



VINCENNES UNIVERSITY

# Financial Report

2020-2021



VINCENNES UNIVERSITY'S

# Mission & Vision

## Mission Statement

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

## Vision Statement

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

## Values

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



VINCENNES UNIVERSITY

# Financial Report

2020-2021

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## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF VINCENNES UNIVERSITY, VINCENNES, INDIANA

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit as of and for the years ended June 30, 2021 and 2020, and the aggregate remaining fund information as of and for the year ended June 30, 2021, of Vincennes University (University), a component unit of the State of Indiana, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Vincennes University Foundation Inc. (Foundation), a component unit of the University as described in Note 1, which represents 100 percent, 100 percent, and 100 percent, respectively, of the total assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation were audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



## INDEPENDENT AUDITOR'S REPORT (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Unmodified Opinions***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit as of June 30, 2021 and 2020, and the aggregate remaining fund information as of June 30, 2021, of the University, and the respective changes in financial position, and, where applicable, cash flows thereof and for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 19 to the financial statements, in fiscal year 2021, the University adopted new accounting guidance GASB Statement 84 *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of Employer's Share of Net Pension Liability Teachers' Retirement Fund Pre-1996 Accounts (TRF Pre-1996), the Schedule of Employer Contributions Teachers' Retirement Fund Pre-1996 Accounts (TRF Pre-1996), the Schedule of Employer's Share of Net Pension Liability Teachers' Retirement Fund 1996 Accounts (TRF 1996), the Schedule of Employer Contributions Teachers' Retirement Fund 1996 Accounts (TRF 1996), the Vincennes University Health Care Plan Schedule of Changes in Net OPEB Liability and Related Ratios, and the Vincennes University Health Care Plan Schedule of the University's Contributions, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying Treasurer's Report and Board of Trustees and University Officers are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Treasurer's Report and Board of Trustees and University Officers have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.



INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2021, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

October 28, 2021



# VINCENNES UNIVERSITY

## Treasurer's Report

Since the COVID-19 crisis began, Vincennes University's top priority has been to protect the health, safety and wellbeing of our students, faculty and staff, while providing an excellent higher education experience. I am especially grateful for the tireless efforts of students, faculty, and staff who continue to work together to navigate the challenges of these uncertain times.

Despite the difficulties that the pandemic has presented, Vincennes University (VU) has been resilient and innovative in advancing the mission of education. VU is helping to solve workforce needs and provide access to training throughout the country. By partnering with global manufacturers, VU is blending classroom and lab instruction with onsite experience. Our advanced manufacturing program recently partnered with the Indiana Federation for Advanced Manufacturing Education (IN-FAME) to provide education in a dual track, apprenticeship-style training that will create a pipeline of highly skilled workers. This program will allow students to receive an associate's degree in Advanced Manufacturing while gaining paid on-the-job training within the sponsor's manufacturing facility.

VU is also proud to have partnered with one of the world's leading innovative organizations, Amazon, to offer a Mechatronics and Robotics Apprenticeship (MRA) program. VU was the first University to collaborate with Amazon to launch this distinctive educational partnership. The MRA program exposes workers to high-quality, industry-driven education and prepares apprentices for careers in automation and robotics.

The University was awarded \$10.5 million from the Lilly Endowment through phases two and three of its initiative, Charting the Future for Indiana's Colleges and Universities. The University is utilizing these funds to offer STEM-focused programming, build on existing partnerships with CTE educators throughout the state, expand our footprint with the k-12 system. In conjunction with these efforts, the VU is partnering with Telamon to promote industry 4.0 through the new Center for Applied Robotics and Automation.

The first phase of the French Quarter housing development officially opened in the Fall 2021 on the Vincennes campus and provides four housing units with apartment-style living while paying homage to the French heritage of the area. These apartments are designed to meet the interests of today's students. The second phase includes an additional four housing units and is slated to open in Spring 2022.

Our prudent stewardship, the guidance of our trustees, and the unwavering dedication of our faculty and staff to serve students, give me confidence that Vincennes University will emerge from this difficult time as a stronger institution. I am pleased to present the 2020-2021 Vincennes University Financial Report for the fiscal year ended June 30, 2021. This report is a complete and permanent record of Vincennes University for the period stated.

Respectfully submitted,



**Linda Waldroup**

University Treasurer/Vice President for Financial Services





# Management's Discussion and Analysis

Vincennes University is pleased to present its financial statements for fiscal year 2021. The following discussion and analysis provides an overview of the financial position and activities of Vincennes University (the "University") for the fiscal year ended June 30, 2021, along with comparative information for the fiscal years ended June 30, 2020 and June 30, 2019. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes following this section.

One of the first two-year colleges in America, Vincennes University is also Indiana's oldest college. Located in Vincennes, the University is a comprehensive public institution of higher learning with a fall 2020 enrollment of approximately 8,331 full-time equivalents. The University offers a broad range of degrees including baccalaureate programs. These degrees include Bachelor of Science degrees in Homeland Security and Public Safety, Education (Science, Special Education and Math Concentrations), Nursing, and a growing number of Technology Concentrations. Vincennes University has a statewide mission and is a state-supported university. Major extension sites in Indiana are located in Fort Branch, Jasper, and Indianapolis. The University also offers over 1,000 courses through its Distance Education program and at nine military sites across the United States. The University is accredited by the Higher Learning Commission.

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

## Using the Financial Statements

The University's financial report includes three financial statements: the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These financial statements

are presented in accordance with Governmental Accounting Standards Board (GASB) principles, which establish standards for external financial reporting for public colleges and universities and require that financial statements be presented for aggregate operations which includes the Vincennes University Foundation, Incorporated and the University's fiduciary funds.

## Statement of Net Position

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

A comparison of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30, 2021, 2020, and 2019 is summarized as follows:

Statement of Net Position	2021 (in thousands)	2020 (in thousands)	2019 (in thousands)
Current Assets	\$ 101,410	\$ 109,836	\$ 85,530
Non-current Assets			
Investments	146,589	119,039	131,593
Capital, Assets, net	277,722	260,215	246,440
Other	20,789	14,712	502
<b>Total Assets</b>	<b>\$ 546,510</b>	<b>\$ 503,802</b>	<b>\$ 464,065</b>
<b>Deferred Outflows</b>	<b>\$ 11,667</b>	<b>\$ 13,412</b>	<b>\$ 15,824</b>
Current Liabilities	\$ 24,806	\$ 23,731	\$ 21,253
Non-current Liabilities	36,642	43,811	51,597
<b>Total Liabilities</b>	<b>\$ 61,448</b>	<b>\$ 67,542</b>	<b>\$ 72,850</b>
<b>Deferred Inflows</b>	<b>\$ 20,956</b>	<b>\$ 18,706</b>	<b>\$ 8,957</b>
<b>Net Position</b>	<b>\$ 475,773</b>	<b>\$ 430,966</b>	<b>\$ 398,082</b>



## FISCAL YEAR 2021

As of June 30, 2021, the University's financial position remained solid, with total assets and deferred outflows of \$558.2 million as compared to \$517.2 million from the previous fiscal year. The increase of \$41.0 million dollars in total assets and deferred outflows is mainly related to the \$17.5 million increase in capital assets, the \$10.5 million increase in accounts receivable, the \$8.4 million increase in cash and investments, the \$6.2 million increase in the OPEB asset, and the decrease of \$1.7 million in deferred outflows.

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

Non-current assets increased \$51.1 million from 2020. The majority of this fluctuation is related to the \$19.2 million shift in the investment portfolio from cash and short-term investments to long-term investments. Projects finalized during 2021 included phase one of the French Quarter housing project, the Davis Hall HVAC project and replacement of the campus infrastructure. The University ended the fiscal year with \$19.1 million in construction in progress which is primarily related to phase two of the French Quarter housing project and continuation of the campus infrastructure project. The increase of \$6.1 million in the OPEB asset is related to the investment growth in the grantor's trust during 2021. The remaining increase of \$6.7 million is related to the expansion of the University's Business and Industry program and unspent capital appropriations.

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

Total current liabilities include all liabilities that are payable within the next fiscal year and consist primarily of

accounts payable, bonds payable, accrued compensation, accrued vacation liability, deposits held in custody, and unearned revenue. Total current liabilities increased \$1.1 million from the previous year which includes the \$2.7 million increase in unearned revenue as a result of the deferment of institutional dollars from the Higher Education Emergency Relief Funds and the \$1.2 decrease in accounts payable related to the timing of prior year construction payments. Deposits held in custody of others decreased \$3.5 million from 2020 as a result of the separation of Complete College America (\$1.8 million) and the adoption of GASB 84 Fiduciary Activities. The Wabash River Regional Development Authority (\$1.4 million) was identified as a fiduciary and a prior period adjustment of approximately \$300,000 was made to move the University's student clubs to the Statement of Revenues, Expenses, and Changes in Net Position since the clubs did not meet the definition of fiduciary. Other liabilities increased \$3.1 million which is primarily related to the increase in the health insurance reserve. This is the first year that the University drew funds for retiree claims from the grantor's trust which increased the reserve during 2021.

The largest non-current liability for the University is outstanding bonds payable. Non-current liabilities decreased \$7.2 million which consist primarily of the current portion of bonds payable. More detailed information concerning the University's long-term debt is presented in the Notes to the Financial Statements.

Deferred inflows of resources represent an acquisition of net assets applicable to a future reporting period and will not be recognized as revenue until that reporting period. The deferred inflows include \$21.0 million, representing the difference between the expected and actual experience of the OPEB plan, which will be amortized over a period of 5 years.

## FISCAL YEAR 2020

As of June 30, 2020, the University's financial position remained solid, with total assets and deferred outflows of \$517.2 million as compared to \$479.9 million from the previous fiscal year. The increase of \$37.3 million dollars in total assets is related to the \$13.8 million increase in capital assets, the \$12.2 million increase in cash and investments, and the \$11.8 million increase in the OPEB asset.

Current assets consist mainly of cash, short-term investments, inventory and accounts receivable. Accounts receivable includes sponsored programs, student loans, and



student receivables for tuition and room and board. There was a net increase of \$24.3 million in current assets. This increase is related to the movement of \$12.2 million in long-term and short-term investments to cash and cash equivalents. The remaining increase is a result of positive operations.

Non-current assets increased \$15.4 million from 2019. The majority of this fluctuation is related to the shift from the \$1.1 million OPEB liability in 2019 to a \$14.3 million OPEB asset in 2020. This is predominately related to the change in assumptions and the differences between the expected and actual experience from the actuarial valuation. The University fell below the expected health care trending rates for retirees which caused this change from a liability to an asset. Capital asset additions consist of new construction and renovations. Projects finalized during 2020 included the new diesel agricultural tech building and the renovations of the business building, the public service building, and the learning resource center. The University ended the fiscal year with \$11.4 million in construction in progress which is primarily related to the construction of the French Quarter housing project and improvements to the campus infrastructure.

Deferred outflows of resources represent consumption of net assets that are applicable to a future reporting period. The deferred outflow of \$13.4 million is primarily a result of the change in the assumptions (predominately the discount rate lowering from 5.2% to 4.6%) and the net difference between the expected and actual experience in the OPEB plan. The change of assumptions and the expected and actual experience will be amortized over 5 years as required by GASB 75.

Total current liabilities include all liabilities that are payable within the next fiscal year and consist primarily of accounts payable, bonds payable, accrued compensation, accrued vacation liability, deposits held in custody, and unearned revenue. Total current liabilities increased \$2.5 million from the previous year which is primarily related to the timing of payables for construction projects and the addition of deposits held in custody for the Regional Development Corporation.

The largest non-current liability for the University is outstanding bonds payable. Non-current bonds payable decreased \$6.6 million which consist primarily of the current portion of bonds payable. More detailed information concerning the University's long-term debt is presented in the Notes to the Financial Statements. As mentioned beforehand, the OPEB liability moved from

a \$1.1 million liability to a \$14.3 million asset during the 2020 year.

Deferred inflows of resources represent an acquisition of net assets applicable to a future reporting period and will not be recognized as revenue until that reporting period. The deferred inflows include \$18.5 million, representing the difference between the expected and actual experience of the OPEB plan, which will be amortized over a period of 5 years.

## Net Position

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

Summary of Net Position	2021 (in thousands)	2020 (in thousands)	2019 (in thousands)
Net Investment in Capital Assets	\$ 235,139	\$ 211,026	\$ 190,328
<b>Restricted:</b>			
Non-expendable	2,379	2,379	2,380
Expendable	17,744	17,479	23,345
<b>Unrestricted:</b>			
Designated - Capital & Other	20,204	22,932	19,497
Designated for Quasi Endowment	20,832	22,070	20,945
General Operations	131,876	111,263	92,191
Auxiliary	47,599	43,817	49,396
<b>Total Net Position</b>	<b>\$ 475,773</b>	<b>\$ 430,966</b>	<b>\$ 398,082</b>

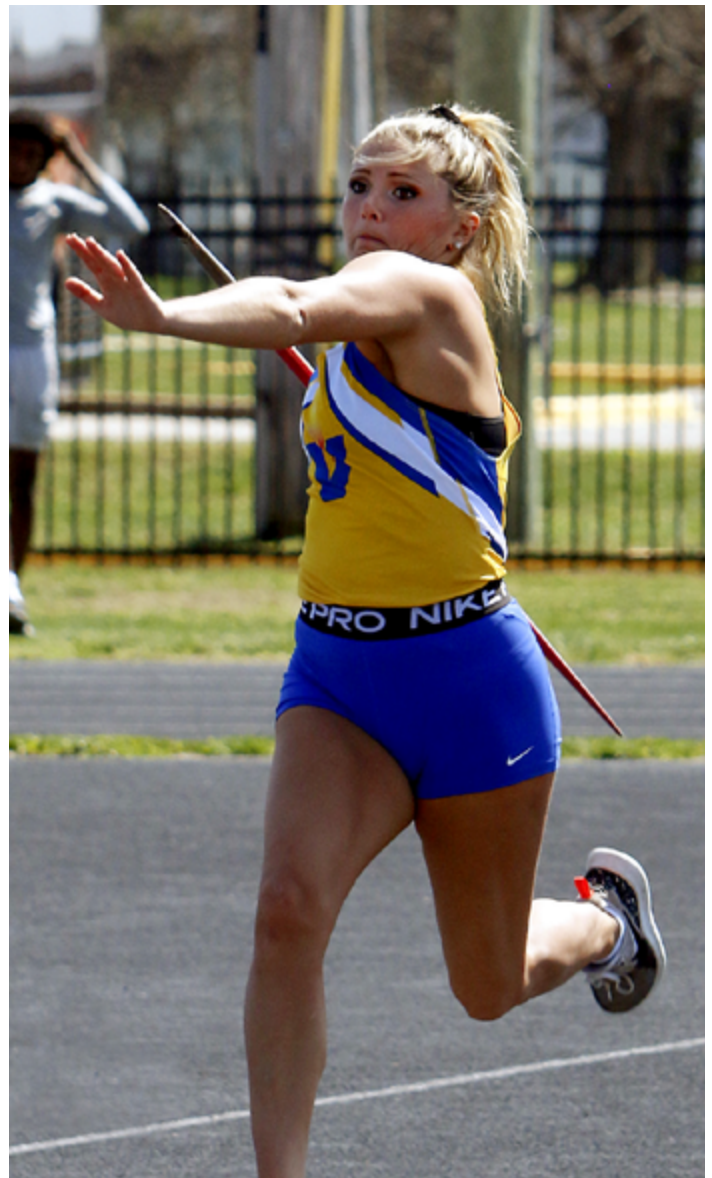
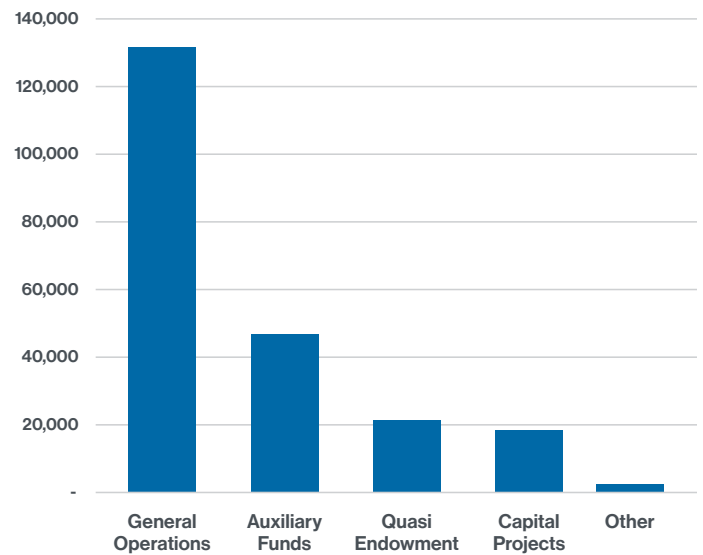
*Net Investment in Capital Assets* represents the institution's equity in property, plant and equipment net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets, or related debt, are included in this component of net position. This category increased by \$24.1 million in 2021. This increase is largely driven by the completion of the French Quarter housing units and campus infrastructure projects. From 2019 to 2020, the 11 percent increase is mainly related to the completion of a new academic building, renovations of several academic buildings and campus infrastructure projects.



*Restricted net position* is the restricted component of net position which consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. *Restricted net position non-expendable* primarily includes the University's permanent endowment funds. The corpus of these resources is only available for investment purposes. This amount remains unchanged from the previous year. *Restricted net position - expendable* is subject to externally imposed restrictions governing its use. This category of net position includes funds restricted for capital projects, external loan funds, and scholarship funds. In 2021, this net position remained relatively unchanged. The decrease from 2019 to 2020 is related to the unspent funds from capital appropriations.

*Unrestricted net position* is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. Unrestricted net position is not subject to externally imposed stipulations. However, many of the University's unrestricted net assets have been designated or reserved for specific purposes such as auxiliaries, quasi endowment, dormitory reserves, and repair and replacement reserves for capital and infrastructure. Maintaining adequate levels of unrestricted net position is one of several key factors that have enabled the University to maintain its credit rating. Unrestricted net position increased \$20.4 million or 10.2% in 2021 and increased \$18 million or 9.9% in 2020. The 2021 positive gain is predominately due to the \$6.2 million change in the OPEB asset, the \$1.6 million dollar increase from Higher Education Emergency Relief Funds for prior year lost revenue, an approximate \$2.5 million net profit increase in the Business and Industry program, an approximate \$4.0 million decrease in general fund and auxiliary operating costs as a result of the pandemic, and a \$7.0 million decrease from the prior year for the transfer of funds from auxiliary to fund the French Quarter apartments. The 2020 positive gain is predominately related to OPEB moving from a liability to an asset. The following graph shows the 2021 unrestricted net assets of \$220.5 million by designation:

**2021 Unrestricted Net Position**  
(in thousands of dollars)



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

Changes in total net position are the result of activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of this statement is to present the operating and non-operating revenues, operating and non-operating expense, other revenues, expenses, gains, losses, and changes in net position. Governmental appropriations, while budgeted for operations, are considered non-operating revenues as defined by GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities – an amendment of GASB Statement No. 34*. A condensed statement for the years ended June 30, 2021, 2020 and 2019 is provided below:

Statement of Revenues, Expenses, and Changes in Net Position	2021 (in thousands)	2020 (in thousands)	2019 (in thousands)
<b>Operating Revenues:</b>			
Tuition & Fees, Net	\$ 23,169	\$ 21,635	\$ 23,274
Auxiliary, Net	9,887	9,363	11,958
Grants and Contracts	17,706	17,021	18,315
Other	5,950	3,495	2,806
<b>Total Operating Revenues</b>	<b>\$ 56,712</b>	<b>\$ 51,514</b>	<b>56,353</b>
<b>Operating Expenses</b>	<b>116,996</b>	<b>118,348</b>	<b>117,059</b>
<b>Net Operating Loss</b>	<b>\$ (60,284)</b>	<b>\$ (66,834)</b>	<b>(60,706)</b>
<b>Non-Operating Revenues (Expenses):</b>			
Governmental Appropriations	53,322	56,272	54,661
Federal and State Student Aid	15,497	18,220	18,615
State Grant Revenue	4,897	4,772	4,783
Other Grants and Contracts	12,133	4,549	-
Gifts (including endowment and capital)	467	1,760	1,333
Investment and Endowment Income	(710)	6,877	9,257
Gain (Loss) on Disposition of Capital Assets	(13)	(839)	573
Other Income and Expense	(3,653)	(1,696)	(1,982)
<b>Total Non-Operating Revenue</b>	<b>\$ 81,940</b>	<b>\$ 89,915</b>	<b>\$ 87,240</b>
<b>Income before Other Revenues, Expenses, Gains or Losses</b>	<b>\$ 21,656</b>	<b>\$ 23,081</b>	<b>\$ 26,534</b>
<b>Other Revenues, Expenses, Gains or Losses</b>			
Capital Appropriations	21,027	7,284	13,407
Insurance Recovery on Capital Asset Impairment, Net	1,795	2,284	-
Insurance Recovery for Other Storm Damage	-	235	-
<b>Increase in Net Position</b>	<b>\$ 44,478</b>	<b>\$ 32,884</b>	<b>\$ 39,941</b>
<b>Net Position - Beginning of Year</b>	<b>430,966</b>	<b>398,082</b>	<b>358,141</b>
Prior Period Adjustment for Change in Accounting Principle	329	-	-
<b>Net Position - End of Year</b>	<b>\$ 475,773</b>	<b>\$ 430,966</b>	<b>\$ 398,082</b>



# Revenues

## FISCAL YEAR 2021

Total University revenues of \$165.1 million consist of operating revenue, non-operating revenue, capital appropriations, insurance recoveries from storm damage, and the change in accounting principle. In general, operating revenues are earned from providing goods and services, including tuition and fees, housing and other auxiliary activity, grants and contracts, and other operating activities. Non-operating revenues include state appropriations, revenue from certain grants and contracts, gifts, and investment income.

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

- Student tuition and fees, net of scholarship allowances and bad debt, increased \$1.5 million. This net increase is primarily related to growth in the University's Business and Industry program which was offset by the decrease in the scholarship allowance. The decrease in the scholarship allowance is a direct result of the decrease in aid offered due to the enrollment decline.
- Auxiliary revenues are generated primarily from student housing, bookstores, student activities, and workshops. Overall net auxiliary revenues remained unchanged from the prior year. This is primarily related to the increase in housing rates and the addition of housing for the Business & Industry program on the Vincennes campus which off set the decrease in enrollment during fiscal year 2021. The net auxiliary revenue also experienced a decrease in the scholarship and bad debt allowances as a result of the decline in enrollment and the decrease in accounts receivable.
- Grants and contracts revenue increased \$685,000. This increase is not related to a specific grant since there were small increases for grants and contracts overall. The University received an estimated 65 percent of grant and contract revenue from federal agencies, 22 percent from state agencies, and 13 percent from nongovernmental agencies in fiscal year 2021.
- Other revenue increased \$2.45 million which is primarily related to growth in the University's Business and Industry program during fiscal year 2021.

Non-operating revenue, which includes the revenue in the other revenues, expenses, and gains or losses category along with the prior period adjustment, increased 6.0 percent during fiscal year 2021. The majority of this increase is related to the funds received from the Higher Education Emergency Relief Funds under the CARES Act. The University received \$2.8 million from the Higher Education Emergency Relief Fund for the student portion. Funds were distributed to students using a formulated approach. The University also spent \$9.3 million from the Higher Education Emergency Relief Fund for the institutional portion. The majority of these funds were utilized to cover lost revenue from 2020 and 2021 including the 7 percent cut in State Appropriations.

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

## FISCAL YEAR 2020

Total University revenues of \$153.8 million consist of operating revenue, non-operating revenue, capital appropriations and insurance recoveries from storm damage. In general, operating revenues are earned from providing goods and services, including tuition and fees, housing and other auxiliary activity, grants and contracts, and other operating activities. Non-operating revenues include state appropriations, revenue from certain grants and contracts, gifts, and investment income.

Operating revenues decreased \$4.8 million, or 8.6 percent, in 2020. The changes in revenue are related to the following activities:

- Student tuition and fees, net of scholarship allowances and bad debt, decreased \$1.6 million. The decrease was driven by a decrease in student enrollment.
- Auxiliary revenues are generated primarily from student housing, bookstores, student activities, and workshops. Net auxiliary revenues decreased \$2.6 million from the prior year. This decrease is related to the reduction in housing charges applied to student accounts for the unoccupied days in housing. Students were required to move out of the University's housing during Spring 2020 due to the COVID-19 pandemic.



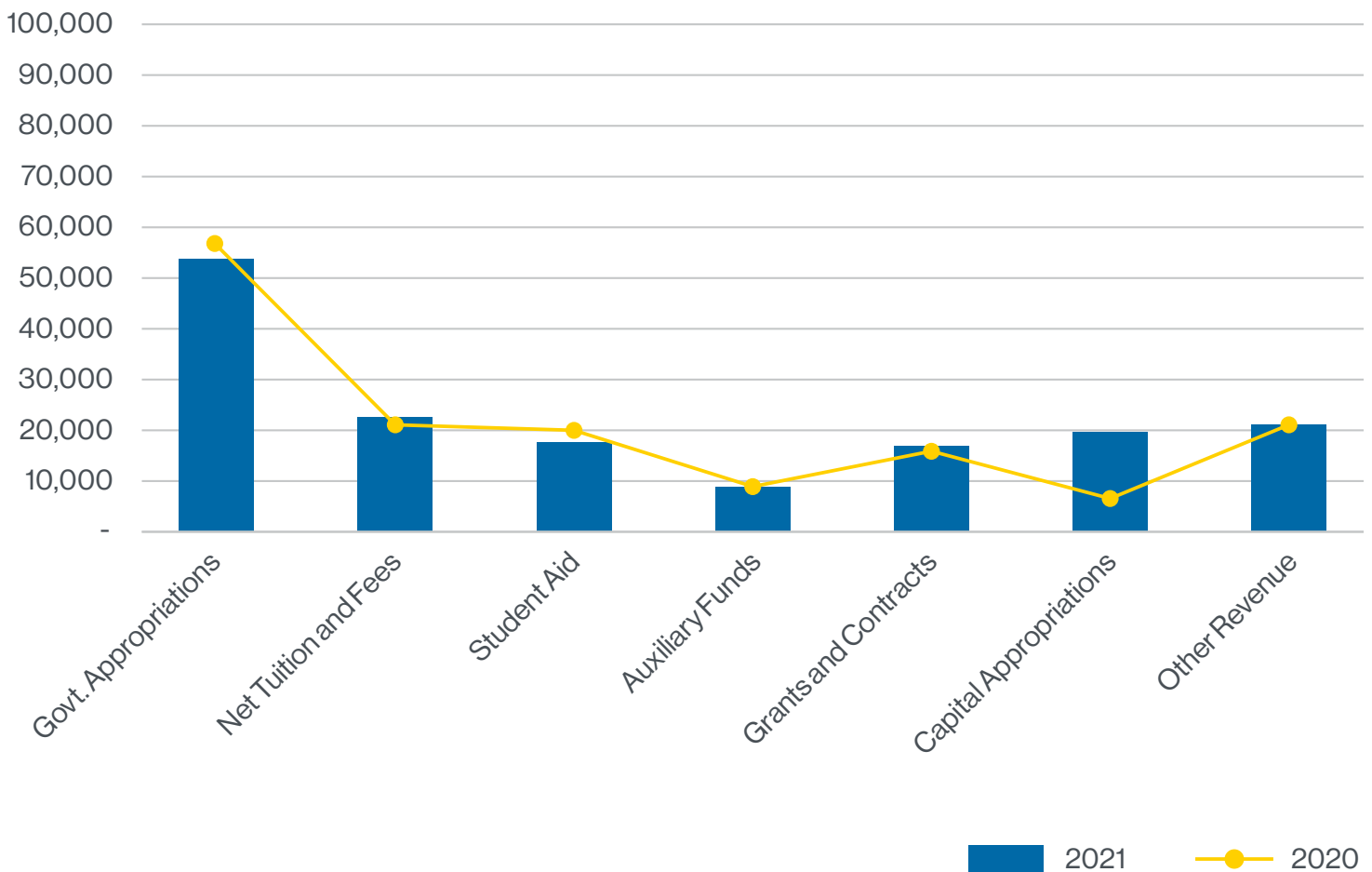
- Grants and contracts revenue decreased \$1.3 million. This decrease is not related to a specific grant since there were small decreases for grants and contracts overall. The University received an estimated 58 percent of grant and contract revenue from federal agencies, 27 percent from state agencies, and 15 percent from nongovernmental agencies in fiscal year 2020.

Non-operating revenue before other revenues, expenses, gains or losses increased 3.7 percent during fiscal year 2020. The majority of this increase is related to the funds received from the Higher Education Emergency Relief Funds under the CARES Act. The University received \$2.4 million from the Higher Education Emergency Relief Fund for the student portion. Initial funds were distributed to students using a formulated approach with an online application utilized for the remaining dollars. The University also spent \$2.1 million from the Higher Education Emergency Relief Fund for the institutional portion. The majority of these funds were given to students as housing refunds for Spring 2020.

The University also experienced severe storm damage in April 2020 which destroyed the Harrison Hall dorm along with other property damage on the Vincennes campus. The net effect of the damage and insurance proceeds is reported as recovery line items of \$2.5 million on the Statement of Revenues, Expenses, and Changes in Net Position. Further details are in Note 18.

The following is a graphic illustration of revenues by source (both operating and non-operating) used to fund the University for the years ended June 30, 2021 and 2020.

**Revenue by Source**  
(in thousands of dollars)



## Expenses

A comparative of the University's expenses for the years ending June 30, 2021, 2020, and 2019 is as follows:

Expense by Natural Object	2021 (in thousands)	2020 (in thousands)	2019 (in thousands)
<b>Operating:</b>			
Compensation and benefits	\$ 63,788	\$ 64,563	\$ 66,084
Supplies, services and equipment	30,222	31,043	32,324
Depreciation	13,479	12,402	11,170
Scholarships and fellowships	9,507	10,340	7,481
<b>Total Operating Expenses</b>	<b>\$ 116,996</b>	<b>\$ 118,348</b>	<b>\$ 117,059</b>
<b>Non-operating:</b>			
Interest and other	3,666	2,675	2,067
<b>Total Expenses</b>	<b>\$ 120,662</b>	<b>\$ 121,023</b>	<b>\$ 119,126</b>

### FISCAL YEAR 2021

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

Operating expenses decreased \$1.4 million, or 1.0 percent, during fiscal year 2021. Significant changes include:

- Compensation and benefits decreased \$775,000 as a result of the actuarial changes in the University's retiree health care trending rates for retiree postemployment benefits. The University follows GASB Statement No. 75 to record the postemployment benefits and adjusts to the reported amounts in the actuarial valuation on an annual basis.
- Overall, there is a \$821,000 decrease in supplies, services and equipment which is directly related to the low enrollment as a result of the pandemic.
- Depreciation increased \$1.1 million from the addition of the French Quarter housing project and the replacement of the campus infrastructure.
- Scholarships and fellowships decreased \$833,000. This decrease is related to the decline enrollment from 2020 to 2021.



### FISCAL YEAR 2020

For fiscal year 2020, total expenses of \$121.0 million included operating expenses of \$118.3 million and interest expense and other non-operating expenses of \$2.7 million.

Operating expenses increased \$1.3 million, or 1.1 percent, during fiscal year 2020. Significant changes include:

- Compensation and benefits decreased \$1.5 million as a result of the actuarial changes in the University's retiree health care trending rates for retiree postemployment benefits. The University follows GASB Statement No. 75 to record the postemployment benefits and adjusts to the reported amounts in the actuarial valuation on an annual basis.
- Overall, there is a \$1.3 million decrease in supplies, services and equipment for which auxiliary enterprises were particularly affected by the low enrollment along with the COVID-19 pandemic. Auxiliary enterprises include housing, the bookstores, student activities, camps, and athletics.
- Depreciation increased \$1.2 million from the addition of a new academic building, renovations of several academic buildings and equipment purchases.
- Scholarships and fellowships increased \$2.9 million dollars. This increase is directly related to the funds received from the Higher Education Emergency Relief Funds for the student portion of the CARES Act.



## Statement of Cash Flows

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

A comparative of the Statement of Cash Flows for the years ended June 30, 2021, 2020 and 2019 is as follows:

Statement of Cash Flows	2021 (in thousands)	2020 (in thousands)	2019 (in thousands)
Cash Received from Operations	\$ 58,302	\$ 52,557	\$ 55,957
Cash Expended for Operations	(104,954)	(108,413)	(107,457)
<b>Net Cash Used in Operating Activities</b>	<b>\$ (46,652)</b>	<b>\$ (55,856)</b>	<b>\$ (51,500)</b>
Net Cash Provided by Non-Capital Financing Activities	71,991	85,563	78,394
Net Cash Provided by/(Used in) Investing Activities	(30,291)	39,282	(17,839)
Net Cash Used in Capital and Related Financing Activities	(16,256)	(24,658)	(18,332)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ (21,208)</b>	<b>\$ 44,331</b>	<b>\$ (9,277)</b>
Cash and Cash Equivalents - Beginning of Year	69,517	25,186	34,463
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 48,309</b>	<b>\$ 69,517</b>	<b>\$ 25,186</b>

For fiscal years 2020 and 2021, the differences are largely driven by the net proceeds and the movement of funds between cash and cash equivalents and investments.

## Economic Factors that Will Affect the Future

Vincennes University recognizes the challenges created by the COVID-19 pandemic and is aware of its fiduciary responsibility to control costs in order to provide an affordable education to its students. Despite the challenges generated by the pandemic and state funding, the University strives to maintain its financial position using diversified revenue sources and system-wide cost containment measures. Leadership is committed to investing in initiatives that align with the mission of the University as well as creating an environment that streamlines operations across all campuses. The University recently refinanced \$22.5 million in student fee bonds and \$8.7 million in auxiliary facilities system revenue bonds for a combined net present value savings of \$2.9 million and a refunded savings of \$3.5 million. The full extent of the impact of COVID-19 on the University will depend on various future developments, particularly the duration and depth of the pandemic, which may be influenced by emerging medical treatments and applicable health and safety regulations.

Recent trends in higher education demonstrate the changing landscape for U.S. colleges and universities. The University recognizes the importance of strategic direction and the effective alignment of resources to fulfill the mission of the institution. Indiana faces a shortage of sufficiently trained workers to meet employer needs. The ability to attract and retain employers in the state remains vital to Indiana's future sustained economic growth. The University is well positioned for a prominent role in addressing the challenges facing higher education with competitive tuition rates, continued expansion of online and early college course offerings, and innovative technology training.



The State appropriations remain the largest single source of revenues. The University's continued operational viability is dependent upon the level of the ongoing State support. For the most recent fiscal year, State appropriations totaled \$53 million which represented approximately 49 percent of the total operating revenues. The University also depends on the State to provide appropriations in support of its capital programs. During fiscal year 2021, the University received \$21.0 million to renovate aging facilities which included the Shircliff Humanities Building, the Summers Social Science Building, and the campus electrical infrastructure.



The University has developed a new dynamic type of student housing called the French Quarter. In phase one, four housing units were opened to students and four additional housing units will open for Spring 2022 as part of phase two. The additional housing units will replace the former Harrison Hall dormitory which received significant storm damage in April 2020.

Health care is a continually changing environment. The Primary Care Center provides on-site access to medical care for students and employees. Health screenings and expanded wellness initiatives provide important information to employees for use in managing and improving personal health. The University continues to place emphasis on preventive health care to improve patient outcomes, create efficiencies and lower health care costs.

The University continues to take steps to enhance student recruitment, both in marketing efforts and in providing additional scholarship funding. The ability to face and effectively address institutional challenges has been a consistent trait in the successful history of the University. Strategic leadership and planning remain key to actively engaging the institution's talent and resources in these efforts.

# Vincennes University Statement of Net Position

AS OF JUNE 30, 2021 AND JUNE 30, 2020

ASSETS	2021	2020
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 48,308,900	\$ 69,517,370
Short-term Investments	32,702,008	30,645,519
Funds held with Bond Trustee	16,311	17,842
Accounts Receivable (Less Allowance of \$2,834,669 2021 and \$3,360,613 2020)	17,603,334	7,140,284
Current Portion of Notes Receivable	394,970	411,715
Inventories	1,407,524	1,404,935
Accrued Interest Income	335,510	360,465
Prepaid Expenses	641,853	337,673
<b>Total Current Assets</b>	<b>\$ 101,410,410</b>	<b>\$ 109,835,803</b>
<b>Non-current Assets</b>		
Funds held with Bond Trustee for Debt Service	\$ 226,317	\$ 219,712
Investments	146,588,688	119,039,199
Net Pension Asset	-	29,192
Net OPEB Asset	20,464,616	14,289,382
Notes Receivable	98,382	173,811
Capital Assets, Net of Accumulated Depreciation	277,721,457	260,214,727
<b>Total Non-current Assets</b>	<b>\$ 445,099,460</b>	<b>\$ 393,966,023</b>
<b>Total Assets</b>	<b>\$ 546,509,870</b>	<b>\$ 503,801,826</b>
<b>DEFERRED OUTFLOWS</b>		
Accumulated Decrease in Fair Value of Hedging Derivatives	\$ 227,023	\$ 359,124
Deferral of Resources Indiana State Teachers Pension Plan	74,132	73,123
Deferral of Resources OPEB	11,366,110	12,980,069
<b>Total Deferred Outflows</b>	<b>\$ 11,667,265</b>	<b>\$ 13,412,316</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 2,712,463	\$ 3,959,727
Accrued Payroll and Deductions Payable	2,729,203	2,920,310
Accrued Vacation Liability	1,325,141	1,339,512
Unearned Revenue	5,209,937	2,532,130
Accrued Interest on Debt	194,221	224,955
Bonds Payable	6,707,409	6,449,748
Deposits	165,755	183,999
Deposits Held in Custody for Others	720	3,502,467
Other Liabilities	5,760,660	2,617,865
<b>Total Current Liabilities</b>	<b>\$ 24,805,509</b>	<b>\$ 23,730,713</b>
<b>Non-current Liabilities</b>		
Bonds Payable (Net of Unamortized Bond Premium (Discount) of \$126,301 2021 and \$247,112 2020)	\$ 35,923,447	\$ 42,751,667
Net Pension Liability	11,870	-
Derivative Instrument - Interest Rate Swap	227,023	359,124
Advances from Federal Government	480,040	700,556
<b>Total Non-current Liabilities</b>	<b>\$ 36,642,380</b>	<b>\$ 43,811,347</b>
<b>Total Liabilities</b>	<b>\$ 61,447,889</b>	<b>\$ 67,542,060</b>
<b>DEFERRED INFLOWS</b>		
Net Difference in the Projected and Actual Investments Along with Indiana State Teachers 2016 Pension Contributions	\$ 183,540	\$ 229,851
Net Differences in OPEB	20,772,524	18,476,037
<b>Total Deferred Inflows</b>	<b>\$ 20,956,064</b>	<b>\$ 18,705,888</b>
<b>NET POSITION</b>		
<b>Net Investment in Capital Assets</b>	<b>\$ 235,139,008</b>	<b>\$ 211,025,911</b>
<b>Restricted for Non-expendable:</b>		
Scholarships & Instruction	2,379,586	2,379,586
<b>Expendable:</b>		
Capital Projects	13,651,929	12,348,540
Loan Funds	290,985	310,482
Scholarships, Grants & Instruction	3,801,328	4,819,599
<b>Unrestricted</b>	<b>220,510,346</b>	<b>200,082,076</b>
<b>Total Net Position</b>	<b>\$ 475,773,182</b>	<b>\$ 430,966,194</b>

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



**Component Unit – Statement of Financial Position**

AS OF JUNE 30, 2021 WITH COMPARATIVE FIGURES FOR 2020

<b>Assets</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>
<b>Current Assets</b>		
Cash	\$ 427,034	\$ 406,353
Investments	2,758,234	2,252,446
Other Accounts Receivable	7,291	7,708
Accrued Interest Receivable	32,588	48,502
Prepaid Expense	56,967	77,624
<b>Total Current Assets</b>	<b>\$ 3,282,114</b>	<b>\$ 2,792,633</b>
Endowment Investments	42,054,731	33,238,283
Trust Investments	85,710,881	67,417,783
Equipment	8,107	8,107
Accum. Deprec. - Equipment	(8,107)	(8,107)
Property	998,139	998,139
<b>Total Assets</b>	<b>\$ 132,045,865</b>	<b>\$ 104,446,838</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 18,337	\$ 9,324
Vacation Accrual	13,473	14,462
Deferred Income Other	68,600	70,220
Due V.U. General Fund	23,259	110,382
<b>Total Current Liabilities</b>	<b>\$ 123,669</b>	<b>\$ 204,388</b>
Funds Held in Trust	\$ 73,248,941	\$ 64,541,955
<b>Total Liabilities</b>	<b>\$ 73,372,610</b>	<b>\$ 64,746,343</b>
<b>Net Assets</b>		
Without Donor Restrictions	\$ 4,208,549	\$ 3,691,879
With Donor Restrictions	54,464,706	36,008,616
<b>Total Net Assets</b>	<b>\$ 58,673,255</b>	<b>\$ 39,700,495</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 132,045,865</b>	<b>\$ 104,446,838</b>

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



# Vincennes University Statement of Fiduciary Net Position

FIDUCIARY FUNDS AS OF JUNE 30, 2021

Assets	Other Postemployment Benefit (OPEB) Trust	Custodial Fund Wabash River Regional Dev Authority
Cash and Cash Equivalents	\$ 2,198,017	\$ 528,204
Accrued Interest Receivable	16	-
Investments at Fair Value:		
Equities	26,277,125	-
Mutual Funds	44,481,893	-
<b>Total Investments</b>	<b>\$ 70,759,018</b>	<b>\$ -</b>
<b>Total Assets</b>	<b>\$ 72,957,051</b>	<b>\$ 528,204</b>
 <b>Liabilities</b>		
Accounts Payable	\$ -	\$ 270,970
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ 270,970</b>
 <b>Net Assets</b>		
<b>Restricted for:</b>		
<b>OPEB</b>	<b>\$ 72,957,051</b>	<b>\$ -</b>
<b>Organizations</b>	<b>\$ -</b>	<b>\$ 257,234</b>

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



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

FOR THE YEAR ENDED JUNE 30, 2021 AND JUNE 30, 2020

	2021	2020
<b>Operating Revenues</b>		
Student Tuition & Fees	\$ 35,217,353	\$ 34,742,862
Scholarship Allowance-Tuition & Fees	(12,048,705)	(13,107,960)
Grants and Contracts	17,705,851	17,021,075
Auxiliary Enterprises	13,159,815	13,327,969
Scholarship Allowance-Auxiliary Enterprises	(3,272,317)	(3,965,456)
Other Revenues	5,950,279	3,495,579
<b>Total Operating Revenues</b>	<b>\$ 56,712,276</b>	<b>\$ 51,514,069</b>
<b>Operating Expenses</b>		
Salaries and Wages	\$ 44,699,408	\$ 45,307,950
Benefits	19,088,696	19,254,748
Scholarships and Fellowships	9,507,140	10,340,651
Supplies and Other Services	27,720,172	27,379,911
Equipment	2,501,539	3,662,862
Depreciation	13,479,150	12,401,823
<b>Total Operating Expenses</b>	<b>\$ 116,996,105</b>	<b>\$ 118,347,945</b>
<b>Operating Loss</b>	<b>\$ (60,283,829)</b>	<b>\$ (66,833,876)</b>
<b>Non Operating Revenues (Expenses)</b>		
Governmental Appropriations	\$ 53,321,951	\$ 56,272,226
Federal and State Student Aid	15,496,940	18,219,655
State Grant Revenue	4,896,642	4,771,603
Other Grants and Contracts	12,133,498	4,549,185
Gifts and Bequests	466,815	1,760,232
Investment Income (Loss)	(633,869)	5,357,476
Endowment Income (Loss)	(76,410)	1,519,992
Gain (Loss) on Disposition of Capital Assets	(12,707)	(839,345)
Interest & Other Costs on Capital Asset - Related Debt	(1,612,800)	(1,835,340)
Other Non-Operating Revenues (Expenses)	(2,040,045)	138,897
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ 81,940,015</b>	<b>\$ 89,914,581</b>
Income before other revenues, expenses, gains or losses	\$ 21,656,186	\$ 23,080,705
<b>Other Revenues, Expenses, Gains or Losses</b>		
Capital Appropriations	21,026,786	7,283,786
Insurance Recovery on Capital Asset Impairment, Net - See Note 18	1,795,229	2,284,517
Insurance Recovery for Other Storm Damage	-	235,470
<b>Increase in Net Position</b>	<b>\$ 44,478,201</b>	<b>\$ 32,884,478</b>
<b>Net Position - Beginning of Year</b>	<b>\$ 430,966,194</b>	<b>\$ 398,081,716</b>
<b>Prior Period Adjustment for Change in Accounting Principle - Note 19</b>	<b>\$ 328,787</b>	<b>\$ -</b>
<b>Net Position - End of Year</b>	<b>\$ 475,773,182</b>	<b>\$ 430,966,194</b>

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



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

FOR THE YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE FIGURES FOR 2020

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
<b>Support and Revenue</b>				
Contributions	\$ 140,338	\$ 1,539,828	\$ 1,680,166	\$ 660,132
Grants and Contracts	-	10,901,400	10,901,400	264,250
Other Income	67,750	113,732	181,482	164,039
Investment Income	144,304	2,187,195	2,331,499	642,552
Unrealized Gain on Investments	421,508	6,336,716	6,758,224	791,816
Administrative Income	326,124	-	326,124	431,997
Alumni Income & Community Series	-	-	-	125,663
<b>Total Support and Revenue Before Releases</b>	<b>\$ 1,100,024</b>	<b>\$ 21,078,871</b>	<b>\$ 22,178,895</b>	<b>\$ 3,080,449</b>
<b>Net Assets Released From Restrictions</b>	<b>\$ 2,625,226</b>	<b>\$ (2,625,226)</b>	<b>-</b>	<b>\$ -</b>
<b>Total Support and Revenue</b>	<b>\$ 3,725,250</b>	<b>\$ 18,453,645</b>	<b>\$ 22,178,895</b>	<b>\$ 3,080,449</b>
<b>Expenses</b>				
Program Expenditures	\$ 2,490,329	\$ -	\$ 2,490,329	\$ 1,945,315
Management and General	619,298	-	619,298	711,452
Fundraising	96,508	-	96,508	67,961
<b>Total Expenses</b>	<b>\$ 3,206,135</b>	<b>\$ -</b>	<b>\$ 3,206,135</b>	<b>\$ 2,724,728</b>
<b>Increase in Net Assets</b>	<b>\$ 519,115</b>	<b>\$ 18,453,645</b>	<b>\$ 18,972,760</b>	<b>\$ 355,721</b>
Additions	-	25,786	25,786	-
Deductions	(2,445)	(23,341)	(25,786)	-
<b>Total Change in Net Assets</b>	<b>\$ 516,670</b>	<b>\$ 18,456,090</b>	<b>\$ 18,972,760</b>	<b>\$ 355,721</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$ 3,691,879</b>	<b>\$ 36,008,616</b>	<b>\$ 39,700,495</b>	<b>\$ 39,344,774</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 4,208,549</b>	<b>\$ 54,464,706</b>	<b>\$ 58,673,255</b>	<b>\$ 39,700,495</b>

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



# Vincennes University Statement of Changes in Fiduciary Net Position

FIDUCIARY FUNDS FOR THE YEAR ENDING JUNE 30, 2021

Additions	Other Postemployment Benefit (OPEB) Trust	Custodial Fund Wabash River Regional Dev Authority
Contributions Received (Employer)	\$ 60,000	\$ -
Investment Income		
Net Increase in the Fair Value of Investments	7,842,197	-
Interest and Dividends	2,861,652	-
<b>Net Investment Income</b>	<b>\$ 10,703,849</b>	<b>\$ -</b>
<b>Total Additions</b>	<b>\$ 10,763,849</b>	<b>\$ -</b>
 <b>Deductions</b>		
Benefit Payments	\$ 2,051,257	\$ -
Administrative Expenses	50,369	-
Grants Administered	-	1,092,766
<b>Total Deductions</b>	<b>\$ 2,101,626</b>	<b>\$ 1,092,766</b>
 <b>Net Increase (Decrease) in Fiduciary Net Position</b>	 <b>\$ 8,662,223</b>	 <b>\$ (1,092,766)</b>
<b>Net Position - Beginning</b>	<b>\$ 64,294,828</b>	<b>\$ 1,350,000</b>
<b>Net Position - Ending</b>	<b>\$ 72,957,051</b>	<b>\$ 257,234</b>

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





# Vincennes University Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2021 AND JUNE 30, 2020

	2021	2020
<b>Cash Flows From (For) Operating Activities</b>		
Tuition and Fees	\$ 22,126,486	\$ 22,928,996
Grants and Contracts	18,494,001	16,735,520
Payments to Suppliers	(28,961,906)	(29,682,159)
Payments to Employees	(44,616,106)	(45,079,641)
Payments for Benefits	(21,648,524)	(23,051,760)
Payments for Scholarships and Fellowships	(9,507,140)	(10,340,551)
Collection of Loans to Students	92,174	218,269
Repayments of Advances from Federal Government	(220,516)	(259,346)
Auxiliary Enterprise	10,716,146	9,348,629
Other Receipts	6,873,816	3,326,249
<b>Net Cash Used in Operating Activities</b>	<b>\$ (46,651,569)</b>	<b>\$ (55,855,794)</b>
<b>Cash Flows From (For) Non-Capital Financing Activities</b>		
Governmental Appropriations	\$ 53,321,951	\$ 56,272,226
Gifts and Grants for Other than Capital Purposes	21,841,332	27,797,852
Funds Held in Trust for Others	(3,172,790)	1,492,757
<b>Net Cash Provided by Non-capital Financing Activities</b>	<b>\$ 71,990,493</b>	<b>\$ 85,562,835</b>
<b>Cash Flows From (For) Capital and Related Financing Activities</b>		
Capital Appropriations	\$ 21,026,786	\$ 7,283,786
Proceeds (Loss) from Sale of Capital Assets	53,897	10,759
Insurance Recovery	1,795,229	3,794,771
Purchases of Capital Assets and Construction	(30,912,838)	(26,989,158)
Bond Reserve Cash Returned (Deposited)	(5,074)	461
Principal Paid on Capital Debt	(6,449,748)	(6,737,765)
Interest Paid on Capital Debt & Lease	(1,764,345)	(2,020,934)
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>\$ (16,256,093)</b>	<b>\$ (24,658,080)</b>
<b>Cash Flows From (For) Investing Activities</b>		
Proceeds from Sales and Maturities of Investments	\$ 81,078,726	\$ 92,424,327
Investment Income	3,561,476	5,002,616
Purchase of Investments	(114,931,503)	(58,144,238)
<b>Net Cash Provided By (Used in) Investing Activities</b>	<b>\$ (30,291,301)</b>	<b>\$ 39,282,705</b>
<b>Net Increase (Decrease) in Cash</b>	<b>\$ (21,208,470)</b>	<b>\$ 44,331,666</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>\$ 69,517,370</b>	<b>\$ 25,185,704</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 48,308,900</b>	<b>\$ 69,517,370</b>

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



# Vincennes University Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2021 AND JUNE 30, 2020

	2021	2020
<b>Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided by (Used in) Operating Activities:</b>		
Net Operating Revenues and Expenses	\$ (60,283,829)	\$ (66,833,876)
Prior Period Adjustment for Change in Accounting Principle	328,787	-
<b>Adjustments to Reconcile Net Operating Revenues (Expenses) to Net Cash Provided by (Used in) Operating Activities</b>		
Depreciation Expense	13,479,150	12,401,823
<b>Changes in Assets and Liabilities:</b>		
Receivables, Net	774,558	345,835
Inventories	(2,589)	(93,894)
Other Assets	(304,180)	50,572
Student Loans	92,174	218,269
Advances from Federal Government	(220,516)	(259,346)
Net OPEB Asset	(2,264,789)	(3,089,184)
TRF Benefit	(6,258)	6,965
Accounts Payable and Accrued Liabilities	1,342,852	933,727
Unearned Income	386,110	372,173
<b>Cash Flows Reported in Other Categories</b>		
Other Non-Operating Revenues (Expenses)	26,961	91,142
<b>Net Cash Used in Operating Activities</b>	<b>\$ (46,651,569)</b>	<b>\$ (55,855,794)</b>

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



# Notes to Financial Statements

## Note 1 Summary of Significant Accounting Policies

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

The University adheres to Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units - an amendment of GASB Statement No. 14*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units, an amendment of GASB Statement No. 14*. GASB Statement No. 61 and GASB Statement No. 80 modify certain requirements for inclusion of component units in the financial reporting entity. In fiscal year 2021, the University adopted GASB Statement No. 84, *Fiduciary Activities*.

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

The Vincennes University's Grantors Trust for post-retirement benefits is held at the Foundation. The trust

is reported as Funds Held in Trust on the Foundation Statements and it is also reported in the fiduciary statements. The University has one custodial fund with the Wabash River Regional Development Authority (RDA). The Wabash River RDA includes six counties and was formed as part of the State's Regional Cities Initiative. Under GASB 84, these fiduciary funds are reported on the University's fiduciary statements.

The Foundation is a legally separate, tax-exempt component unit of the University. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the University in support of its programs. The majority of resources that the Foundation holds and invests are restricted to the activities of the University by the donors. Since these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements. During the year ended June 30, 2021, the Foundation distributed \$2,662,935 to the University for restricted and unrestricted purposes. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

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

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



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

GASB Statement 84, *Fiduciary Activities*, as originally issued, was effective for June 30, 2020 financial statements. However, GASB Statement 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, postponed the implementation date for this Statement to June 30, 2021.

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

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

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

in accordance with the benefit terms. Investments are reported at fair value.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Cash Equivalents:** For purposes of the Statement of Cash Flows, the University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**Deposits with Bond Trustee:** Deposits with the bond trustee consist of interest earnings which will be used for future debt payments. Amounts held for payment of long-term debt obligations are classified as noncurrent assets. Year-end balances do not meet the criteria established by GASB 9 to be considered cash or cash equivalents due to bond covenants and, therefore, are not included in the ending cash balance reported in the Statement of Cash Flows.

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

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

**Non-current Assets:** Cash and investments that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or





construct capital or other non-current assets, are classified as non-current assets in the Statement of Net Position. Included in these assets are the Net Pension Asset for the Indiana State Teacher's Pension Plan and the Net OPEB Asset.

**Capital Assets:** Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. For equipment, the University's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Infrastructure costs are minimal and included in the cost of Building and Improvements. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful life of the asset, generally 40 to 50 years for buildings, 20 to 25 years for infrastructure and land improvements, and 3 to 10 years for equipment.

**Deferred Outflows of Resources:** As prescribed by GASB Statement No. 63, the Statement of Financial Position reports a separate section for deferred outflows of resources. The separate financial statement element represents a consumption of net position that applies to a future period. Deferred outflows of resources consist of accumulated changes in the fair value of hedging

derivative instruments, the deferral of resources for the Indiana State Teacher's Pension Plan, and for the Post Employment Benefit Plan.

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

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

**Compensated Absences:** Liabilities for compensated absences are recorded for vacation leave for eligible employees based on actual earned amount. This accrual includes the employer share of social security and Medicare taxes and contributions to pension plans. The maximum number of days an employee may be paid upon termination of employment remains limited to the number of days which can be earned in 12 months. The liability and expense incurred are recorded at year-end as accrued vacation liability in the Statement of Net Position and as a component of salary and benefit expense in the Statement of Revenues, Expenses, and Changes in Net Position.



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

**Deferred Inflows of Resources:** As prescribed by GASB Statement No. 63, the Statement of Financial Position reports a separate section for deferred inflows of resources. Deferred inflows of resources is an acquisition of net assets that is applicable to a future reporting period. These inflows include the Net Differences for the projected and actual investments for the Indiana State Teacher's Pension Plan and the OPEB Plan.

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

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

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

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

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

*Unrestricted net position:* The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of

resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

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

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

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

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



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

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

**Other Grants and Contracts:** The Coronavirus Aid, Relief, and Economic Security Act or, CARES Act, was passed by Congress on March 27, 2020. This bill allotted funds to provide fast and direct economic aid to the American people negatively impacted by the COVID-19 pandemic. Subsequently, Congress allotted additional funding through the Coronavirus Response and Relief Supplemental Appropriations Act, 2021, or CRRSAA, and the American Rescue Plan, or ARP. Of that money, funds were given to the Office of Postsecondary Education as the Higher Education Emergency Relief Fund, or HEERF. To partially offset the financial impact to students and the losses incurred by the University due to the disruption caused by COVID 19, the University has been awarded these funds for fiscal years 2020-2022.

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

#### *Other Post Employee Benefit (OPEB) Trust Funds*

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

#### *Custodial Funds*

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

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

#### *Net Assets without donor restrictions*

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

#### *Net Assets with donor restrictions*

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

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

Expenses are recognized when incurred.

Investments in marketable securities are stated at fair market value.



## Note 2 Cash and Investments

Cash and investments as of June 30, 2021 and June 30, 2020, are stated at market value. The University's trustees have the responsibility as a fiduciary body for the University's investments. Indiana Code 30-4-3-3 requires the trustees to "exercise judgement and care required by Indiana Code 30-4-3.5," the *Indiana Uniform Prudent Investor Act*. The University invests in obligations of the U.S. Treasury and U.S. agencies, certificates of deposits, repurchase agreements, savings and money market accounts, and negotiable order of withdrawal accounts. Cash deposits are insured by agencies of the federal government up to \$250,000. Amounts over \$250,000 are covered by the Indiana Public Depository Fund which covers all public funds held in approved depositories. The total amount reported by checking and money market accounts at various banks on June 30, 2021 and on June 30, 2020 equaled \$48,308,900 and \$69,517,370 respectively.

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

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

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

As of June 30, 2020, the University had the following investments:

Investment Type	Market Value	Maturity Less than 1 Year	1-5 Years	6-10 Years
Certificates of Deposits	\$ 8,000,000	\$ 8,000,000	\$ -	\$ -
U.S. Treasury Bonds	10,811,687	1,137,409	6,696,728	2,977,550
U.S. Government Agencies	130,439,361	21,508,110	99,299,322	9,631,929
Mutual Funds	433,670	-	433,670	-
<b>Total</b>	<b>\$ 149,684,718</b>	<b>\$ 30,645,519</b>	<b>\$ 106,429,720</b>	<b>\$ 12,609,479</b>

**Credit Risk:** As a means of managing credit risk, the University's investment policy limits investments to A1 (Standard & Poor's) or P1 (Moody's). If a rating change occurs which disqualifies a security that is already present in the University portfolio, it must be sold within 30 days of the discovery, unless it matures within six months of the rating change. On June 30, 2021 and June 30, 2020, the University was in compliance with its credit risk policy for all investments.





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

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

The Moody's credit ratings for the investments at June 30, 2020 were as follows:

Rating	Certificates of Deposit	U.S. Treasury Bonds	U.S. Government Agencies	Mutual Funds	Total
AAA	\$ -	\$ 10,811,687	\$ 130,439,361	\$ -	\$ 141,251,048
AA	-	-	-	-	-
A	-	-	-	-	-
BBB	-	-	-	-	-
BB	-	-	-	-	-
Below BB	-	-	-	-	-
Not Rated	8,000,000	-	-	433,670	8,433,670
<b>Total</b>	<b>\$ 8,000,000</b>	<b>\$ 10,811,687</b>	<b>\$ 130,439,361</b>	<b>\$ 433,670</b>	<b>\$ 149,684,718</b>

**Concentration of Credit Risk:** The concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The University's investment policy places no limit on the amount that can be invested in any single issuer. There are currently no investments that represent 5 percent or more of the University's Net Assts being held at a single banking institution. U.S. government issues and U.S. governmental agency securities are exempt from this requirement.

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

**Custodial Credit Risk:** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The University's investment policy does not limit the value of investments that may be held by an outside party. Of the University's investments, \$9,577,596 of the U.S. Treasury Notes, \$10,752,310 of the U.S. Government Agencies, and \$439,353 of the Mutual Funds are held by the counterparty, a trust department, or an agent not in the University's name.

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



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

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

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

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

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

### RECURRING MEASUREMENTS:

The following tables present the fair value measurements of assets recognized in the accompanying consolidated statements of financial position measured at the fair value on a recurring basis and the level within the fair value hierarchy in which fair value measurements fall on June 30, 2021 and June 30, 2020:

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

Fair Value Measurements Using:				
JUNE 30, 2020		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level	Fair Value			
U.S. Treasury Bonds	\$ 10,811,687	\$ 10,811,687	\$ -	\$ -
Agency Securities	9,127,219	-	9,127,219	-
Agency Mortgage Securities	121,312,142	-	121,312,142	-
Mutual Funds	433,670	433,670	-	-
<b>Total Investments</b>	<b>\$ 141,684,718</b>	<b>\$ 11,245,357</b>	<b>\$ 130,439,361</b>	<b>\$ -</b>
Interest Rate Swaps	(359,124)	-	(359,124)	-
<b>Total derivative instruments</b>	<b>\$ (359,124)</b>	<b>\$ -</b>	<b>\$ (359,124)</b>	<b>\$ -</b>



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

The University utilizes the market based valuation approach in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, and there have been no significant changes in the valuation techniques during the years ending June 30, 2021 and June 30, 2020.

## Note 4 – Accounts Receivable

Accounts Receivable are primarily comprised of the following at June 30:		
	2021	2020
Student Tuition	\$ 4,968,557	\$ 4,832,583
Auxiliaries	1,293,431	1,641,203
Grants and Contracts	13,389,807	2,470,868
Other Receivable	786,208	1,556,243
<b>Total Accounts Receivable</b>	<b>\$ 20,438,003</b>	<b>\$ 10,500,897</b>
Allowance for Doubtful Accounts	(2,834,669)	(3,360,613)
<b>Net Accounts Receivable</b>	<b>\$ 17,603,334</b>	<b>\$ 7,140,284</b>

## Note 5 – Inventories

Inventories are stated at the lower of cost or market value. As of June 30, 2021 and 2020, total inventories were valued at \$1,407,524 and \$1,404,935. Of these totals, the bookstore's inventory was \$1,068,755 and \$1,034,061, respectively.

## Note 6 – Derivative Instruments

The fair value balance and notional amount of the derivative instrument outstanding on June 30, 2021 and June 30, 2020, classified by type and the changes in fair value of such derivative instrument for the year ended as reported in the comparative financial statements are as follows:

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

Changes in Fair Value			Fair Value at June 30, 2020		
	Classification	Amount	Classification	Amount	Current Notional Amount
Cash flow hedge: Pay-fixed interest rate swap	Pay Fixed Interest Rate Swap	(\$178,871)	Deferred Outflow of Resources	(\$359,124)	\$4,710,000

As of June 30, 2021 and as of June 30, 2020, the University determined that the pay-fixed interest rate swap met the criteria for effectiveness. The pay-fixed, receive-variable interest rate swap is designed to synthetically fix the cash flows on the variable rate bonds. The fair value of the interest rate swap was estimated based on the present value of their estimated future cash flows.



The following tables display the objective and terms of the University's hedging derivative instrument outstanding as of June 30, 2021 and as of June 30, 2020, along with the credit rating of the associated counterparty:

As of June 30, 2021						
Type	Objective	Current Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2009 Series I Bonds	\$4,210,000	12/23/08	12/1/28	65% of 6 mo. USD-LIBOR-BBA w/ 1 Day Look back + 208.00 bps	Aa3

As of June 30, 2020						
Type	Objective	Current Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2009 Series I Bonds	\$4,710,000	12/23/08	12/1/28	65% of 6 mo. USD-LIBOR-BBA w/ 1 Day Look back + 208.00 bps	Aa3

**Credit Risk:** As a means of managing credit risk, the University's investment policy limits investments to A1 (Standard & Poor's) or P1 (Moody's). If a rating change occurs which disqualifies a security that is already present in the University portfolio, it must be sold within 30 days of the discovery, unless it matures within six months of the rating change. On June 30, 2021 and June 30, 2020, the University is in compliance with its credit risk policy for all investments. The fair value of the hedging derivative instrument, in a liability position as of June 30, 2021 and June 30, 2020, was \$227,023 and \$359,124. Since both the derivative instrument and the debt being hedged with the same counterparty, there is no credit risk exposure since the fair value of the derivative instrument would be netted against the payoff of the debt.

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

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

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

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



## Note 7 – Capital Assets

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

2021					
	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
<b>Capital Assets not being depreciated:</b>					
Land	\$ 23,478,679	\$ 50,698	\$ 82,918	\$ -	\$ 23,446,459
Construction in Progress	11,383,503	28,277,818	1,079,855	(19,487,566)	19,093,900
<b>Total Capital Assets not being depreciated</b>	<b>34,862,182</b>	<b>28,328,516</b>	<b>1,162,773</b>	<b>(19,487,566)</b>	<b>42,540,359</b>
<b>Capital Assets being depreciated:</b>					
Building and Improvements	320,291,017	-	-	19,487,566	339,778,583
Equipment	52,325,922	3,897,835	1,313,931	-	54,909,826
<b>Total Capital Assets being depreciated</b>	<b>372,616,939</b>	<b>3,897,835</b>	<b>1,313,931</b>	<b>19,487,566</b>	<b>394,688,409</b>
<b>Less Accumulated Depreciation for:</b>					
Building & Improvements	115,232,899	9,076,774	-	-	124,309,673
Equipment	32,031,495	4,402,376	1,236,233	-	35,197,638
<b>Total Accumulated Depreciation</b>	<b>147,264,394</b>	<b>13,479,150</b>	<b>1,236,233</b>	<b>-</b>	<b>159,507,311</b>
<b>Total Capital Assets being depreciated, net</b>	<b>225,352,545</b>	<b>(9,581,315)</b>	<b>77,698</b>	<b>19,487,566</b>	<b>235,181,098</b>
<b>Capital Assets, net</b>	<b>\$ 260,214,727</b>	<b>\$ 18,747,201</b>	<b>\$ 1,240,471</b>	<b>\$ -</b>	<b>\$ 277,721,457</b>

2020					
	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
<b>Capital Assets not being depreciated:</b>					
Land	\$ 23,133,514	\$ 401,498	\$ 56,333	\$ -	\$ 23,478,679
Construction in Progress	19,352,302	20,490,211	2,850	(28,456,160)	11,383,503
<b>Total Capital Assets not being depreciated</b>	<b>42,485,816</b>	<b>20,891,709</b>	<b>59,183</b>	<b>(28,456,160)</b>	<b>34,862,182</b>
<b>Capital Assets being depreciated:</b>					
Building and Improvements	296,100,418	343,337	4,369,481	28,216,743	320,291,017
Equipment	47,157,801	7,186,624	2,257,920	239,417	52,325,922
<b>Total Capital Assets being depreciated</b>	<b>343,258,219</b>	<b>7,529,961</b>	<b>6,627,401</b>	<b>28,456,160</b>	<b>372,616,939</b>
<b>Less Accumulated Depreciation for:</b>					
Building & Improvements	109,656,343	8,596,491	3,019,935	-	115,232,899
Equipment	29,648,048	3,805,332	1,421,885	-	32,031,495
<b>Total Accumulated Depreciation</b>	<b>139,304,391</b>	<b>12,401,823</b>	<b>4,441,820</b>	<b>-</b>	<b>147,264,394</b>
<b>Total Capital Assets being depreciated, net</b>	<b>203,953,828</b>	<b>(4,871,862)</b>	<b>2,185,581</b>	<b>28,456,160</b>	<b>225,352,545</b>
<b>Capital Assets, net</b>	<b>\$ 246,439,644</b>	<b>\$ 16,019,847</b>	<b>\$ 2,244,764</b>	<b>\$ -</b>	<b>\$ 260,214,727</b>



## Note 8 – Non-Current Liabilities

The non-current liability activity for the fiscal years ended June 30, 2021 and 2020 are summarized as follows:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021
Bonds Payable, Net of Unamortized Premium and Discount	\$ 42,751,667	\$ -	\$ 6,828,220	\$ 35,923,447
Net Pension Liability	-	11,870		11,870
Derivative Instrument - Interest Rate Swap	359,124		132,101	227,023
Advances from Federal Government	700,556	-	220,516	480,040
<b>Total Non-current Liabilities</b>	<b>\$ 43,811,347</b>	<b>\$ 11,870</b>	<b>\$ 7,180,837</b>	<b>\$ 36,642,380</b>

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020
Bonds Payable, Net of Unamortized Premium and Discount	\$ 49,353,815	\$ -	\$ 6,602,148	\$ 42,751,667
Net Pension Liability	31,654	-	31,654	-
Derivative Instrument - Interest Rate Swap	180,253	178,871	-	359,124
Advances from Federal Government	959,902	-	259,346	700,556
OPEB Liability	1,071,232	-	\$ 1,071,232	-
<b>Total Non-current Liabilities</b>	<b>\$ 51,596,856</b>	<b>\$178,871</b>	<b>\$ 7,964,380</b>	<b>\$ 43,811,347</b>

## Note 9 – Long-Term Debt

Long-term debt activity for the years ended June 30, 2021, and June 30, 2020 is summarized as follows:

	Direct Placement						Other Debit			
	Interest Rate	Amount Issued	Amount Outstanding June 30, 2020	Amount Retired 2020-21	Amount Outstanding June 30, 2021	Amount Due Within One Year	Amount Outstanding June 30, 2020	Amount Retired 2020-21	Amount Outstanding June 30, 2021	Amount Due Within One Year
Dormitory and Dining Facilities Revenue Bonds of 1983, Series A	3.000%	\$ 5,000,000					\$ 620,000	\$ 200,000	\$ 420,000	\$ 210,000
Auxiliary Facilities System Revenue Bonds, Series 2006	4.126%	13,440,000					1,270,000	625,000	645,000	645,000
Auxiliary Facilities System Revenue Bonds, Series 2009	4.728%	10,160,000					6,150,000	495,000	5,655,000	515,000
Auxiliary Facilities System Revenue Bonds, Series 2013	3.630%	4,526,800	\$ 3,479,000	\$ 195,000	\$ 3,284,000	\$ 205,000				
Student Fee Bonds, Series H	4.373%	4,545,000					2,095,000	255,000	1,840,000	270,000
Student Fee Bonds, Series I	4.090%	9,095,000	4,710,000	500,000	4,210,000	510,000				
Student Fee Bonds, Series J	3.858%	26,795,000					7,995,000	2,170,000	5,825,000	2,290,000
Student Fee Bonds, Series K	3.160%	5,895,000	2,690,000	414,000	2,276,000	427,000				
Student Fee Bonds, Series L	2.350%	8,045,000	4,376,000	540,000	3,836,000	552,600				
Student Fee Bonds, Series M-1	2.730%	10,000,000	8,158,020	432,400	7,725,620	444,284				
Student Fee Bonds, Series M-2	2.420%	10,000,000	7,411,283	623,348	6,787,935	638,525				
<b>Total Bonds Payable</b>			<b>\$ 30,824,303</b>	<b>\$ 2,704,748</b>	<b>\$ 28,119,555</b>	<b>\$ 2,777,409</b>	<b>\$ 18,130,000</b>	<b>\$ 3,745,000</b>	<b>\$ 14,385,000</b>	<b>\$ 3,930,000</b>
<b>Unamortized Bond Premium (Discount)</b>							<b>247,112</b>		<b>126,301</b>	
<b>Due Within One Year</b>			<b>(2,704,748)</b>		<b>(2,777,409)</b>		<b>(3,745,000)</b>		<b>(3,930,000)</b>	
<b>Total Long-Term Liabilities</b>			<b>\$ 28,119,555</b>		<b>\$ 25,342,146</b>		<b>\$ 14,632,112</b>		<b>\$ 10,581,301</b>	



Debt obligations are generally callable by the University, bear interest at fixed and variable rates ranging from 2.35% to 4.728%, and mature at various dates through fiscal year 2036. Using rates as of June 30, 2021, scheduled fiscal year maturities of bonds payable and related interest expense are shown below. These amounts assume that the current interest rates on variable-rate bonds and the current reference rates of hedging derivative instruments will remain the same for their term. As these rates change, interest rates on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary. See Footnote 6 for information on derivative instruments.

Fiscal Year Ending June 30,	Fixed Rate Bonds									Hedging Derivatives, Net	Total
	Fixed Rate Bonds Total		Direct Placement		Other Debt		Variable Rate Bonds				
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST			
2022	6,197,409	1,309,092	2,267,409	642,674	3,930,000	666,418	510,000	91,682	75,292	8,183,475	
2023	5,087,366	1,066,284	2,327,366	580,827	2,760,000	485,457	520,000	80,173	65,840	6,819,663	
2024	5,063,038	863,627	2,393,038	517,243	2,670,000	346,384	540,000	68,384	56,157	6,591,206	
2025	3,365,042	679,283	2,455,042	451,899	910,000	227,384	560,000	56,144	46,106	4,706,575	
2026	3,474,398	566,758	2,524,398	384,758	950,000	182,000	580,000	43,455	35,686	4,700,297	
2027-2031	11,552,334	1,389,235	8,387,334	1,089,860	3,165,000	299,375	1,500,000	50,530	41,496	14,533,595	
2032-2036	3,554,968	229,691	3,554,968	229,691	-	-	-	-	-	3,784,659	
	-	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>\$ 38,294,555</b>	<b>\$ 6,103,970</b>	<b>\$ 23,909,555</b>	<b>\$ 3,896,952</b>	<b>\$ 14,385,000</b>	<b>\$ 2,207,018</b>	<b>\$ 4,210,000</b>	<b>\$ 390,368</b>	<b>\$ 320,577</b>	<b>\$ 49,319,470</b>	

## BONDS SECURED BY DORMITORY REVENUES

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

The Dormitory and Dining Facilities Revenue Bonds of 1983, Series A, were issued June 1983 by the Board of Trustees to fund construction for residential building of Vigo Hall. These bonds are secured by an income pledge of all net income generated from Vigo Hall and Tecumseh Dining Center.

The Auxiliary Facilities System Revenue Bonds, Series 2006, were issued in February 2006 by the Board of Trustees to refund the University's outstanding 1989, 1991 and 1996 series bonds for the construction of Vanderburgh and Godare Residence Halls. These bonds are secured by a pledge and parity lien on the net income from Auxiliary Facilities.

The Auxiliary Facilities System Revenue Bonds, Series 2009, were issued in November 2009 by the Board of Trustees to finance, refinance or reimburse certain costs of

the renovation of Clark Residence Hall. These bonds are secured by a pledge and parity lien on the net income from Auxiliary Facilities.

The Auxiliary Facilities System Revenue Bonds, Series 2013, were issued in December 2013 by the Board of Trustees to finance a portion of the cost of acquiring or improving any property for the Morris and Vanderburgh Residence Hall Renovations. These bonds are secured by a pledge and parity lien on the net income from Auxiliary Facilities.

## BONDS SECURED BY STUDENT FEES

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

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



The Vincennes University Student Fee Bonds, Series H, were issued on February 7, 2006, in the aggregate original principal amount of \$4,545,000. They bear interest at fixed rates as stated in the maturity schedule. The proceeds were used to fund construction of an academic building on the Jasper Campus.

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

The Vincennes University Student Fee Bonds, Series J, were issued on March 10, 2010, to refinance the outstanding Variable Rate Demand Student Fee Bonds, Series F and G. The \$26,795,000 Student Fee Bond, Series J have a net interest cost of 3.858% and were issued to refund \$6,990,000 of outstanding Student Fee Bonds, Series F and \$21,065,000 of outstanding Student Fee Bonds, Series G.

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

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

The Vincennes University Student Fee Bonds, Series M, in the aggregate original principal amount of \$20,000,000 were issued to fund construction of Updike Hall-Center for Science, Engineering and Mathematics. Series M-1 (\$10,000,000) have a net interest cost of 2.73%, and were issued on December 18, 2015. Series M-2 (\$10,000,000) have a net interest cost of 2.42%, and were issued on February 4, 2016.

Funds held with Bond Trustee		
Current Funds Expected to be Depleted Within a Year		
	2021	2020
Revenue Bonds, Series 2009	\$ 6,870	\$ 6,866
Revenue Bonds, Series 2006	8,935	8,931
Revenue Bonds, Series 2013	456	455
Other Bond & Interest Accounts	50	1,590
<b>Total Current</b>	<b>\$ 16,311</b>	<b>\$ 17,842</b>
Dorm & Dining Bonds of 1983 A & B Vigo Hall	226,317	219,712
<b>Total Funds held with Bond Trustee</b>	<b>\$ 242,628</b>	<b>\$ 237,554</b>

## Note 10 – Scholarships and Instruction

The endowment funds are classified under net position as Restricted for Scholarship & Instruction. They include both expendable and non-expendable funds. Net position for the endowment funds totaled \$5,263,356 as of June 30, 2021 and \$6,245,899 as of June 30, 2020. The Opal C. Ramsey fund held \$3,969,778 of the total endowment funds at June 30, 2021 and \$3,928,368 at June 30, 2020.

## Note 11 – TIAA/CREF Pension Plan

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

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





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

On June 30, 2020, 714 employees were covered by TIAA and total wages were \$38,795,969. During 2019-20, Vincennes University contributed \$3,718,652 to TIAA on the employees' behalf.

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

## Note 12 – TRF Pension Plans

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

**General Plan Description** The Indiana Retirement System (INPRS) is an independent instrumentality of the State of Indiana, administering sixteen pension trust funds which includes the Indiana State Teachers' Retirement Fund (TRF). INPRS has the authority to establish and amend benefit terms of its pension trust funds. TRF was established by the Indiana General Assembly in 1921. In 1955, TRF was designed as a pay-as-you-go defined benefit (DB) retirement plan. In 1995, legislation was passed that closed the pay-as-you-go plan (renamed the TRF Pre-1996 Account) to newly hired members and created a new account (named TRF 1996 Account) for all members hired after June 30, 1995. Effective January 1, 2018, funds previously known as annuity savings accounts (which had been reported within defined benefit funds) were recategorized as defined contributions (DC) funds. DC member balances previously reported within TRF Pre-'96 DB and TRF '96 DB were transferred to the appropriate DC fund as of January 1, 2018. Effective July 1, 2019, new teachers could make an election between TRF My Choice Defined Contribution (TRF MC DC) and TRF Defined Contribution (TRF DC). TRF is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.5.

The financial statements of INPRS have been prepared using the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Under the accrual basis, revenues are recognized when earned, and expenses are recognized when liabilities are incurred, regardless

of the timing of related cash flows. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for established governmental accounting and financial reporting principles. INPRS adopts all applicable GASB pronouncements in accounting and reporting for its operations. Detailed information about the pension plan's fiduciary net position is available in the separately issued INPRS Comprehensive Annual Financial Report (CAFR). This report may be obtained by writing the Indiana Public Retirement System, One North Capital, Suite 001, Indianapolis, IN 46204, or [www.in.gov/inprs/annualreports.htm](http://www.in.gov/inprs/annualreports.htm).

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

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

**Benefits** TRF Pre-1996 Defined Benefit (DB) is a pay-as-you-go cost sharing, multiple-employer defined benefit fund established to provide retirement, disability, and survivor benefits to teachers, administrators and certain INPRS employees. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.4, and 35 IAC 14 and other Indiana pension law. TRF Pre-'96 DB is a component of the Teachers' Hybrid Plan. The Teachers' Hybrid Plan consists of two components: TRF Pre-96 DB: the monthly employer-funded defined benefit component, along with TRF DC, a member-funded account.

**Membership** Membership in TRF Pre-'96 DB is closed to new entrants. Membership is required for all legally qualified and regularly employed licensed teachers who serve in the public schools of Indiana, teachers employed by the State at State institutions, and certain INPRS employees. Generally, members hired before 1996 participate in TRF Pre-'96 DB, and members hired after 1995 participate in TRF '96 DB.

**Contributions** According to statute, the TRF Pre-'96 DB Fund is funded primarily by appropriations from the state general fund and lottery proceeds. The Actuarially Determined Contribution (ADC) for TRF Pre-96 DB was \$973.5 million in 2020. This includes the base appropriation of \$919.0 million, a special appropriation of \$22.1 million for the 13th checks, \$30.0 million of lottery proceeds to fund the supplemental reserve account for postretirement benefits, and \$2.4 million of employer



contributions from grant monies. Member contributions are not required. As a non-employer contributing entity, the State of Indiana contributed \$947.4 million in fiscal year 2019.

For the fiscal year ending June 30, 2020, there were 27 employees participating in the plan with annual pay equal to \$2,585,868 and for fiscal year ending June 30, 2019, there were 34 employees participating in the plan with annual pay equal to \$2,921,880. The University contributed at an actuarially determined under the entry age normal cost to be 5.5 percent in 2020 and 7.5 percent in 2019 of covered payroll.

Members are required to contribute three percent of gross wages to their Defined Contribution (DC) Account. Employers have the option of making all or part of this contribution on behalf of the member in which Vincennes University elects to make the contribution. Members may also make voluntary contributions to the Defined Contribution Account up to an additional 10 percent of their wages, under certain limitations. The University contributed three percent of gross wages for the employees. Total contributions for the DB and the DC plans were \$223,025 and \$311,015 for the fiscal years ended June 30, 2020 and June 30, 2019.

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

On June 30, 2021 and June 30, 2020, Vincennes University reported a liability of zero dollars. The State's proportionate share of the net pension liability is 100%. In the 2020 actuarial study, reported in the University's 2021 financial statements, standard actuarial roll forward techniques were used to project the total pension liability computed as of June 30, 2019 to the June 30, 2020 measurement date. The basis used by the actuary to determine the proportionate share of the net pension liability and corresponding pension amount is the actual contributions made to the Plan during the fiscal year since they are representative of future contributions.

In the 2019 actuarial study, reported in the University's 2020 financial statements, standard actuarial roll forward techniques were used to project the total pension liability computed as of June 30, 2018 to the June 30, 2019 measurement date. The basis used by the actuary to determine the proportionate share of the net pension liability and corresponding pension amount is the actual contributions made to the Plan during the fiscal year since they are representative of future contributions.

For the years ended June 30, 2021 and June 30, 2020, the University recognized pension expense totaling \$4,896,642 and \$4,771,603, along with non-operating revenue in the same amount for the State's contribution.

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

**Benefits** TRF '96 DB is a cost-sharing, multiple-employer defined benefit fund providing retirement, disability, and survivor benefits. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.4, 35 IAC 14 and other Indiana pension law. The Teachers' Hybrid Plan consists of two components: TRF 96 DB: the monthly employer-funded defined benefit component, along with TRF DC, a member-funded account.

**Membership** Membership in TRF '96 DB is required for all legally qualified and regularly employed licensed teachers who serve in the public schools of Indiana, teachers employed by the State at State institutions, and certain INPRS employees. Additionally, faculty members and professional employees at Ball State University and Vincennes University have the option of selecting membership in the Fund or an alternate University plan not administered by INPRS. Membership in TRF '96 DB is optional for teachers employed by charter schools, employees and officials of the Indiana State Board of Education who were Indiana licensed teachers before their employment with the Board, and teachers employed by special management teams as defined under IC 20-31.

**Contributions** Employer contribution rates for the 1996 Account are determined annually by the INPRS Board based on recommendations by the INPRS actuary. The funding policy provided for periodic employer contributions at actuarially determined rates that expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. As the TRF 1996 Account is a cost-sharing system, all risks and costs, including benefit costs, are shared proportionally by the participating employers. During fiscal year 2020, all participating employers in the TRF 1996 Account were required to contribute 5.50 percent of the covered payroll in which the University contributed \$27,784 based on payroll totaling \$505,163 for seven employees. During fiscal year 2019, all participating employers in the TRF 1996 Account were required to contribute 7.50 percent of the covered payroll in which the University contributed \$49,680 based on payroll totaling \$662,397 for nine employees.

Members are required to contribute three percent of gross wages to their Defined Contribution Account. Employers





have the option of making all or part of this contribution on behalf of the member in which Vincennes University elects to make the contribution. Members may also make voluntary contributions to the Defined Contribution Account up to an additional 10 percent of their wages, under certain limitations. The University contributed three percent of gross wages for the employees. Total contributions for the DB and the DC plans were \$42,939 and \$69,552 for the fiscal years ended June 30, 2020 and June 30, 2019.

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

At June 30, 2021, Vincennes University reported a liability of \$11,870 for its proportionate share of the net pension liability. Standard actuarial roll forward techniques were used to project the total pension liability computed as of June 30, 2019 to the June 30, 2020 measurement date. Wages reported by employers relative to the collective wages of the plan serve as the basis to determine the employer’s proportionate share. This basis of allocations

measures the proportionate relationship of an employer to all employers and it consistent with the manner in which contributions to the pension plan are determined. At June 30, 2020, the University’s proportion was .01523 percent.

At June 30, 2020, Vincennes University reported an asset of \$29,192 for its proportionate share of the net pension liability. Standard actuarial roll forward techniques were used to project the total pension liability computed as of June 30, 2018 to the June 30, 2019 measurement date. Wages reported by employers relative to the collective wages of the plan serve as the basis to determine the employer’s proportionate share. This basis of allocations measures the proportionate relationship of an employer to all employers and it consistent with the manner in which contributions to the pension plan are determined. At June 30, 2019, the University’s proportion was .02032 percent.

For the years ended June 30, 2021 and June 30, 2020, VU recognized pension expense of \$17,831 and \$33,978 respectively. On June 30, 2021 and June 30, 2020, VU reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:



## 2021

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

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

## 2020

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,809	\$ 33,197
Changes of assumptions	34,485	66,330
Net difference between projected and actual earnings on pension plan investments	-	15,978
Changes in proportion and differences between employer contributions and proportionate share of contributions	165	114,346
Employer contributions subsequent to the measurement date	26,664	-
<b>Totals</b>	<b>\$ 73,123</b>	<b>\$ 229,851</b>

Employer contributions totaling \$26,664 were reported as deferred outflows of resources related to pensions resulting from VU's contributions subsequent to the measurement date. This amount was recognized as a reduction of the net pension liability in the year ended June 30, 2021.

In the 2020 actuary study, reported in the University's 2021 financial statements, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ (16,138)
2022	(14,486)
2023	(10,690)
2024	(9,644)
2025	(17,465)
Thereafter	(65,075)

***The 2021 Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate (as reported in the 2020 Actuarial Report)***

The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

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



In the 2019 actuarial study, reported in the University's 2020 financial statements, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ (16,763)
2021	(25,966)
2022	(23,763)
2023	(18,697)
2024	(17,303)
Thereafter	(80,900)

*The 2020 Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate (as reported in the 2019 Actuarial Report)* The following presents the University's proportionate share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

Net Pension Liability Discount Rate Sensitivity			
	1% Decrease (5.75%)	Current (6.75%)	1% Increase (7.75%)
Employer's proportionate share of the net pension liability	\$178,712	\$(29,192)	\$(197,589)

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

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

Asset Valuation Date	June 30, 2020
Liabilities	June 30, 2019- Member census data as of June 30, 2019 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2019 and June 30, 2020.
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Inflation	2.25%
Salary increases	2.75% to 12.00%, including inflation
Investment rate of return	6.75% (includes inflation and net investment expenses)
Cost-of-living adjustments	2020-2021- 13th check, 2022-2033 - 0.40%, 2034-2038 - 0.50%, 2039 and on - 0.60%
Experience Study Data	Period of 5 years ended June 30, 2019

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

The long-term return expectation for the INPRS defined benefit retirement plans has been determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. In order to determine the expected long-term nominal rate of return, the asset class geometric real returns are projected on a 30-year time horizon. These returns are combined with a projected covariance matrix and the target allocations to create a range of expected longer-term real rates for the portfolio.

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



**Discount Rate** The Total Pension Liability (TPL) for each defined benefit pension plan was calculated using the long-term expected rate of return of 6.75%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and, where applicable, from members, would at the minimum be made at the actuarially determined required rates, computed in accordance with the current funding policy adopted by the Board, and contributions required by the State of Indiana (the non-employer contributing entity) would be made as stipulated by Indiana statute. Projected inflows from investment earnings were calculated using the 6.75% long-term assumed investment rate of return. Based on those assumptions, each defined benefit pension plan's Fiduciary Net Position were projected to be available to make all projected future benefit payments of current plan members, therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the TPL for each plan.

### Actuarial Assumptions for TRF Pre-1996 and TRF 1996 for 2020

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Asset Valuation Date	June 30, 2019
Liabilities	June 30, 2018- Member census data as of June 30, 2018 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2018 and June 30, 2019.
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Inflation	2.25%
Salary increases	2.50% to 12.50%, including inflation
Investment rate of return	6.75% (includes inflation and net investment expenses)
Cost-of-living adjustments	2020-2021- 13th check, 2022-2033 - 0.40%, 2034-2038 - 0.50%, 2039 and on - 0.60%
Experience Study Data	Period of 3 years ended June 30, 2014

The mortality assumption were based on from the RP-2014 White Collar Mortality Table with Social Security Administration generational projection scale from 2006.

The long-term return expectation for the INPRS defined benefit retirement plans has been determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the

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

Global Asset Classes	Target Allocation	Geometric Basis Long-Term Expected Real Rate of Return
Public Equity	22.00%	4.9%
Private Market	14.00%	7.0%
Fixed Income - Ex Inflation -Linked	20.00%	2.5%
Fixed Income - Inflation-Linked	7.00%	1.3%
Commodities	8.00%	2.0%
Real Estate	7.00%	6.7%
Absolute Return	10.00%	2.9%
Risk Party	12.00%	5.3%

**Discount Rate** The Total Pension Liability (TPL) for each defined benefit pension plan was calculated using the long-term expected rate of return of 6.75%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and, where applicable, from members, would at the minimum be made at the actuarially determined required rates, computed in accordance with the current funding policy adopted by the Board, and contributions required by the State of Indiana (the non-employer contributing entity) would be made as stipulated by Indiana statute. Projected inflows from investment earnings were calculated using the 6.75% long-term assumed investment rate of return. Based on those assumptions, each defined benefit pension plan's Fiduciary Net Position were projected to be available to make all projected future benefit payments of current plan members, therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the TPL for each plan.

## Note – 13 Other Postemployment Benefits

This note reports the other postemployment benefits for fiscal years 2021 and 2020.

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



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

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

**Employees covered by benefit terms** - At June 30, 2021 and 2020, the number of employees covered by the benefit terms:

	2021	2020
Active Employees	694	710
Inactive or beneficiaries currently receiving benefit payments	293	305
<b>Total</b>	<b>987</b>	<b>1,015</b>

**Contributions** - The contribution requirements of plan members for the Vincennes University Healthcare Plan are established by the University. The required contribution was based on projected pay-as-you-go financing requirements, with additional prefunding at the University's discretion. Fiscal year 2021 is the first year that the University drew \$2 million for the retiree claim cost from the Grantor's Trust. Retiree contributions for medical and dental ranged from \$189.37 to \$265.20 per month for single coverage and from \$517.83 To \$611.00 for family coverage. The University also offers retiree and spouse coverage, as well as retiree and dependent coverage, with rates falling within the ranges provided.

**Net OPEB Assets** – The University's net OPEB assets were measured as of June 30, 2021 and 2020, and the total OPEB assets used to calculate the net OPEB assets were determined by actuarial valuations as of those dates.

**Actuarial Assumptions-** The total OPEB assets as of June 30, 2021 and 2020, were determined based on actuarial valuations prepared as of June 30, 2020 and 2019 using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age Normal Level Percentage of Salary
- Inflation Rate - 2.25%

- Payroll Growth – Based on Public Employees Retirement Fund actuarial valuation as of June 30, 2019 is as follows:

Age	Rate
<31	2.00%
31-45	1.50%
46-55	1.00%
56-60	0.50%
61+	0.25%

- The discount rate was 3.70% as of June 30, 2021 and 4.60% as of July 1, 2020.
- Retirement Age - Retirement rates are as shown below and they are based on the University's actual retirement experience in 2011 through 2016.

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

- Turnover Rates - Assumption used to project terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retiree health coverage. Withdrawal rates are based on standard withdrawal table Saranson T-9 adjusted to reflect the University's actual withdrawal experience in 2011 through 2016.
- Healthcare cost trend rates: 8.0 percent for 2021 and 7.5 percent for 2022, decreasing .5 percent per year to an ultimate rate of 4.50 percent for 2028 and later years.
- Mortality Rates – For 2021 and 2020, SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019 was used for general employees and retirees. SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019 was used for surviving spouses.



- Spousal Coverage - 65% of male employees and 45% of female employees are assumed to be married at retirement. Husbands are assumed to be three years older than wives. Actual spouse coverage and age is used for retirees.

The University's last experience study was conducted in 2016.

**Discount Rate** – The discount rate used to value benefits was the long-term expected rate of return on plan investments, 3.70% for 2021 and 4.60% for 2020. The plan's net fiduciary position is projected to be sufficient to make projected benefit payments. When the OPEB plan investments are insufficient to meet the cash flow needs of the plan, a yield for 20-year tax exempt general obligation municipal bonds with average rating of AA/Aa or higher (or equivalent quality on another rating scale) must be used.

The long-term expected rate of return on OPEB plan investment was assumed to be 3.70% for 2021 and 4.60% for 2020. This was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. This method was prescribed by GASB 75 which eliminated using general rates of return and best estimates. These expected future real rates of return are then combined to produce the long-term expected rate of return by weighting them based on the target asset allocation percentage and adding in expected inflation (2.00%). The best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation remained unchanged for 2021 and 2020; however, the long-term expected rate of return decreased from 2020 to 2021 as summarized below:

Asset Class	Target Allocation	2021 L/T Expected ROR	2020 L/T Expected ROR
U.S. Broad Equity	26.00%	6.60%	7.10%
Global ex-U.S. Equity	8.00%	6.80%	7.30%
Domestic Fixed Income	41.00%	1.70%	2.80%
Short Duration Fixed Income	20.00%	1.50%	2.70%
Cash Equivalents	5.00%	1.00%	2.30%
<b>Total</b>	<b>100.00%</b>	<b>3.70%</b>	<b>4.60%</b>

**Changes in Net OPEB Liability (Asset)** – The following table reports the components of 2021 changes in net OPEB (asset):

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





The following table reports the components of 2020 changes in net OPEB liability (asset):

<b>Schedule of Changes in Net OPEB Liability</b>				
	<b>INCREASE (DECREASE)</b>			
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)	
Beginning Balance	\$ 63,468,044	\$ 62,396,812	\$ 1,071,232	
<b>Changes for the Year</b>				
Service cost	376,951	-	376,951	
Interest	3,242,584	-	3,242,584	
Difference between expected and actual experience	(15,374,012)	-	(15,374,012)	
Changes in assumptions	1,305,275	-	1,305,275	
Benefit Payments	(3,013,396)	(3,013,396)	-	
Contributions - Employer	-	3,036,891	(3,036,891)	
Net Investment income	-	1,922,418	(1,922,418)	
Administrative expense	-	(47,897)	47,897	
<b>Net Change</b>	<b>\$ (13,462,598)</b>	<b>\$ 1,898,016</b>	<b>\$ (15,360,614)</b>	
<b>Ending Balance</b>	<b>\$ 50,005,446</b>	<b>\$ 64,294,828</b>	<b>\$ (14,289,382)</b>	

**Sensitivity Results** The following presents the Net OPEB Liability (Asset) as of June 30, 2021 and 2020, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

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

As of June 30, 2020	Net OPEB Liability (Asset)
1% Decrease 3.60%	\$ (7,402,426)
Current Discount Rate 4.60%	\$ (14,289,382)
1% Increase 5.60%	\$ (19,939,955)

The following presents the Net OPEB Asset as of June 30, 2021, using the health care trend rates assumed and what it would be using 1% higher and 1% lower health care trend rates.

- The current health care trend rate starts at an initial rate of 7.50%, decreasing to an ultimate rate of 4.50%.
- The 1% decrease in health care trend rates would assume an initial rate of 6.50%, decreasing to an ultimate rate of 3.50%.
- The 1% increase in health care trend rates would assume an initial rate of 8.50%, decreasing to an ultimate rate of 5.50%.

As of June 30, 2021	Net OPEB Asset
1% Decrease	\$ (26,401,876)
Current Trend Rates	\$ (20,464,616)
1% Increase	\$ (13,273,010)

The following presents the Net OPEB Asset as of June 30, 2020, using the health care trend rates assumed and what it would be using 1% higher and 1% lower health care trend rates.

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

As of June 30, 2020	Net OPEB Asset
1% Decrease	\$ (19,410,822)
Current Trend Rates	\$ (14,289,382)
1% Increase	\$ (8,141,741)



**Deferred Outflows / (Inflows) of Resources** For the years ending June 30, 2021 and 2020, the University recognized negative OPEB expenses of \$(1,848,817) and \$(52,293). The University reported deferred outflows of resources and deferred inflows of resources related OPEB from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,197,248	\$ (13,373,259)	\$ 4,795,873	\$ (15,343,132)
Changes in Assumptions	8,168,862	(2,049,568)	6,865,812	(3,074,353)
Net difference between projects and actual earnings on OPEB plan investments	-	(5,349,697)	1,318,384	(58,552)
<b>Total</b>	<b>\$ 11,366,110</b>	<b>\$ (20,772,524)</b>	<b>\$ 12,980,069</b>	<b>\$ (18,476,037)</b>

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

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

Year ended June 30, 2020:	Amount
2021	\$ (475,717)
2022	\$ (475,713)
2023	\$ (1,995,107)
2024	\$ (2,549,431)
2025	\$ -
Thereafter	\$ -

## Note 14 – Risk Management

The University is exposed to various risks of loss: torts, theft, damage or destruction of assets; errors or omissions; job-related illnesses or injuries to employees; and health and other medical benefits provided to employees and their dependents. The University handles these risks of loss through combinations of risk retention and commercial insurance. For building and contents, the risk retention is \$100,000 per incident. General liability, commercial crime, cyber crime, aviation, worker's compensation, commercial automobile, and medical malpractice are all handled through fully insured commercial policies. During the past three fiscal years, claims have not exceeded insurance coverage levels, and there has been no significant reduction in coverage.

For health benefits, the University has an insured self-funded arrangement. The University retains the risk for medical benefits up to a maximum stop loss provision of \$325,000 per member. There is a liability for incurred but unpaid claims. This liability is estimated to be \$1,102,779 for the fiscal year 2020-21. The estimated liability for the fiscal year 2019-20 was \$1,203,986. The University changed to Maxor as the administrator of the employee drug benefit program on January 1, 2020.

The liability, for medical claims incurred but not reported at June 30, 2021, is based on an average monthly claim multiplied by the plan's provider's average turnaround time from when the claims are incurred to when the claims are submitted for payment.



Changes in the incurred but unpaid claim liability for self-insured health, dental & drug benefit during the years ending June 30, 2021 and 2020 were as follows:

	2021	2020
Balance, beginning of year	\$ 1,203,986	\$ 976,802
Claims incurred	11,208,843	13,351,971
Claim payments	(11,310,050)	(13,124,787)
Balance, end of year	\$ 1,102,779	\$ 1,203,986

## Note 15 – Deposits Held in Custody of Others

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

As of July 1, 2020, the University ceased as the fiscal agent for Complete College America, Inc.

As of June 30, 2020, the University held \$1,822,790 in deposits for Complete College America, Inc. Complete College America, Inc. is a 501(c)(3), nonprofit charitable organization working to significantly increase the number of Americans with a college degree or credential of value and to close attainment gaps for traditionally underrepresented populations.

At June 30, 2020, the University also held \$1,350,000 in deposits for the Wabash River Regional Development Authority. The Wabash River RDA includes six counties and was formed as part of the State’s Regional Cities Initiative. These funds were determined to be a fiduciary relationship in fiscal year 2021.

Student club accounts represent the remaining balance of deposits held by the University for others at June 30, 2020. These funds did not meet the custodial fiduciary relationship and \$328,787 in net position was recognized as a change in accounting principle during fiscal year 2021.



## Note 16 – Functional Statement

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

<b>2021</b>	<b>Salaries and Benefits</b>	<b>Scholarships/ Fellowships</b>	<b>Supplies and Other Services</b>	<b>Equipment</b>	<b>Depreciation</b>	<b>Total</b>
Instruction	\$ 35,542,645	\$ -	\$ 9,628,699	\$ 1,201,422	\$ -	\$ 46,372,766
Academic Support	3,610,584	-	1,058,453	6,125	-	4,675,162
Public Service	6,005,202	-	3,525,909	336,547	-	9,867,658
Student Service	4,387,607	-	2,003,177	11,797	-	6,402,581
Operation and Maintenance of Plant	3,768,505	-	4,112,005	835,353	-	8,715,863
Institutional Support	7,181,064	-	2,069,910	60,090	-	9,311,064
Depreciation	-	-	-	-	13,479,150	13,479,150
Auxiliary Enterprises	3,292,497	-	5,322,019	50,205	-	8,664,721
Student Aid Expense	-	9,507,140	-	-	-	9,507,140
<b>Total Operating Expenses</b>	<b>\$ 63,788,104</b>	<b>\$ 9,507,140</b>	<b>\$ 27,720,172</b>	<b>\$ 2,501,539</b>	<b>\$ 13,479,150</b>	<b>\$ 116,996,105</b>

<b>2020</b>	<b>Salaries and Benefits</b>	<b>Scholarships/ Fellowships</b>	<b>Supplies and Other Services</b>	<b>Equipment</b>	<b>Depreciation</b>	<b>Total</b>
Instruction	\$ 36,334,528	\$ -	\$ 9,279,470	\$ 1,607,707	\$ -	\$ 47,221,705
Academic Support	3,744,472	-	1,067,795	211,217	-	5,023,484
Public Service	5,716,149	-	3,271,319	165,057	-	9,152,525
Student Service	4,391,870	-	2,185,608	27,696	-	6,605,174
Operation and Maintenance of Plant	3,780,723	-	4,121,669	1,522,981	-	9,425,373
Institutional Support	7,209,446	-	2,047,728	48,878	-	9,306,052
Depreciation	-	-	-	-	12,401,823	12,401,823
Auxiliary Enterprises	3,385,510	-	5,406,322	79,326	-	8,871,158
Student Aid Expense	-	10,340,651	-	-	-	10,340,651
<b>Total Operating Expenses</b>	<b>\$ 64,562,698</b>	<b>\$ 10,340,651</b>	<b>\$ 27,379,911</b>	<b>\$ 3,662,862</b>	<b>\$ 12,401,823</b>	<b>\$ 118,347,945</b>

## Note 17 – Operating Leases

For the fiscal years ended June 30, 2021 and 2020, the University spent \$721,062 and \$656,329 on operating leases which are included in supplies and other services in the Statement of Revenue, Expenses, and Changes in Net Position. Of the lease totals, \$716,631 was spent on leasing off-campus classroom and office space in fiscal year 2021, and \$651,457 in fiscal year 2020. The remaining amounts of \$4,431 for 2021, and \$4,872 for 2020, were spent on equipment leases.



The following schedule displays the noncancelable operating lease agreements for the rental of facilities by fiscal year.

<b>Future Minimum Lease Payments</b>		
<b>Fiscal Year Ending June 30</b>	<b>2021</b>	<b>2020</b>
2021	\$ -	\$ 433,923
2022	403,144	252,856
2023	374,136	224,136
2024	100,000	200,000
2025	100,000	200,000
<b>Total Future Minimum Lease Payments</b>	<b>\$ 977,280</b>	<b>\$ 1,310,915</b>

## Note 18 – Insurance Recoveries

On April 8, 2020, the University experienced strong storms causing significant damage to Harrison Hall dorm and the surrounding area on the Vincennes campus. In accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, insurance recovery totaling \$3,559,301 received during the fiscal year 2020 was used to offset the amount of loss totaling \$1,274,784 for Harrison Hall. The net amount of \$2,284,517 for Harrison Hall and additional funds totaling \$235,470, for other damage on the Vincennes campus, are reported on the Statement of Revenues, Expenses, and Changes in Net Position as non-operating revenue.

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

## Note 19 – Change in Accounting Principle

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

The University’s grantor trust which is held at the University’s foundation meets the definition of a fiduciary. The grantor’s trust was established to provide certain post retirement benefits for those employees of Vincennes University and their eligible dependents covered by the

plan. This plan is properly reported in the 2021 fiduciary activity statements.

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

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

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

## Note 20 – Subsequent Events

The University recently refinanced \$22.5 million in student fee bonds and \$8.7 million in auxiliary facilities system revenue bonds for a combined net present value savings of \$2.9 million and refunded savings of \$3.5 million.

To partially offset the financial impact to students and the losses incurred by the University due to the disruption caused by COVID 19, the University has been awarded \$34.4 million from the Higher Education Emergency Relief Fund from the Department of Education. These funds include \$14.2 for students and \$20.2 for institutional. For fiscal years 2021 and 2020, there was \$2.8 million and \$2.4 million disbursed to students and there was \$9.3 million and \$2.1 million spent of the institutional funds. The remaining funds will be spent during fiscal year 2022.



## Note 21 – Vincennes University Foundation Investments

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

	June 30, 2021		June 30, 2020	
	Cost	Market	Cost	Market
Without Donor Restrictions	\$ 2,261,063	\$ 2,758,234	\$ 2,176,783	\$ 2,252,446
With Donor Restrictions	110,524,208	127,765,612	97,592,316	100,656,066
<b>Totals</b>	<b>\$ 112,785,271</b>	<b>\$ 130,523,846</b>	<b>\$ 99,769,099</b>	<b>\$ 102,908,512</b>
<b>Investments composed of:</b>				
U.S. Government Bonds	\$ 2,232,877	\$ 2,301,333	\$ 3,467,812	\$ 3,641,422
Common Stock	96,780,801	114,432,431	90,841,659	93,772,432
Certificates of Deposit	325,000	343,481	725,000	760,030
Miscellaneous Cash Equivalents	13,446,593	13,446,601	4,734,628	4,734,628
<b>Totals</b>	<b>\$ 112,785,271</b>	<b>\$ 130,523,846</b>	<b>\$ 99,769,099</b>	<b>\$ 102,908,512</b>

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

## Schedules of Required Supplementary Information

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

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

#### Last 10 Fiscal Years\*

	2020	2019	2018	2017	2016	2015	2014
1. Employer's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2. Employer's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. The portion of the non-employer contributing entities total proportionate share (amount) of the collective NPL associated with the employer.	100%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
4. Employer's covered-employee payroll	\$ 2,585,868	\$ 2,921,880	\$ 4,680,280	\$ 4,171,811	\$ 4,958,979	\$ 5,211,158	\$ 7,186,887
5. Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6. Plan fiduciary net position as a percentage of the total pension liability**	26.20%	26.10%	25.40%	23.10%	22.60%	23.60%	25.90%

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

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

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



## Schedules of Employer Contributions

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

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

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

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

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

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

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

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

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

## Schedules of Employer Contributions

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

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

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



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

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

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

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

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

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

## Vincennes University Health Care Plan

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

	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service cost	\$ 323,802	\$ 376,951	\$ 382,426	\$ 270,195
Interest	2,260,402	3,242,584	2,718,431	3,310,012
Change in assumptions	5,593,625	1,305,275	(5,123,923)	14,553,977
Differences between expected and actual experience	(3,283,612)	(15,374,012)	7,993,123	(7,609,805)
Benefit payments, including refunds of member contributions	(2,407,228)	(3,013,396)	(2,404,802)	(2,509,814)
<b>Net Change in Total OPEB Liability</b>	<b>\$ 2,486,989</b>	<b>\$(13,462,598)</b>	<b>\$ 3,565,255</b>	<b>\$ 8,014,565</b>
<b>Total OPEB Liability - Beginning (a)</b>	<b>\$ 50,005,446</b>	<b>\$ 63,468,044</b>	<b>\$ 59,902,789</b>	<b>\$ 51,888,224</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 52,492,435</b>	<b>\$ 50,005,446</b>	<b>\$ 63,468,044</b>	<b>\$ 59,902,789</b>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 415,971	\$ 3,036,891	\$ 2,415,203	\$ 2,534,150
Contributions - active employees	-	-	-	-
Net Investment income	10,703,849	1,922,418	2,838,090	1,997,219
Benefit payments, including refunds of member contributions	(2,407,228)	(3,013,396)	(2,404,802)	(2,509,814)
Administrative expense	(50,369)	(47,897)	(44,937)	(49,184)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>\$ 8,662,223</b>	<b>\$ 1,898,016</b>	<b>\$ 2,803,554</b>	<b>\$ 1,972,371</b>
<b>Plan Fiduciary Net Position - Beginning (b)</b>	<b>\$ 64,294,828</b>	<b>\$ 62,396,812</b>	<b>\$ 59,593,258</b>	<b>\$ 57,620,887</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 72,957,051</b>	<b>\$ 64,294,828</b>	<b>\$ 62,396,812</b>	<b>\$ 59,593,258</b>
<b>Net OPEB Liability (Asset) Beginning (a) - (b)</b>	<b>\$ (14,289,382)</b>	<b>\$ 1,071,232</b>	<b>\$ 309,531</b>	<b>\$ 5,732,663</b>
<b>Net OPEB Liability (Asset) Ending (a) - (b)</b>	<b>\$ (20,464,616)</b>	<b>\$ (14,289,382)</b>	<b>\$ 1,071,232</b>	<b>\$ 309,531</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	<b>139.0%</b>	<b>128.6%</b>	<b>98.3%</b>	<b>99.5%</b>
<b>Covered Employee Payroll</b>	<b>\$ 33,525,288</b>	<b>\$ 34,031,574</b>	<b>\$ 33,501,334</b>	<b>\$ 34,637,847</b>
<b>Net OPEB Liability (Asset) as a Percentage of Covered- Employee Payroll</b>	<b>-61.0%</b>	<b>-42.0%</b>	<b>3.2%</b>	<b>0.9%</b>

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





## RSI NOTES FOR OPEB

### Fiscal Year 2021:

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

Change in Assumptions: From FY21 to FY20, the discount rate decreased from 4.60% to 3.70%. All other assumptions remained the same from the prior year.

### Fiscal Year 2020:

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

Change in Assumptions: From FY19 to FY20, the mortality tables moved from the RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017 to the SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019 for general employees and retirees, and to SOA Pub-2010

Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019 for surviving spouses. The discount rate decreased to 4.60% as of June 30, 2020. The health care trend rates have been reset to an initial 8.0% decreasing by 0.5% annually to an ultimate rate of 4.5%.

### Fiscal Year 2019:

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

Change in Assumptions: The discount rate was 5.20% as of June 20, 2019, and 4.60% as of July 1, 2018. The health care trend rates have been reset to an initial 8.5% decreasing by 0.5% annually to an ultimate rate of 5.00%.

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

## Vincennes University Health Care Plan

### Schedule of University's Contributions

	2021	2020	2019	2018	2017
Actuarially Determined Contribution (ADC)	\$ -	\$ 481,468	\$ 419,559	\$ -	\$ 359,603
Contributions in relation to the ADC	415,971	3,036,891	2,534,150	2,534,150	6,579,862
<b>Contribution deficiency (excess)</b>	<b>\$ (415,971)</b>	<b>\$ (2,555,423)</b>	<b>\$ (2,114,591)</b>	<b>\$ (2,534,150)</b>	<b>\$ (6,220,259)</b>
<b>Covered employee payroll</b>	<b>\$ 33,525,288</b>	<b>\$ 34,031,574</b>	<b>\$ 33,501,334</b>	<b>\$ 34,637,847</b>	<b>\$ 34,778,458</b>
<b>Contributions as a percentage of covered employee payroll</b>	<b>1.2%</b>	<b>8.9%</b>	<b>7.6%</b>	<b>7.3%</b>	<b>18.9%</b>

	2016	2015	2014	2013	2012
Actuarially Determined Contribution (ADC)	\$ 1,060,381	\$ 1,898,593	\$ 2,507,561	\$ 3,444,271	\$ 3,868,513
Contributions in relation to the ADC	5,896,030	6,428,380	4,384,798	5,234,790	8,522,882
<b>Contribution deficiency (excess)</b>	<b>\$ (4,835,649)</b>	<b>\$ (4,529,787)</b>	<b>\$ (1,877,237)</b>	<b>\$ (1,790,519)</b>	<b>\$ (4,654,369)</b>
<b>Covered employee payroll</b>	<b>\$ 34,557,145</b>	<b>\$ 33,687,669</b>	<b>\$ 32,706,475</b>	<b>\$ 34,054,596</b>	<b>\$ 32,774,506</b>
<b>Contributions as a percentage of covered employee payroll</b>	<b>17.1%</b>	<b>19.1%</b>	<b>13.4%</b>	<b>15.4%</b>	<b>26.0%</b>

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



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