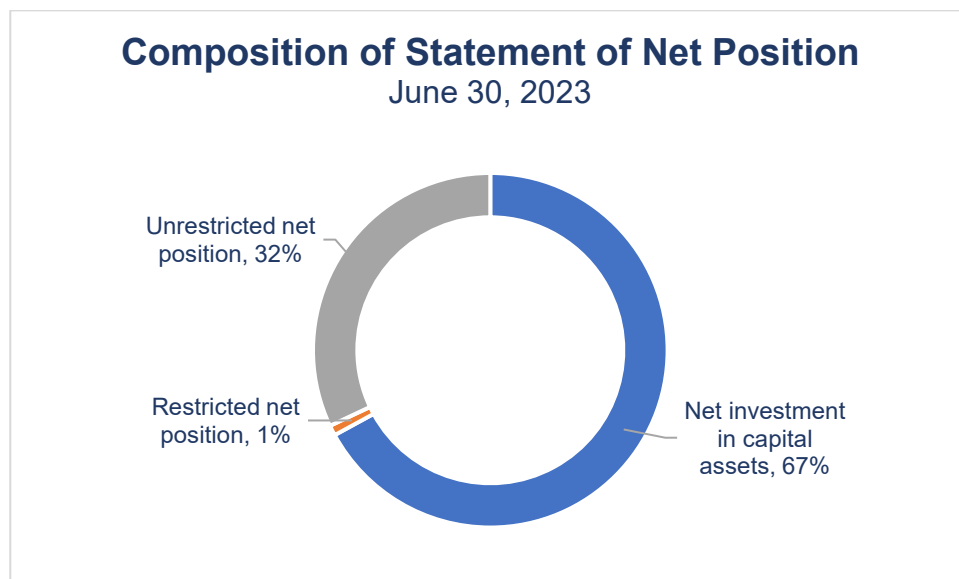
Restricted net position decreased \$5,737, or 9.6%, and increased \$147, or 0.3%, in 2023 and 2022, respectively. The decrease in fiscal year 2023 was primarily due to a decrease in restricted Corporation for Public Broadcasting funds. The increase in fiscal year 2022 was primarily due to an increase restricted Corporation for Public Broadcasting funds.

Unrestricted net position is not subject to externally imposed restrictions but may be subject to internal designations and commitments. Unrestricted net position represents resources available for ongoing operational needs and for funding ongoing obligations, as well as providing flexibility to support the Stations' missions in changing economic environments. Unrestricted net position increased \$137,394, or 8.0%, and \$209,163, or 13.9%, in 2023 and 2022, respectively.

Total net position increased \$6,420, or 0.1%, in fiscal year 2023 and decreased \$16,892, or 0.3%, in fiscal year 2022. Net position at June 30, 2023 was \$5,795,306.

June 30, 2023

The composition of net position is displayed below as of June 30, 2023, and June 30, 2022:



Statement of Revenues, Expenses, and Changes in Net Position

Revenues and expenses are classified as either operating or nonoperating in accordance with GASB principles. Trends in the relationship between operating revenues and expenses are important indicators of financial condition. Generally, operating revenues are received for providing goods and services and include grants and contracts, sales and services, event income, and royalty income. Nonoperating revenues include university general fund support, state appropriations, gifts, and leave revenues. Operating expenses are those incurred to carry out the normal operations of the Stations. The Stations are required by GASB standards to report certain revenue sources that are an integral part of operations as nonoperating revenues.

Management's Discussion and Analysis

June 30, 2023

A summarized comparison of WFIU's and WTIU's combined revenues, expenses, and changes in net position is presented below:

Condensed Statement of Revenues, Expenses, and Changes in Net Position				
	Fiscal Year Ended			
	June 30, 2023	June 30, 2022 (as restated)	June 30, 2021	
Operating revenues	\$ 2,301,249	\$ 2,138,277	\$ 1,894,252	
Operating expenses	10,576,319	11,089,157	10,446,449	
Total operating loss	(8,275,070)	(8,950,880)	(8,552,197)	
Net nonoperating revenue	8,281,490	8,933,988	8,285,511	
Income before other revenues	6,420	(16,892)	(266,686)	
Capital grant	-	-	142,292	
Increase (decrease) in net position	6,420	(16,892)	(124,394)	
Net position, beginning of year	5,788,886	5,805,778	5,930,172	
Net position, end of year	\$ 5,795,306	\$ 5,788,886	\$ 5,805,778	

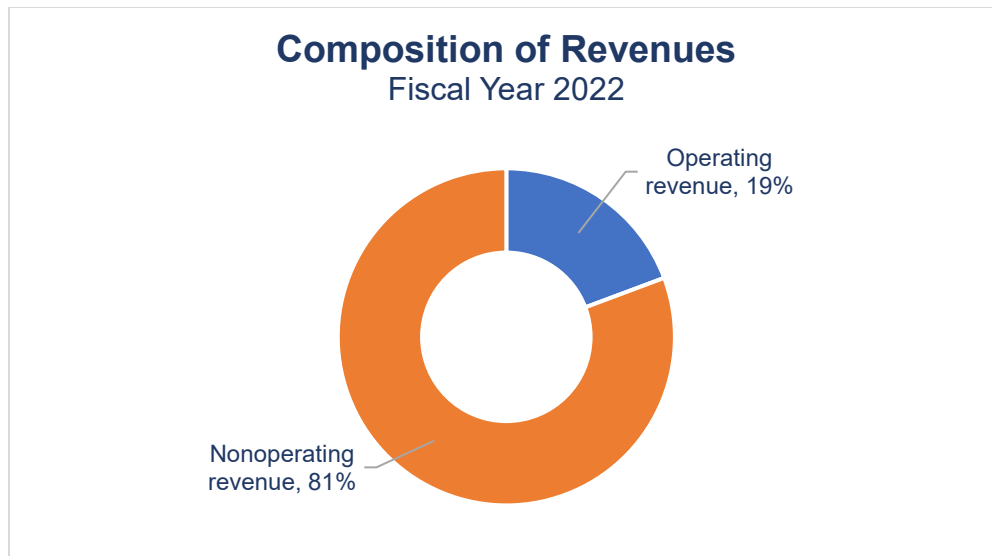
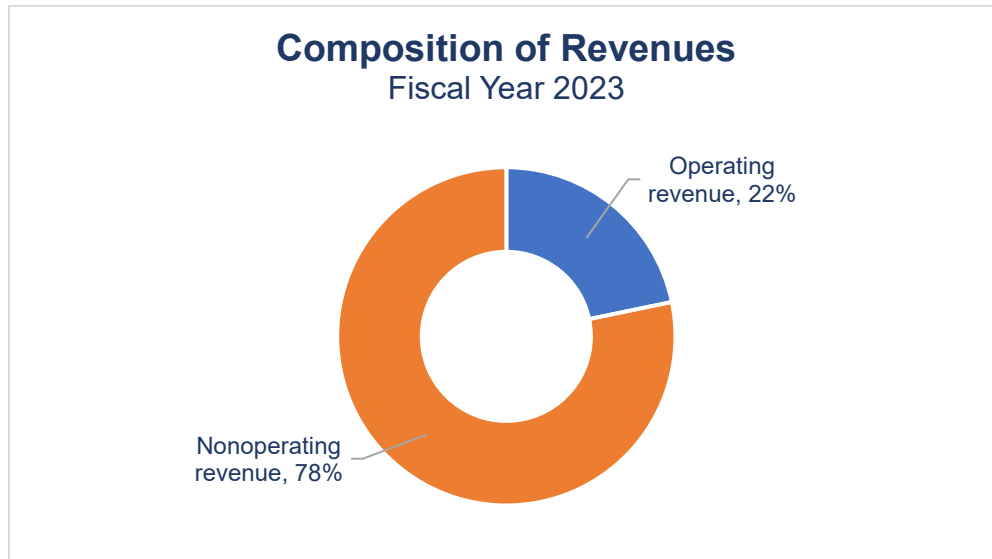
Revenues

Operating revenues for fiscal year ended June 30, 2023, increased by \$162,972, or 7.6%, from 2022. The increase was primarily attributable to an increase in Indiana Public Broadcasting Station (IPBS) grant revenue. This was partially offset by a decrease in facility sales and services. Net nonoperating revenues in fiscal year 2023 decreased by \$652,498, or 7.3%, from fiscal year 2022. The decrease was primarily attributable to a reduction in general fund support caused by transitory operational changes at the Stations, coupled with reduced donated facility and administrative support from the university.

Operating revenues for fiscal year ended June 30, 2022, increased by \$244,025, or 12.9%. The increase was primarily attributable to an increase in contractual services performed for Indiana University auxiliary services, as the Stations' activities began to revert to normal operations after the pandemic. This was partially offset by a decrease in royalty income. Net nonoperating revenues in fiscal year 2022, increased by \$648,477, or 7.8%, from fiscal year 2021. The increase was primarily attributable to an increase in general fund support from the university, coupled with an increase in Indiana University Foundation (IUF) contributions.

June 30, 2023

The compositions of revenues are displayed in the following charts:



Expenses

Operating expenses were \$10,576,319 for fiscal year 2023. This was a decrease over the previous fiscal year of \$512,838, or 4.6%. Changes in the major categories of expenses were:

For all functional areas:

- Professional and support staff received an average salary increase of 3.0% in fiscal year 2023. The professional staff fringe benefit rate increased from 39.85% to 39.94%. The support staff fringe benefit rate decreased from 39.98% to 39.84%.
- A continued review, which began in 2021, of the methodology for the allocation of functional expenses was performed for fiscal year ended June 30, 2023. This process included a review of job classifications and salaries, which resulted in reallocations between functional expenses that impacted all functional expense categories.

June 30, 2023

For specific functional areas:

- Programming and production expenses decreased \$225,364, or 2.9%, which was directly attributable to a decrease in the volume of productions and programming activities throughout the year.
- Broadcasting expenses decreased \$278,657, or 27.2%, which was due to a decline in purchases associated with broadcast equipment and operations. This was primarily a result of new equipment being placed into service in previous years that do not require additional maintenance, in conjunction with ranges not needing to be expanded.
- Public information and promotional expenses decreased \$75,185, or 15.2%. This was primarily attributable to a decrease in the frequency and number of events and promotions. Events and promotions decreased due to the Stations' reorganization, which limited the time and ability for the Stations' employees to perform work on events and promotions.
- Management and general expenses decreased \$44,636, or 4.4%, which was primarily attributable to reduced memberships and travel costs.
- Fundraising, membership development, and underwriting solicitation expenses increased \$111,004, or 12.6%, which was commensurate with the Stations continued realignment of functional codes. The Stations also expanded the membership and development team, which increased activity with donors and members.

Operating expenses were \$11,089,157 for the 2022 fiscal year. This was an increase over the previous fiscal year of \$642,708, or 6.2%. Changes in the major categories of expenses were:

For all functional areas:

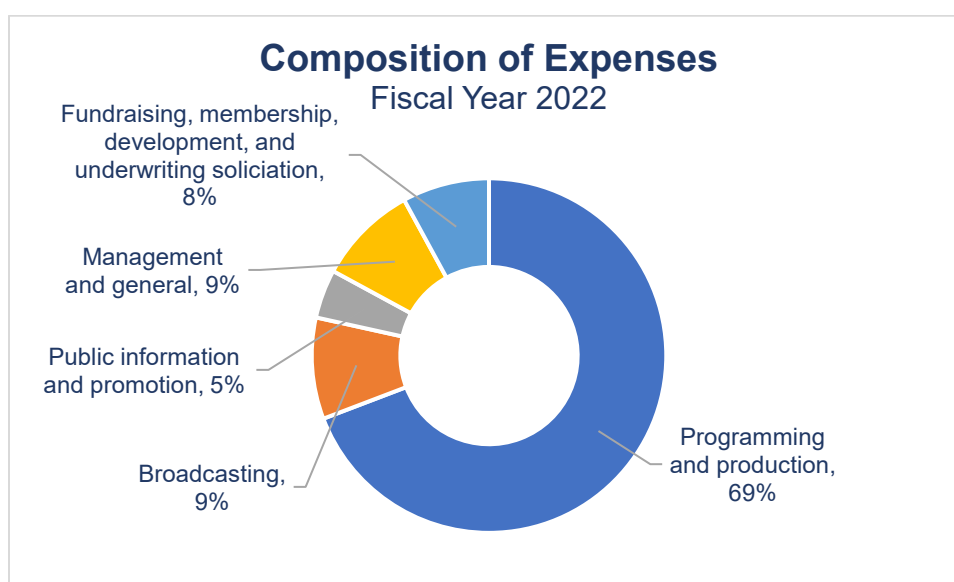
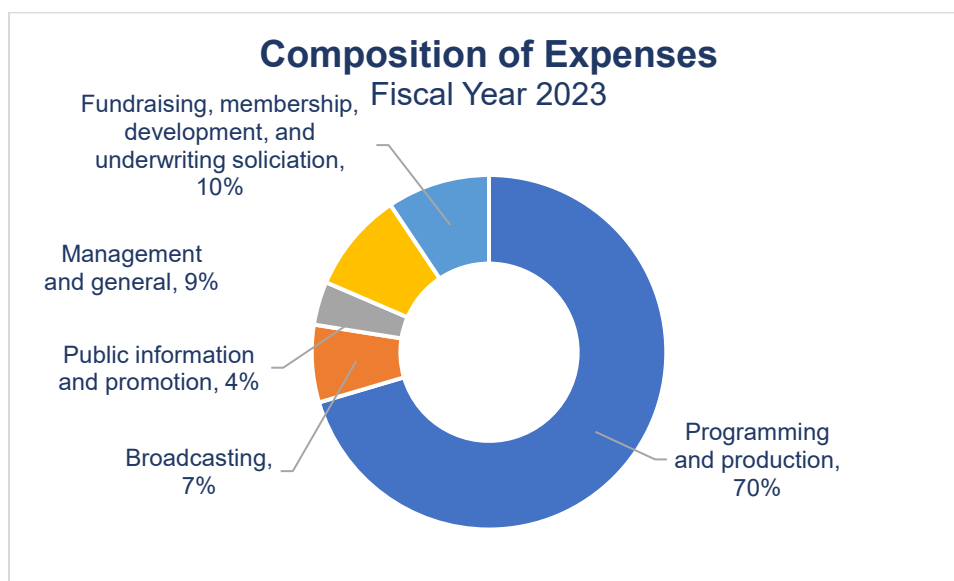
- Professional and support staff received an average salary increase of 3.5% in fiscal year 2022. The professional staff fringe benefit rate increased from 39.11% to 39.85%. The support staff fringe benefit rate increased from 39.86% to 39.98%.
- A continued review, which began in 2021, of the methodology for the allocation of functional expenses was performed for fiscal year ended June 30, 2022. This process included a review of job classifications and salaries, which resulted in reallocations between functional expenses that impacted all functional expense categories.

For specific functional areas:

- Programming and production expenses increased \$2,040,033, or 36.2%, which was primarily attributable to the reorganization of the RTVS accounting structure and reallocation of staff compensation and related expenses. In addition, the demand for production services increased as operations began to normalize after the pandemic, leading to increased programing services provided to university athletic programs and other university events.
- Broadcasting expenses decreased \$482,082, or 32.0%, which was due to decreased expenses associated with the FCC Repack Program that ended in fiscal year 2022. In addition, repair expenses related to broadcast equipment and operations decreased, primarily due to the replacement of aging equipment as part of the FCC Repack Program.
- Public information and promotion expenses decreased \$285,396, or 36.6%, which was primarily attributable to decreased activity for community events and promotions.
- Management and general expenses decreased \$640,654, or 38.7%, which was primarily attributable to employee vacancies, as well as the reallocation of certain expense categories.
- Fundraising, membership development, and underwriting solicitation expenses increased \$10,807, or 1.2%, which commensurate with the increase in contributions and underwriting.

June 30, 2023

The composition of total expenses, including operating and nonoperating, are displayed below by major category:



Statement of Cash Flows

The Statement of Cash Flows provides information about the Stations' financial results by reporting the major sources and uses of cash during the fiscal year. The statement assists in evaluating the Stations' ability to generate future net cash flows to meet its obligations as they become due and aids in analysis of the need for external financing. The statement is divided into three sections based on major activity: operating, noncapital financing, and capital and related financing.

Management's Discussion and Analysis

June 30, 2023

A summarized comparison of WFIU's and WTIU's changes in cash and cash equivalents is presented below:

Comparative Statement of Cash Flows				
	Fiscal Year Ended			
	June 30, 2023	June 30, 2022 (as restated)	June 30, 2021	
Net cash provided (used) by:				
Operating activities	\$ (6,548,237)	\$ (7,145,469)	\$ (6,496,740)	
Noncapital financing activities	6,813,387	7,522,129	7,264,252	
Capital and related financing activities	(371,231)	(224,647)	25,465	
Net increase (decrease) in cash and cash equivalents	(106,081)	152,013	792,977	
Beginning cash and cash equivalents	3,031,934	2,879,921	2,086,944	
Ending cash and cash equivalents	\$ 2,925,853	\$ 3,031,934	\$ 2,879,921	

There was a net decrease in cash and cash equivalents in 2023 of \$106,081, or 3.5%. There was a net increase in cash and cash equivalents in 2022 of \$152,013, or 5.3%.

Cash used by operating activities decreased by \$597,232, or 8.4%, during fiscal year 2023 as compared to fiscal year 2022. The decrease was primarily due to a decrease in cash payments to vendors and an increase in cash received from Indiana PBS grants. This was offset by a decrease in cash received from sales and services and increased cash payments to employees. Cash used by operating activities increased by \$648,729, or 10.0%, during fiscal year 2022 as compared to fiscal year 2021. The increase was primarily due to an increase in payments to employees and vendors, partially offset by an increase in cash proceeds from sales and services.

Cash flows provided by noncapital financing activities decreased \$708,742, or 9.4%, during fiscal year 2023 compared to fiscal year 2022. The decrease was primarily attributable to a decline in general fund support, coupled with a decrease in cash proceeds from capital grants and gifts and cash contributions. Cash flows provided by noncapital financing activities increased \$257,877, or 3.5%, during 2022 as compared to 2021. The increase was primarily attributable to an increase in general fund support from the university, coupled with an increase in IUF contributions.

Cash flows used by capital and financing related activity increased by \$146,584, or 65.3%, during fiscal year 2023 compared to fiscal year 2022. The increase in cash outlays was primarily attributable to increased purchases of capital equipment and was partially offset by payments received on lease receivables. The Stations' cash flows provided (used) by capital and financing related activity changed to a net cash outflow position (cash used by) of \$224,647 in 2022 from a net cash inflow position (cash provided by) of \$25,465 in 2021, an increase in cash used by capital and financing related activity of \$250,112. The increase in cash outlays was primarily attributable to increased purchases of capital equipment.

Economic Outlook

WTIU television and WFIU radio continue to deliver news, entertainment, historical and civic programming through broadcast, streaming and digital distribution, to audiences in south central Indiana and the world. Key funding will continue to be a diverse mix of institutional support, federal & state grants, and local development revenue. Overall, these sources of funding will remain strong over the next year, although challenging economic conditions in the local area are expected.

WTIU and WFIU continue to receive strong financial support from the State of Indiana, the Corporation of Public Broadcasting, and Indiana University. State support is expected to remain at current levels. Federal support from the Corporation of Public Broadcasting is expected to increase substantially.

June 30, 2023

Both stations will experience flat membership numbers this year, as philanthropic giving nationally faces substantial headwinds provided by uncertain economic conditions. However, core WTIU and WFIU supporters continue to support an impressive lineup of National Public Radio (NPR) programming, Public Broadcasting Service (PBS) programming, and locally produced news and entertainment programming. Sustainer giving numbers for each station continue to increase, providing more stable income streams. Total revenue from membership is expected to be flat. The current trend in public media of flat to modest membership revenue increases from a flat or declining number of donors remains a long-term concern. Both stations are working to reverse this trend.

The current strategic plan includes a highly focused effort to substantially increase major donor giving. Presenting a strong case for support around expanding news coverage will be key to achieving this goal. This is the one area where substantial development revenue growth is expected during the next year.

The biggest area of concern in development revenue is an expected slowdown in corporate development sponsorship sales caused by the economic uncertainties facing area businesses.

Expenses will increase modestly during the year, driven by general cost-of-living increases across all expense classes, with the largest increase in staff compensation. PBS & NPR member station fees are increasing modestly.

Continued capital investment in replacing aging technology and equipment will continue this year. Both stations will continue to expand digital streaming platforms to reach larger and more diverse audiences. Generative artificial intelligence technologies will provide opportunities for expanding the production of content, while making our staff more efficient.

Indiana University Radio and TV

Statement of Net Position

June 30, 2023 and 2022

	2023	2022 (As Restated)
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 2,925,853	\$ 3,031,934
Receivables:		
Leases receivable	191,051	183,032
Other receivables	386,293	62,182
Prepaid expenses and other assets	35,892	74,249
Total current assets	3,539,089	3,351,397
Noncurrent assets:		
Leases receivable	310,269	501,320
Capital assets - Net (Note 5)	3,886,153	4,011,390
Total noncurrent assets	4,196,422	4,512,710
Total assets	7,735,511	7,864,107
Deferred Outflows of Resources		
Deferred pension costs (Note 8)	89,303	99,837
Deferred OPEB costs (Note 9)	150,893	169,050
Total deferred outflows of resources	240,196	268,887
Liabilities		
Current liabilities:		
Accounts payable	150,876	57,229
Accrued liabilities and other:		
Accrued salaries and wages	73,791	81,242
Compensated absences (Note 7)	310,903	317,305
Current portion of total OPEB obligations (Note 9)	46,011	56,948
Total current liabilities	581,581	512,724
Noncurrent liabilities:		
Compensated absences (Note 7)	179,737	157,025
Net pension liability (Note 8)	223,682	113,257
Net OPEB obligation (Note 9)	427,971	422,340
Total noncurrent liabilities	831,390	692,622
Total liabilities	1,412,971	1,205,346
Deferred Inflows of Resources		
Deferred pension cost (Note 8)	31,008	194,242
Deferred OPEB cost (Note 9)	206,593	237,240
Leases	529,829	707,280
Total deferred inflows of resources	767,430	1,138,762
Net Position		
Net investment in capital assets	3,886,153	4,011,390
Restricted for expendable station activities	54,073	59,810
Unrestricted	1,855,080	1,717,686
Total net position	<u>\$ 5,795,306</u>	<u>\$ 5,788,886</u>

See notes to financial statements.

Indiana University Radio and TV

Statement of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2023 and 2022

	2023	2022 (As Restated)
Operating Revenue		
Facility sales and services	\$ 1,815,837	\$ 2,058,075
Other grants	480,063	73,931
Royalty income	5,349	6,271
Total operating revenue	2,301,249	2,138,277
Operating Expenses		
Program services - Programming and production	7,448,971	7,674,335
Program services - Broadcasting	747,302	1,025,959
Program services - Public information and promotion	418,693	493,878
Support services - Management and general	969,672	1,014,308
Support services - Fundraising, membership development, and underwriting solicitation	991,681	880,677
Total operating expenses	10,576,319	11,089,157
Operating Loss	(8,275,070)	(8,950,880)
Nonoperating Revenue		
Appropriations from State of Indiana	438,702	432,944
Donated facilities and administrative support from Indiana University	1,140,753	1,251,194
General Fund support from Indiana University	3,372,779	3,912,290
Corporation for Public Broadcasting contributions	1,290,817	1,645,649
Individual contributions	715,301	731,122
Corporate/Foundation contributions	1,098,738	791,452
Lease revenue	177,451	146,606
Other nonoperating revenue	46,949	22,731
Total nonoperating revenue	8,281,490	8,933,988
Change in Net Position	6,420	(16,892)
Net Position - Beginning of year	5,788,886	5,805,778
Net Position - End of year	<u><u>\$ 5,795,306</u></u>	<u><u>\$ 5,788,886</u></u>

Indiana University Radio and TV

Statement of Cash Flows

Years Ended June 30, 2023 and 2022

	2023	2022 (As Restated)
Cash Flows from Operating Activities		
Other grants	\$ 480,063	\$ 73,931
Facility sales and services	1,491,726	2,062,527
Payments to employees	(5,856,061)	(5,670,082)
Payments to vendors	(2,669,314)	(3,618,116)
Other receipts	5,349	6,271
Net cash and cash equivalents used in operating activities	(6,548,237)	(7,145,469)
Cash Flows from Noncapital Financing Activities		
General Fund support from Indiana University	3,272,476	3,843,147
Appropriation from State of Indiana	438,702	432,944
Contributions	3,102,209	3,163,646
Capital grants and gifts	-	82,392
Net cash and cash equivalents provided by noncapital financing activities	6,813,387	7,522,129
Cash Flows from Capital and Related Financing Activities		
Interest received on lease receivable	9,271	8,571
Payments received on lease receivable	183,032	146,867
Purchases of capital assets	(563,534)	(380,085)
Net cash used in capital and related financing activities	(371,231)	(224,647)
Net (Decrease) Increase in Cash and Cash Equivalents	(106,081)	152,013
Cash and Cash Equivalents - Beginning of year	3,031,934	2,879,921
Cash and Cash Equivalents - End of year	\$ 2,925,853	\$ 3,031,934
Reconciliation of Operating Loss to Net Cash and Cash Equivalents Used In Operating Activities		
Operating loss	\$ (8,275,070)	\$ (8,950,880)
Adjustments to reconcile operating loss to net cash and cash equivalents from operating activities:		
Depreciation	688,772	598,826
Donated facilities and administrative support from Indiana University	1,140,753	1,251,194
In kind - Other	38,802	13,198
Corporate/Foundation in kind	2,647	4,579
General Fund support - Compensation	100,302	93,243
Changes in assets and liabilities:		
Other receivables	(324,111)	4,451
Prepaid expenses and other assets	37,233	44,028
Accounts payable	93,647	(71,218)
Accrued salaries and wages	(7,451)	(2,024)
Compensated absences	16,310	(62,642)
Net pension and related deferrals	(42,275)	(45,946)
Other postemployment liability and related deferrals	(17,796)	(22,278)
Total adjustments	1,726,833	1,805,411
Net cash and cash equivalents used in operating activities	\$ (6,548,237)	\$ (7,145,469)

June 30, 2023 and 2022

Note 1 - Nature of Business

Indiana University Radio and TV (the "Stations") are public television and radio stations operated by the Radio and Television Services Department of Indiana University (the "university") on behalf of the trustees of the university. Other supplementary information has been attached to these financial statements showing the activities for WFIU Radio and WTIU TV separately for the fiscal year ended June 30, 2023.

The financial statements reflect only the activity of the Stations and are not intended to present fairly the position of the university or the results of its operations and cash flows.

Note 2 - Significant Accounting Policies

Related Organization

The Indiana University Foundation, Inc. (the "IU Foundation") is organized as a not-for-profit corporation under the laws of the State of Indiana for the exclusive purpose of supporting the university by receiving, holding, investing, and administering property and making expenditures to or for the benefit of the university. The IU Foundation receives both general contributions and membership contributions on behalf of the Stations and provided support totaling \$1,004,828 and \$708,567 to the Stations during fiscal years 2023 and 2022, respectively.

Basis of Accounting

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB). The accompanying financial statements have been prepared by the Stations as a special purpose government entity engaged in business-type activities. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods and services. Accordingly, these financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Revenue is recognized when earned, and expenses are recorded when an obligation has been incurred. Interfund transactions within the Stations have been eliminated in the financial statements. The Stations follow all applicable GASB pronouncements.

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 certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with maturities of 90 days or less that bear little or no market risk.

Grants Receivable and Other Receivables

Grants receivable are amounts due from external granting entities. Other receivables consist primarily of amounts due from customers. Management reviews grant accounts to determine the need for an allowance for uncollectible accounts. Management has determined no allowance is necessary for June 30, 2023 and 2022.

Prepaid Expenses

Prepaid expenses consist primarily of contract payments that were paid for in the current period.

June 30, 2023 and 2022

Note 2 - Significant Accounting Policies (Continued)***Property and Equipment***

The capitalization threshold for capital assets is \$5,000 or greater and a useful life in excess of one year. Capital assets are recorded at cost at the date of purchase or acquisition value at the date of contribution in the case of gifts. Donated capital assets from the university are recorded by the Stations at net book value of the university. Depreciation expense is computed using the straight-line method over the following estimated useful lives:

	Depreciable Life - Years
Transmission, antenna, and tower	5-15
Studio and other broadcast equipment	3-10
Building components	40

Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources, which represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources represent the consumption of resources that are applicable to a future reporting period but do not require a further exchange of goods or services.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist primarily of amounts due for accrued payroll and other operating expenses.

Compensated Absences

Liabilities for compensated absences are recorded for vacation leave based on actual earned amounts for eligible employees who qualify for termination payments. Liabilities for sick leave are recorded for employees who are eligible for and have earned termination payments for accumulated sick days upon termination or retirement.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources represent the acquisition of resources that are applicable to a future reporting period but do not require a further exchange of goods or services.

Operating and Nonoperating Revenue

Operating revenue consists of production sales and services, royalties, auction revenue, special event revenue, and miscellaneous grants for operating activities. All other revenue is included as nonoperating revenue. Nonoperating revenue includes significant revenue sources that are relied upon for operations, such as the community service grant from the Corporation for Public Broadcasting (CPB), the IU Foundation's contributions, university appropriations, and state appropriations. The CPB grants have been classified as contribution (nonexchange) revenue.

Revenue and Cost Recognition**Unrestricted**

Unrestricted contributions, pledges, and grants are recorded as revenue when received.

Note 2 - Significant Accounting Policies (Continued)**Restricted**

Operating funds restricted by the donor, grantor, or other outside party for particular operating purposes are deemed to be earned and reported as revenue when received and reclassified to unrestricted net position when the Stations have incurred expenditures in compliance with the specific restrictions. Such amounts received but not yet spent are reported as restricted net position.

General Fund Support

The Stations receive support from the university's Bloomington campus in the form of an annual general fund allocation to the Stations, which may be used for capital or noncapital expenditures. This category also includes any additional allocations from the Bloomington provost and expenditures made by other departments for the direct benefit of the Stations.

Corporation for Public Broadcasting Community Service Grants

The Corporation for Public Broadcasting is a private, nonprofit grant-making organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual Community Service Grants (CSGs) to qualifying public broadcasting entities. CSGs are used to augment the financial resources of public broadcasting entities and thereby enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two federal fiscal years, as described in the Communications Act, 47 United States Code Annotated, Section 396(k)(7). In any event, each grant must be expended within two years of the initial grant authorization.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of revenues, expenses, and changes in net position. Accordingly, certain costs have been allocated among program and support services benefited based on total personnel costs or other systematic bases.

Net Position

Net position is the residual of all other elements presented in the statement of net position and is classified into three major categories:

- Net investment in capital assets consists of the university's investment in capital assets, such as equipment, buildings, land, infrastructure, and improvements, net of accumulated depreciation.
- Restricted net position consists of amounts subject to externally imposed restrictions by third parties governing usage and must be spent according to the restrictions.
- Unrestricted net position includes amounts institutionally designated or committed to support specific purposes. Unrestricted resources are not subject to externally imposed restrictions and are primarily used for station operational expenses. When an expense is incurred for which both restricted and unrestricted resources are available, the Stations' policy is to apply restricted resources first.

Income Taxes

The Stations, operating as a department of the university, are exempt from federal income tax except on activities unrelated to its exempt purpose as an integral part of the State of Indiana. There was no required provision for income taxes for fiscal years 2023 and 2022.

Note 2 - Significant Accounting Policies (Continued)

Prior Period Adjustment

The accompanying financial statements for 2022 have been restated to correct an error related to the Station's calculation of the 2022 General Fund support from Indiana University made in a prior year. The effect of the restatement was to increase General Fund support from Indiana University revenue and cash for 2022 by \$1,038,148. Net position at the beginning of 2022 has been adjusted for the effects of the restatement on prior years.

Note 3 - Deposits and Investments

The Stations maintain no directly held bank accounts. Rather, the Stations' funds are held and managed by the university. The university has an investment policy statement. The investment policy ultimately determines the credit risk for the Stations. The Stations' demand deposits were held at Indiana University in the amount of \$2,925,853 and \$3,031,934 at June 30, 2023 and 2022, respectively.

The Stations' cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Stations' deposits may not be returned to them. The Stations do not have a deposit policy for custodial credit risk.

Statutory Authorization for Investments

The university's board of trustees has acknowledged responsibility as a fiduciary body for the invested assets of the university. Indiana Code 30-4-3-3 requires the trustees to "exercise the judgment and care required by Indiana Code 30-4-3.5," the *Indiana Uniform Prudent Investor Act*. That Act requires the trustees to act "as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill, and caution." The trustees have the responsibility to ensure the assets are prudently invested in a manner consistent with the university's investment policy. The trustees have delegated the day-to-day responsibilities of overseeing the investment program to the Office of the Treasurer. As of June 30, 2023 and 2022, the Stations do not hold any investments.

Note 4 - Leases Receivable

The Stations lease certain assets to various third parties. The assets leased include transmitters. Payments are generally fixed monthly.

During the year ended June 30, 2023, the Stations recognized the following related to their lessor agreements:

	2023	2022
Lease revenue	\$ 177,451	\$ 146,606
Interest income related to leases	8,148	9,532

Interest income related to leases is reported in other nonoperating revenue.

June 30, 2023 and 2022

Note 5 - Capital Assets

Capital assets include both purchased and donated assets. There were no donated capital assets during fiscal years 2023 and 2022. Capital asset activity for the years ended June 30, 2023 and 2022 was as follows:

	Balance July 1, 2022	Additions	Disposals and Adjustments	Balance June 30, 2023
Capital assets being depreciated:				
Building components	\$ 293,795	\$ -	\$ -	\$ 293,795
Transmission, antenna, and tower	4,691,804	554,816	(13,293)	5,233,327
Studio and other broadcast equipment	5,724,829	8,719	(230,262)	5,503,286
Subtotal	10,710,428	563,535	(243,555)	11,030,408
Accumulated depreciation:				
Building components	39,804	7,154	-	46,958
Transmission, antenna, and tower	2,583,192	258,808	(13,293)	2,828,707
Studio and other broadcast equipment	4,076,042	422,810	(230,262)	4,268,590
Subtotal	6,699,038	688,772	(243,555)	7,144,255
Net capital assets	<u>\$ 4,011,390</u>	<u>\$ (125,237)</u>	<u>\$ -</u>	<u>\$ 3,886,153</u>
	Balance July 1, 2021	Additions	Disposals and Adjustments	Balance June 30, 2022
Capital assets being depreciated:				
Building components	\$ 293,795	\$ -	\$ -	\$ 293,795
Transmission, antenna, and tower	4,739,367	163,387	(210,950)	4,691,804
Studio and other broadcast equipment	5,821,901	216,697	(313,769)	5,724,829
Subtotal	10,855,063	380,084	(524,719)	10,710,428
Accumulated depreciation:				
Building components	32,650	7,154	-	39,804
Transmission, antenna, and tower	2,529,408	264,734	(210,950)	2,583,192
Studio and other broadcast equipment	4,055,413	326,938	(306,309)	4,076,042
Subtotal	6,617,471	598,826	(517,259)	6,699,038
Net capital assets	<u>\$ 4,237,592</u>	<u>\$ (218,742)</u>	<u>\$ (7,460)</u>	<u>\$ 4,011,390</u>

Depreciation expense was charged to programs of the primary government as follows:

	2023	2022
Business-type activities:		
Programming and production	\$ 422,810	\$ 326,938
Broadcasting	258,808	264,734
Management and general	7,154	7,154
Total business-type activities	<u>\$ 688,772</u>	<u>\$ 598,826</u>

June 30, 2023 and 2022

Note 6 - Indiana University Donated Facilities and Administrative Support

Administrative support from the university consists of institutional support, donated facilities, and physical plant operations. These are included as revenue and expense in the statement of revenues, expenses, and changes in net position.

Institutional support from the university is estimated at \$491,333 and \$570,346 for the fiscal years ended June 30, 2023 and 2022, respectively, and is computed using operating expenses as the base.

Physical plant support from the university is estimated at \$457,442 and \$488,870 for the fiscal years ended June 30, 2023 and 2022, respectively. This represents the Stations' pro rata share of allowable physical plant costs not allocated by the university based on operating costs.

Occupancy support from the university is estimated at \$191,978 for the fiscal years ended June 30, 2023 and 2022. This represents the Stations' pro rata share of allowable occupancy costs not allocated by the university based on operating costs.

The value of the university's donated facilities is calculated on the Annual Value Computations for Buildings and Tower Facilities form provided by the Corporation for Public Broadcasting. For the renovated Radio and TV building for fiscal years ended June 30, 2023 and 2022, the total for the Stations was \$180,779. For the new roof and satellite dish mount on the Radio and TV building for fiscal years ended June 30, 2023 and 2022, the total for the Stations was \$11,199. No value is claimed for the transmitter building because its remaining useful life is zero.

Note 7 - Compensated Absences

Compensated absences activity for the years ended June 30, 2023 and 2022 can be summarized as follows:

	2023				
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Compensated absences	\$ 474,330	\$ 113,223	\$ (96,913)	\$ 490,640	\$ 310,903
	2022				
	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Compensated absences	\$ 536,972	\$ 32,616	\$ (95,258)	\$ 474,330	\$ 317,305

Note 8 - Retirement Plans

The Stations' appointed employees are covered by the same retirement plans as other employees of the university. Complete details of these plans can be found in the Indiana University annual financial report, which can be located on the Indiana University website: <https://evpfa.iu.edu/resources/annual-reports.html>.

The required contributions are pooled at the university level and charged to the Stations at a predetermined percentage set for the fiscal year as each covered employee is paid. The Stations do not have any funding obligation once an employee retires.

Nonexempt staff retirement plan expenses for the years ended June 30, 2023 and 2022 were \$93,471 and \$104,768, respectively. Exempt staff retirement plan expenses for the years ended June 30, 2023 and 2022 were \$368,256 and \$357,363, respectively.

June 30, 2023 and 2022**Note 8 - Retirement Plans (Continued)*****Retirement and Savings Plan***

All support and service employees with at least a 50 percent full-time equivalent (FTE) appointment and temporary with retirement employees scheduled to work at least 900 hours or more in a calendar year hired on or after July 1, 2013 participate in the Retirement and Savings Plan. This is a defined contribution plan under IRC 401(a).

Academic and Professional Staff Employees

Appointed academic and professional staff employees with at least 50 percent FTE are covered by the IU Retirement Plan. This is a defined contribution plan under IRC 403(b). In addition, the university provides early retirement benefits to full-time appointed academic and professional staff employees who were in positions Grade 16 and above on or before June 30, 1999. The same class of employees covered by the IU Retirement Plan 15% Level of Contributions on or before July 14, 1988, is covered by the IU 18/20 Retirement Plan. The IU 18/20 Retirement Plan (the "18/20 Plan") allows this group of employees to retire as early as age 64, provided the individual has at least 18 years of participation in the IU Retirement Plan and at least 20 years of continuous university service.

Indiana Public Employees' Retirement Fund

The university contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan with an annuity savings account provision. Indiana Public Retirement System (INPRS) administers the cost-sharing, multiple-employer defined benefit plan. PERF was established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees.

The university participates in the PERF Hybrid Plan. The PERF Hybrid Plan was established by the Indiana Legislature in 1955 and is governed by the INPRS board of trustees in accordance with Indiana Code (IC) 5-10.2, IC 5-10.3, and Title 35 of the Indiana Administrative Code. There are two aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension. The second portion of the PERF Hybrid Plan benefit structure is the defined contribution component, known as Public Employees' Hybrid Members Defined Contribution Account. Both components are funded by employer contributions. Support staff and part-time employees who normally work at least 50 percent FTE appointment hired prior to July 1, 2013 participate in the PERF Hybrid Plan. There were 1,470 and 1,698 active university-wide employees covered by this retirement plan as of June 30, 2023 and 2022, respectively.

Per IC 5-10.2-4-4, key elements of the pension formula include years of PERF creditable service multiplied by average annual compensation multiplied by 1.1 percent, resulting in an annual lifetime benefit. Cost of living adjustments for members in pay status are not guaranteed by statute but may be granted by the Indiana General Assembly on an ad hoc basis. Refunds of employee contributions are included in total benefit payments. Participants must have at least 10 years of PERF creditable service to have a vested right to the defined pension benefit. The defined contribution account consists of contributions set by state statute at 3.0 percent of compensation plus the earnings credited to members' accounts. Participants are 100 percent vested from inception in the defined contribution account.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The financial report and corresponding fiduciary net position is prepared using the accrual basis of accounting in conformity with Generally Accepted Accounting Principles (GAAP). INPRS applies all applicable GASB pronouncements in accounting and reporting for its operations. INPRS investments are measured at fair value within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. The INPRS Annual Comprehensive Financial Report for 2022 may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204; by calling 1-844-464-6777; or by downloading the annual report online at www.in.gov/inprs/annualreports.htm.

June 30, 2023 and 2022

Note 8 - Retirement Plans (Continued)

Required and actual contributions made by the Stations totaled \$38,144 and \$49,488 for the fiscal years ended June 30, 2023 and 2022, respectively. This represented an 11.2 percent university pension benefit contribution for the fiscal years ended June 30, 2023 and 2022 and a 3.0 percent university contribution for the defined contribution account provisions each year.

Net Pension Liability

At June 30, 2023 and 2022, the Stations reported a liability of \$223,682 and \$113,257, respectively, for their proportionate share of the university's net pension liability. For June 30, 2023, the net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, which used updated procedures to roll forward the estimated liability to June 30, 2022. For June 30, 2022, the net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date as of June 30, 2020, which used updated procedures to roll forward the estimated liability to June 30, 2021. The Stations' proportion of the net pension liability was based on wages reported by the Stations relative to the collective wages of the university reported to the plan. At June 30, 2023 and 2022, the Stations' proportion was 0.385 and 0.457 percent, respectively, which was a decrease of 0.071 percentage points from their proportion measured as of June 30, 2022 and an increase of 0.022 percentage points from their proportion measured as of June 30, 2021.

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

For the years ended June 30, 2023 and 2022, the Stations recognized pension (recovery) expense of \$(4,131) and \$3,542, respectively.

At June 30, 2023 and 2022, the Stations reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,822	\$ 852	\$ 3,873	\$ 2,261
Changes in assumptions	30,298	9,567	56,970	25,441
Net difference between projected and actual earnings on pension plan investments	27,605	-	-	147,053
Changes in proportionate share, or difference between amount contributed and proportionate share of contributions	-	20,589	213	19,487
Employer contributions to the plan subsequent to the measurement date	26,578	-	38,781	-
Total	<u>\$ 89,303</u>	<u>\$ 31,008</u>	<u>\$ 99,837</u>	<u>\$ 194,242</u>

June 30, 2023 and 2022

Note 8 - Retirement Plans (Continued)

Deferred outflows of resources in the amount of \$26,578 and \$38,781 related to pensions resulting from university contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years ending June 30, 2024 and 2023, respectively.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30	Amount
2023	\$ (402)
2024	10,481
2025	(7,562)
2026	29,200
Total	<u>\$ 31,717</u>

In addition, the contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the next year.

Actuarial Assumptions

The total pension liability as of the June 30, 2022 and 2021 valuations is based on the results of actuarial valuations as of June 30, 2021 and 2020, respectively, and rolled forward. The total pension liability was determined using the following actuarial assumptions, which were applied to all periods included in the measurement:

	2022	2021
Cost of living	FY 2024-2033 - 0.4% FY 2034-2038 - 0.5% FY 2039 and on - 0.6%	FY 2024-2033 - 0.4% FY 2034-2038 - 0.5% FY 2039 and on - 0.6%
Inflation	2.00%, average	2.00%, average
Future salary increases	2.65% to 8.65%	2.65% to 8.65%
Investment rate of return	6.25%, net of pension plan investment expense	6.25%, net of pension plan investment expense
Mortality rates	Based on Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019	Based on Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019

The actuarial assumptions used in the valuations of June 30, 2022 were adopted by the Indiana Public Retirement System Board pursuant to the experience studies, which reflected the period from July 1, 2014 through June 30, 2019. Member census data as of June 30, 2021 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2021 and June 30, 2022. Standard actuarial roll-forward techniques were then used to project the total pension liability computed as of June 30, 2021 to the June 30, 2022 measurement date.

There were no significant changes to assumptions for the pension plan since the prior measurement date of June 30, 2021.

June 30, 2023 and 2022

Note 8 - Retirement Plans (Continued)**Discount Rate**

The discount rate used to measure the total pension liability was 6.25 percent for PERF at June 30, 2022 and 2021. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating employers will be made at contractually required rates, actuarially determined.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined 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. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	2022		2021	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Public equity	20.00 %	3.60 %	20.00 %	3.60 %
Private markets	15.00	7.70	15.00	7.30
Fixed income - Ex inflation linked	20.00	1.40	20.00	1.50
Fixed income - Inflation linked	15.00	(0.30)	15.00	(0.30)
Commodities	10.00	0.90	10.00	0.80
Real estate	10.00	3.70	10.00	4.20
Absolute return	5.00	2.10	5.00	2.50
Risk parity	20.00	3.80	20.00	4.40
Cash and cash overlay/Leverage	(15.00)	(1.70)	(15.00)	(1.40)
Total	100.00 %		100.00 %	

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Stations, calculated using the discount rate of 6.25 percent for June 30, 2022 and 2021, as well as what the Stations' net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
June 30, 2023 (6.25%)	\$ 377,883	\$ 223,682	\$ 95,068
June 30, 2022 (6.25%)	296,215	113,257	(39,356)

Pension Plan Fiduciary Net Position

Detailed information about the pension plans' fiduciary net position is available in the separately issued INPRS financial report.

June 30, 2023 and 2022**Note 9 - Other Postemployment Benefit Plan*****Plan Description***

The university provides postemployment benefits for certain retired employees. The 18/20 Plan, medical, and life insurance benefits are presented for financial statement purposes as a consolidated plan (the "Plan") under the requirements for reporting other postemployment benefit plans (OPEB) required by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75).

The Plan is a single-employer defined benefit plan administered by the university. The 18/20 Plan provides interim benefits to full-time appointed academic and professional staff employees who meet the following eligibility requirements: covered by the IU Retirement Plan 15 percent level on or before July 14, 1988 and have 18 years of participation in the IU Retirement Plan 15 percent level; at least 20 years of continuous full-time university service; and at least 64 years of age. This group of employees is eligible to receive monthly payments based on a hypothetical monthly annuity amount at age 70, up to the amount of terminal base salary, calculated as the average budgeted base salary for the five 12-month periods immediately preceding retirement. The 18/20 Plan was adopted by the trustees and is closed to new entrants.

The university provides medical care coverage to individuals with retiree status and their eligible dependents. The cost of the coverage is borne fully by the individual. However, retiree medical care coverage is implicitly more expensive than active-employee coverage, which creates an implicit rate subsidy. The university provides retiree life insurance benefits in the amount of \$6,000 to terminated employees with retiree status. The health and life insurance plans have been established and may be amended under the authority of the trustees. The Plan does not issue a stand-alone financial report.

Funding Policy

The contribution requirements of plan members and the university are established and may be amended by the trustees. The university contribution to the 18/20 Plan and retiree life insurance is based on pay-as-you-go financing requirements. Plan members do not make contributions.

The medical plans are self-funded, and each plan's premiums are updated annually based on actual claims. Retirees receiving medical benefits university-wide paid \$1,033,000 and \$1,023,000 in premiums in the fiscal years ended June 30, 2023 and 2022, respectively. The university contributed \$21,269,000 and \$22,675,000 to the consolidated OPEB Plan in the fiscal years ended June 30, 2023 and 2022, respectively. The university does not maintain a separate legal trust to house assets used to fund postemployment benefits.

Total OPEB Liability

At June 30, 2023 and 2022, the Stations reported \$473,982 and \$479,288, respectively, for their total OPEB liability. The current portion of the OPEB liability was \$46,011 and \$56,948 as of June 30, 2023 and 2022, respectively. The total OPEB liability was measured as of June 30, 2023 and was based on an actuarial valuation date of July 1, 2022 projected to June 30, 2023, reflecting actual premiums and contributions. The total OPEB liability as of June 30, 2022 was based on an actuarial valuation as of July 1, 2022, with no adjustments. At June 30, 2023 and 2022, the Stations' proportion was 0.261 and 0.268 percent, respectively, a decrease of 0.007 percentage points and a decrease of 0.004 percentage points over the prior year.

June 30, 2023 and 2022

Note 9 - Other Postemployment Benefit Plan (Continued)

Changes in the total reported liability for postemployment benefits obligations and total OPEB expense for the year ended June 30, 2023 are summarized as follows:

Changes in Net OPEB Liability	18/20 Plan	Retiree Health Insurance	Retiree Life Insurance	Total
Balance at July 1, 2022	\$ 117,391	\$ 260,844	\$ 101,053	\$ 479,288
Changes for the year:				
Service cost	1,391	19,300	2,257	22,948
Interest	3,852	11,025	4,043	18,920
Differences between expected and actual experience	(2,756)	24,885	-	22,129
Changes in assumptions	(34)	(1,005)	(608)	(1,647)
Changes in proportionate share	(2,977)	(6,613)	(2,563)	(12,153)
Benefit payments, including refunds	(43,661)	(7,990)	(3,852)	(55,503)
Net changes	(44,185)	39,602	(723)	(5,306)
Balance at June 30, 2023	<u>\$ 73,206</u>	<u>\$ 300,446</u>	<u>\$ 100,330</u>	<u>\$ 473,982</u>

Changes in the total reported liability for postemployment benefits obligations and total OPEB expense for the year ended June 30, 2022 are summarized as follows:

Changes in Net OPEB Liability	18/20 Plan	Retiree Health Insurance	Retiree Life Insurance	Total
Balance at July 1, 2021	\$ 168,213	\$ 260,607	\$ 139,202	\$ 568,022
Changes for the year:				
Service cost	3,475	23,165	4,600	31,240
Interest	3,178	6,040	3,063	12,281
Differences between expected and actual experience	(3,689)	20,576	(3,644)	13,243
Changes in assumptions	(2,897)	(37,425)	(36,333)	(76,655)
Changes in proportionate share	(2,408)	(3,730)	(1,992)	(8,130)
Benefit payments, including refunds	(48,481)	(8,389)	(3,843)	(60,713)
Net changes	(50,822)	237	(38,149)	(88,734)
Balance at June 30, 2022	<u>\$ 117,391</u>	<u>\$ 260,844</u>	<u>\$ 101,053</u>	<u>\$ 479,288</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the years ended June 30, 2023 and 2022, the Stations recognized OPEB expense of \$26,533 and \$21,145, respectively.

June 30, 2023 and 2022

Note 9 - Other Postemployment Benefit Plan (Continued)

At June 30, 2023 and 2022, the Stations reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions:				
18/20 Plan	\$ 3,889	\$ 2,837	\$ 5,010	\$ 3,475
Retiree health insurance	17,208	28,238	22,295	32,748
Retiree life insurance	15,522	27,884	19,743	32,876
Difference between expected and actual experience:				
18/20 Plan	-	18,533	-	20,780
Retiree health insurance	87,805	61,607	87,759	78,179
Retiree life insurance	600	2,665	773	3,189
Change in proportionate share	25,869	64,829	33,470	65,993
Total	<u>\$ 150,893</u>	<u>\$ 206,593</u>	<u>\$ 169,050</u>	<u>\$ 237,240</u>

These amounts will be recognized in OPEB expense for the years ending June 30 as follows:

Years Ending June 30	18/20 Plan	Retiree Health Insurance	Retiree Life Insurance	Change in Proportionate Share	Total
2024	\$ (4,068)	\$ 7,863	\$ (1,334)	\$ (6,621)	\$ (4,160)
2025	(4,068)	7,863	(1,334)	(6,621)	(4,160)
2026	(4,068)	7,863	(1,334)	(6,621)	(4,160)
2027	(1,956)	(9,147)	(1,787)	(12,680)	(25,570)
2028	(1,820)	(3,195)	(3,614)	(2,184)	(10,813)
Thereafter	(1,500)	3,917	(5,023)	(4,231)	(6,837)
Total	<u>\$ (17,480)</u>	<u>\$ 15,164</u>	<u>\$ (14,426)</u>	<u>\$ (38,958)</u>	<u>\$ (55,700)</u>

Actuarial Assumptions

Significant actuarial methods and assumptions used to calculate the Stations' total OPEB liability were as follows:

	Measurement Date as of June 30, 2023	Measurement Date as of June 30, 2022
Payroll growth (medical/life plan)	3.0%	3.0%
Payroll growth (18/20 Plan)	2.5%	2.5%
Inflation	2.5%	2.5%
Health care cost trend rate	7.0% for fiscal year 2023 to 4.5% for fiscal year 2029 and later years	7.5% for fiscal year 2022 to 4.5% for fiscal year 2028 and later years
Mortality rates	Based on SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021	Based on SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019
Actuarial cost method	Entry age normal level percent of salary	Entry age normal level percent of salary

June 30, 2023 and 2022

Note 9 - Other Postemployment Benefit Plan (Continued)***Discount Rate***

The discount rate used in valuing OPEB liabilities as of June 30, 2023 and 2022 was 4.13 percent and 4.09 percent, respectively. The discount rate must be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The S&P 20-year municipal bond index was used for the current discount rate.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the June 30, 2023 total OPEB liability of the Stations, calculated using the discount rate of 4.13 percent, as well as what the Stations' total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2023		
	1 Percentage Point Decrease (3.13%)	Current Discount Rate (4.13%)	1 Percentage Point Increase (5.13%)
18/20 Plan	\$ 74,062	\$ 73,206	\$ 72,335
Retiree health insurance	326,686	300,446	276,443
Retiree life insurance	117,366	100,330	86,818

The following presents the June 30, 2022 total OPEB liability of the Stations, calculated using the discount rate of 4.09 percent, as well as what the Stations' total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2022		
	1 Percentage Point Decrease (3.09%)	Current Discount Rate (4.09%)	1 Percentage Point Increase (5.09%)
18/20 Plan	\$ 118,930	\$ 117,391	\$ 115,830
Retiree health insurance	283,819	260,844	239,816
Retiree life insurance	118,303	101,053	87,373

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rate

The following presents the Stations' retiree health insurance OPEB liability of the Stations, calculated using the health care cost trend rates as of those dates, as well as what the Stations' total OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2023		
	1 Percentage Point Decrease (6.0% Decreasing to 3.5%)	Current Health Care Cost Trend Rate (7.0% Decreasing to 4.5%)	1 Percentage Point Increase (8.0% Decreasing to 5.5%)
Total OPEB liability of the retiree health insurance plan	\$ 265,332	\$ 300,446	\$ 342,113

June 30, 2023 and 2022

Note 9 - Other Postemployment Benefit Plan (Continued)

	2022		
	1 Percentage Point Decrease (6.5%) Decreasing to 3.5%)	Current Health Care Cost Trend Rate (7.5%) Decreasing to 4.5%)	1 Percentage Point Increase (8.5%) Decreasing to 5.5%)
Total OPEB liability of the retiree health insurance plan	\$ 232,008	\$ 260,844	\$ 294,872

The 18/20 and retiree life insurance plans are not included above, as they do not have a health care component.

Note 10 - Risk Management

The Stations are covered under the university's risk management programs. The university is exposed to various risks of loss, including torts; theft; damage or destruction of assets; errors or omissions; job-related illnesses or injuries to employees; and health care claims on behalf of students, employees, and their dependents. The university manages these risks through a combination of risk retention and commercial insurance, including coverage from internally maintained funds, as well as from a wholly owned captive insurance company, Old Crescent Insurance Company (OCIC). The university is self-funded for damage to buildings and building contents for the first \$100,000 per occurrence and an additional \$400,000 per occurrence covered by OCIC, with commercial excess property coverage above this amount. The university is self-funded for comprehensive general liability and automobile liability for the first \$100,000 per occurrence and an additional \$1,900,000 per occurrence covered by OCIC, with supplementary commercial liability umbrella policies. The university has a malpractice and professional liability policy in the amount of \$500,000 for each claim and \$1,500,000 annually, in the aggregate, provided by OCIC. The university is self-funded for the first \$850,000 for each workers' compensation claim and \$125,000, in the aggregate, for all claims in excess of \$850,000 for each claim. Workers' compensation claims above these amounts are covered by commercial insurance and are subject to statutory limits. The university is self-funded for the first \$850,000 for employer liability claims, with an additional \$1,000,000 in coverage through commercial insurances. The amount of settlements has not exceeded insurance coverage in any of the past three fiscal years.

The university has three health care plans for full-time appointed active employees and one plan for under-65 retirees not yet eligible for Medicare. All of the employee plans are self-funded. The university records a liability for incurred but unpaid claims for university-sponsored, self-funded health care plans. This liability is estimated to be no more than 10 percent of the paid self-funded claims during the fiscal year and totals \$28,656,000 and \$30,482,000 at June 30, 2023 and 2022, respectively, for the university.

Changes in the balances of accrued insurance liabilities for the university were as follows (dollar amounts presented in thousands):

Fiscal Year	Beginning Balance	Claims Incurred and Changes in Estimates	Claims Paid	Ending Balance
2023	\$ 30,482	\$ 301,329	\$ (303,155)	\$ 28,656
2022	27,502	276,779	(273,799)	30,482
2021	28,024	248,220	(248,742)	27,502

All organizational units of the university are charged fees based on estimates of the amounts necessary to pay health care coverage costs, including premiums and claims.

June 30, 2023 and 2022

Note 10 - Risk Management (Continued)

The university also provides health care plans for graduate assistants, fellowship recipients, and medical residents. These plans are either fully insured or self-funded with a stop-/loss provision. For these groups, the university has recorded a liability for incurred but unpaid claims for university-sponsored, self-funded health care plans in the amount of \$3,374,000 and \$2,148,000 at June 30, 2023 and 2022, respectively. These plans are funded by direct charges to the associated schools and/or departments.

Note 11 - Nonfederal Financial Support (NFFS)

The CPB allocates a portion of its funds annually to public broadcasting entities based on a base grant amount and nonfederal financial support (NFFS), which is defined by CPB. NFFS is defined as the total value of cash and the fair market value of services received as contributions or payments and meeting all the respective criteria for each. Calculated in accordance with CPB guidelines, the Stations reported total NFFS of \$6,741,263 and \$6,016,935 for the years ended June 30, 2023 and 2022, respectively.

Required Supplementary Information

Indiana University Radio and TV

Required Supplementary Information Schedule of the Stations' Proportionate Share of the Net Pension Liability Indiana Public Employees' Retirement Fund

	Last Seven Plan Years For the Plan Years Ended June 30						
	2022	2021	2020	2019	2018	2017	2016
Stations' proportion of the net pension liability	0.38540 %	0.45670 %	0.43478 %	0.45110 %	0.51600 %	0.48700 %	0.48700 %
Stations' proportionate share of the net pension liability	\$ 223,682	\$ 113,257	\$ 253,405	\$ 294,313	\$ 353,971	\$ 448,361	\$ 466,006
Stations' covered payroll	\$ 307,996	\$ 385,322	\$ 408,721	\$ 464,594	\$ 623,196	\$ 636,194	\$ 679,403
Stations' proportionate share of the net pension liability as a percentage of its covered payroll	72.62 %	29.39 %	62.00 %	63.35 %	56.80 %	70.48 %	68.59 %
Plan fiduciary net position as a percentage of total pension liability	82.50 %	92.50 %	81.40 %	80.10 %	78.90 %	76.60 %	75.30 %

GASB Statement No. 68 requires disclosure of a 10-year schedule. The financial statement information was not available for years prior to 2016. Additional years will be included in future reports as data becomes available.

Indiana University Radio and TV

Required Supplementary Information Schedule of Pension Contributions Indiana Public Employees' Retirement Fund

	Last Seven Fiscal Years Years Ended June 30						
	2023	2022	2021	2020	2019	2018	2017
Statutorily required contribution	\$ 24,706	\$ 40,297	\$ 39,800	\$ 45,694	\$ 51,198	\$ 69,859	\$ 69,217
Contributions in relation to the statutorily required contribution	24,706	40,297	39,800	45,694	51,198	69,859	69,217
Contribution Excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Stations' Covered Payroll	\$ 236,225	\$ 364,954	\$ 366,828	\$ 408,721	\$ 464,594	\$ 623,196	\$ 636,194
Contributions as a Percentage of Covered Payroll	10.46 %	11.04 %	10.85 %	11.18 %	11.02 %	11.21 %	10.88 %

GASB Statement No. 68 requires disclosure of a 10-year schedule. The financial statement information was not available for years prior to 2017. Additional years will be included in future reports as data becomes available.

Indiana University Radio and TV

Required Supplementary Information Schedule of Changes in the Total OPEB Liability and Related Ratios

Last Six Plan Years

	18/20 Plan					
	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 1,391	\$ 3,475	\$ 4,501	\$ 6,594	\$ 6,834	\$ 10,051
Interest	3,852	3,178	5,338	9,031	14,141	15,093
Change in proportionate share (for Radio and TV)	(2,977)	(2,408)	1,352	(42,037)	22,377	-
Differences between expected and actual experience	(2,756)	(3,689)	(6,603)	(6,563)	(9,909)	(7,977)
Changes in assumptions	(34)	(2,897)	1,035	5,438	2,020	(4,915)
Benefit payments, including refunds	(43,661)	(48,481)	(64,062)	(76,410)	(81,290)	(93,989)
Net Change in Total OPEB Liability	(44,185)	(50,822)	(58,439)	(103,947)	(45,827)	(81,737)
Total OPEB Liability - Beginning of year	117,391	168,213	226,652	330,599	376,426	458,163
Total OPEB Liability - End of year	\$ 73,206	\$ 117,391	\$ 168,213	\$ 226,652	\$ 330,599	\$ 376,426
Covered Payroll	\$ 17,468	\$ 23,495	\$ 36,007	\$ 55,270	\$ 75,155	\$ 69,289
Total OPEB Liability as a Percentage of Covered Payroll	419.09 %	499.64 %	467.17 %	410.08 %	439.89 %	543.27 %

GASB Statement No. 75 requires disclosure of a 10-year schedule. The financial statement information was not available for years prior to 2018. Additional years will be included in future reports as data becomes available.

Indiana University Radio and TV

Required Supplementary Information Schedule of Changes in the Total OPEB Liability and Related Ratios (Continued)

Last Six Plan Years

	Retiree Health Insurance					
	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 19,300	\$ 23,165	\$ 24,513	\$ 23,617	\$ 26,069	\$ 9,085
Interest	11,025	6,040	7,736	10,940	13,126	4,362
Change in proportionate share (for Radio and TV)	(6,613)	(3,730)	1,604	(42,685)	17,960	-
Differences between expected and actual experience	24,885	20,576	(44,276)	(59,672)	(19,567)	120,454
Changes in assumptions	(1,005)	(37,425)	9,909	10,400	10,076	60,925
Benefit payments, including refunds	(7,990)	(8,389)	(7,208)	(9,966)	(14,082)	(10,845)
Net Change in Total OPEB Liability	39,602	237	(7,722)	(67,366)	33,582	183,981
Total OPEB Liability - Beginning of year	260,844	260,607	268,329	335,695	302,113	118,132
Total OPEB Liability - End of year	\$ 300,446	\$ 260,844	\$ 260,607	\$ 268,329	\$ 335,695	\$ 302,113
Covered Payroll	\$ 3,587,080	\$ 3,573,199	\$ 3,665,380	\$ 3,539,004	\$ 3,857,139	\$ 3,538,771
Total OPEB Liability as a Percentage of Covered Payroll	8.38 %	7.30 %	7.11 %	7.58 %	8.70 %	8.54 %

GASB Statement No. 75 requires disclosure of a 10-year schedule. The financial statement information was not available for years prior to 2018. Additional years will be included in future reports as data becomes available.

Indiana University Radio and TV

Required Supplementary Information

Schedule of Changes in the Total OPEB Liability and Related Ratios (Continued)

	Last Six Plan Years					
	Retiree Life Insurance					
	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 2,257	\$ 4,600	\$ 3,884	\$ 3,019	\$ 3,013	\$ 3,196
Interest	4,043	3,063	3,368	3,757	4,362	3,799
Change in proportionate share (for Radio and TV)	(2,563)	(1,992)	739	(15,439)	6,278	-
Differences between expected and actual experience	-	(3,644)	-	1,114	-	(698)
Changes in assumptions	(608)	(36,333)	11,102	14,008	6,602	(1,755)
Benefit payments, including refunds	(3,852)	(3,843)	(3,808)	(3,966)	(4,438)	(3,753)
Net Change in Total OPEB Liability	(723)	(38,149)	15,285	2,493	15,817	789
Total OPEB Liability - Beginning of year	101,053	139,202	123,917	121,424	105,607	104,818
Total OPEB Liability - End of year	\$ 100,330	\$ 101,053	\$ 139,202	\$ 123,917	\$ 121,424	\$ 105,607
Covered Payroll	\$ 3,587,080	\$ 3,573,199	\$ 3,665,380	\$ 3,539,004	\$ 3,857,139	\$ 3,538,771
Total OPEB Liability as a Percentage of Covered Payroll	2.80 %	2.83 %	3.80 %	3.50 %	3.15 %	2.98 %

GASB Statement No. 75 requires disclosure of a 10-year schedule. The financial statement information was not available for years prior to 2018. Additional years will be included in future reports as data becomes available.

June 30, 2023 and 2022

Pension Information

Changes of Benefit Terms

There were no changes of benefit terms for the years presented.

Changes in Assumptions

FY 2023

None

FY 2022

The interest rate/investment return and discount rate assumption changed from 6.75 percent to 6.25 percent.

The inflation assumption changed from 2.25 percent to 2.00 percent.

The future salary scale assumption changed from 2.75 percent - 8.75 percent to 2.65 percent - 8.65 percent.

FY 2021

The future salary increase assumption changed from an age-based table ranging from 2.50 percent to 4.25 percent to a service-based table ranging from 2.75 percent to 8.75 percent.

The mortality assumption changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report to the 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 retirement assumption was updated based on recent experience and was updated from an age- and service-based table to an age-based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously, 33 percent of actives were assumed to commence benefits with early retirement while 67 percent were assumed to wait for unreduced retirement eligibility.

The termination assumption was updated based on recent experience. For state members, the tables were combined from being split by salary and sex to being one unisex service-based table. For members in political subdivisions earning more than \$20,000, the sex-distinct tables were combined to one unisex service-based table. For members in political subdivisions earning less than \$20,000, the sex-distinct age-based table was maintained, and the rates were updated based on experience.

The disability assumption was updated based on recent experience.

The marital assumption was updated based on recent experience: 80 percent of male members and 65 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 75 percent of male members and 60 percent of female members were assumed to be married or to have a dependent beneficiary.

The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

FY 2020

None

June 30, 2023 and 2022

FY 2019

For the actuarial valuation as of June 30, 2018, the Cost-of-Living-Adjustment (COLA) assumption was changed due to passage of Senate Enrolled Act No. 373. In lieu of a 1.0 percent COLA beginning on January 1, 2020, INPRS assumes the COLA will be replaced by a 13th check for 2020 and 2021. The COLA assumption thereafter would be 0.4 percent beginning on January 1, 2022; changing to 0.5 percent beginning on January 1, 2034; and ultimately 0.6 percent beginning on January 1, 2039.

FY 2018

For the actuarial valuation as of June 30, 2017, an actuarial audit was completed that included updating the following assumptions: adding a load on final average salary of \$400 to reflect unused sick leave accumulated at termination of employment for active and inactive vested members. Additionally, for disabled members, the RP-2014 (with MP-2014 improvement removed) Disability Mortality tables are assumed instead of the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality tables.

FY 2017

None

FY 2016

The inflation assumption changed from 3.00 percent to 2.25 percent per year.

The future salary increase assumption changed from an age-based table ranging from 3.25 percent to 4.50 percent to an age-based table ranging from 2.50 percent to 4.25 percent.

The mortality assumption changed from the 2013 IRS Static Mortality projected five years with Scale AA to the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report.

The retirement assumption was updated based on recent experience. Additionally, for actives who are eligible for early retirement (reduced benefit), 33 percent are assumed to commence benefits immediately and 67 percent are assumed to commence benefits at unreduced retirement eligibility. 100 percent of actives were assumed to commence benefits immediately upon early retirement eligibility in the prior year.

The termination assumption was updated based on recent experience. For members earning less than \$20,000, the tables were updated from a select and ultimate table to just an ultimate table, as there is little correlation with service. For members earning more than \$20,000, the tables were updated from using a 5-year select period to a 10-year select period to correspond with the vesting schedule.

The disability assumption was updated based on recent experience.

The ASA Annuitization assumption was updated from 50 percent of members assumed to annuitize their ASA balance to 60 percent of members assumed to annuitize their ASA balance prior to January 1, 2017.

FY 2015

Assumptions concerning ASA withdrawal and annuitization were added pursuant to the addition of IC 5-10.5-4-2.5 and 2.6 in accordance with the 2014 House Enrolled Act No. 1075.

All other assumptions are the same as the June 30, 2013 valuation.

OPEB Information

No assets were accumulated in a trust.

FY 2023

Changes in Benefit Terms: There were no changes in benefit terms in 2023.

June 30, 2023 and 2022

Changes in Assumptions: The discount rate increased to 4.13 percent as of June 30, 2023. The health care trend rates have been reset to an initial rate of 7.0 percent decreasing by 0.5 percent annually to an ultimate rate of 4.5 percent.

FY 2022

Changes in Benefit Terms: There were no changes in benefit terms in 2022.

Changes in Assumptions: The discount rate increased to 4.09 percent as of June 30, 2022. The inflation rate decreased to 2.50 percent per year as of June 30, 2022. The mortality table has been updated from headcount-weighted, fully generational using Scale MP-2019 to headcount-weighted, fully generational using Scale MP-2021.

FY 2021

Changes in Benefit Terms: There were no changes in benefit terms in 2021.

Changes in Assumptions: The discount rate decreased to 2.19 percent as of June 30, 2021. The health care trend rates have been reset to an initial rate of 7.5 percent, decreasing by 0.5 percent annually to an ultimate rate of 4.5 percent.

FY 2020

Changes in Benefit Terms: There were no changes in benefit terms in 2020.

Changes in Assumptions: The discount rate decreased to 2.66 percent as of June 30, 2020. The health care trend rates have been reset to an initial rate of 8.0 percent, decreasing by 0.5 percent annually to an ultimate rate of 4.5 percent. The mortality table has been updated from fully generational using Scale MP-2017 to headcount-weighted, fully generational using Scale MP-2019.

FY 2019

Changes in Benefit Terms: There were no changes in benefit terms in 2019.

Changes in Assumptions: The discount rate decreased to 3.51 percent as of June 30, 2019. The health care trend rates have been reset to an initial rate of 8.5 percent, decreasing by 0.5 percent annually to an ultimate rate of 5.0 percent.

FY 2018

Changes in Benefit Terms: There were no changes in benefit terms for the plan year ended June 30, 2018; however, the medical plan available to retirees has been changed from the PPO \$900 Deductible plan (which is no longer offered) to the Anthem PPO HDHP plan.

Changes in Assumptions: The discount rate was 3.87 percent as of June 30, 2018 and 3.58 percent as of July 1, 2017. The actuarial cost method was updated from projected unit credit with linear proration to decrement to entry age normal level percent of salary. The mortality table has been updated from SOA RPH-2015 Total Dataset Mortality Table fully generational using Scale MP-2015 to SOA RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017. The health care trend rates have been reset to an initial rate of 9.0 percent, decreasing by 0.5 percent annually to an ultimate rate of 5.0 percent.

Other Supplementary Information

Indiana University Radio and TV

Other Supplementary Information Combining Statement of Net Position

June 30, 2023

	WTIU TV	WFIU Radio	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,187,989	\$ 737,864	\$ 2,925,853
Receivables:			
Leases receivable	191,051	-	191,051
Other receivables	373,049	13,244	386,293
Prepaid expenses and other assets	27,927	7,965	35,892
Total current assets	2,780,016	759,073	3,539,089
Noncurrent assets:			
Leases receivable	310,269	-	310,269
Capital assets:			
Assets subject to depreciation - Net	3,538,466	347,687	3,886,153
Total noncurrent assets	3,848,735	347,687	4,196,422
Total assets	6,628,751	1,106,760	7,735,511
Deferred Outflows of Resources			
Deferred pension costs	56,261	33,042	89,303
Deferred OPEB costs	89,615	61,278	150,893
Total deferred outflows of resources	145,876	94,320	240,196
Liabilities			
Current liabilities:			
Accounts payable	93,041	57,835	150,876
Accrued liabilities and other:			
Accrued salaries and wages	51,010	22,781	73,791
Compensated absences	181,663	129,240	310,903
Current portion of total OPEB obligations	28,987	17,024	46,011
Total current liabilities	354,701	226,880	581,581
Noncurrent liabilities:			
Compensated absences	105,022	74,715	179,737
Net pension liability	140,920	82,762	223,682
Net OPEB obligation	269,622	158,349	427,971
Total noncurrent liabilities	515,564	315,826	831,390
Total liabilities	870,265	542,706	1,412,971
Deferred Inflows of Resources			
Deferred pension cost	19,535	11,473	31,008
Deferred OPEB cost	142,980	63,613	206,593
Leases	529,829	-	529,829
Total deferred inflows of resources	692,344	75,086	767,430
Net Position			
Net investment in capital assets	3,538,466	347,687	3,886,153
Restricted for expendable station activities	3,000	51,073	54,073
Unrestricted	1,670,552	184,528	1,855,080
Total net position	<u>\$ 5,212,018</u>	<u>\$ 583,288</u>	<u>\$ 5,795,306</u>

Indiana University Radio and TV

Other Supplementary Information Combining Statement of Revenues, Expenses, and Changes in Net Position

June 30, 2023

	WTIU TV	WFIU Radio	Total
Operating Revenue			
Facility sales and services	\$ 1,740,590	\$ 75,247	\$ 1,815,837
Other grants	474,063	6,000	480,063
Royalty income	833	4,516	5,349
Total operating revenue	2,215,486	85,763	2,301,249
Operating Expenses			
Program services - Programming and production	5,221,915	2,227,056	7,448,971
Program services - Broadcasting	602,294	145,008	747,302
Program services - Public information and promotion	274,630	144,063	418,693
Support services - Management and general	572,928	396,744	969,672
Support services - Fundraising, membership development, and underwriting solicitation	554,045	437,636	991,681
Total operating expenses	7,225,812	3,350,507	10,576,319
Operating Loss	(5,010,326)	(3,264,744)	(8,275,070)
Nonoperating Revenue			
Appropriations from State of Indiana	381,546	57,156	438,702
Donated facilities and administrative support from Indiana University	771,844	368,909	1,140,753
General Fund support from Indiana University	1,981,623	1,391,156	3,372,779
Corporation for Public Broadcasting contributions	1,107,264	183,553	1,290,817
Individual contributions	356,927	358,374	715,301
Corporate/Foundation contributions	338,164	760,574	1,098,738
Lease revenue	177,451	-	177,451
Other nonoperating revenue	25,729	21,220	46,949
Total nonoperating revenue	5,140,548	3,140,942	8,281,490
Change in Net Position	130,222	(123,802)	6,420
Net Position - Beginning of year - As restated	5,081,796	707,090	5,788,886
Net Position - End of year	\$ 5,212,018	\$ 583,288	\$ 5,795,306

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