
WFIU

A Public Telecommunications Entity Operated as a Department of Indiana
University

Financial Report
with Supplemental Information
June 30, 2021

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Independent Auditor's Report

To the Officials
WFIU

Report on the Financial Statements

We have audited the accompanying financial statements of WFIU (the "Station"), a department of Indiana University, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise WFIU'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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 entity'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 entity'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.

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

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of WFIU as of June 30, 2021 and the changes in its financial position and its cash flows, where applicable, thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 1, which explains that these financial statements of WFIU are intended to present the financial position, changes in financial position, and changes in cash flows of only that portion of the University's business-type activities that are attributable to the transactions of the department. They do not purport to, and do not, present fairly the financial position of the University as of June 30, 2021 and 2020 or the changes in its financial position or its cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

To the Officials
WFIU

Other Matters

Report on Prior Year Financial Statements and Restatement

The basic financial statements of WFIU as of and for the year ended June 30, 2020 were audited by a predecessor auditor, which expressed an unmodified opinion the basic financial statements. The predecessor auditor's report was dated February 8, 2021.

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the Station's proportionate share of the net pension liability, schedule of pension contributions, and schedule of changes in the total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental 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.

Plante & Moran, PLLC

February 7, 2022

Management's Discussion and Analysis

June 30, 2021

WFIU (the Station) presents its audited financial statements for the year ended June 30, 2021, along with comparative data for the years ended June 30, 2020 and 2019. Three statements are described in the following discussion and analysis: The Statement of Net Position, which presents the assets, liabilities, and net position of the Station as of the end of the fiscal year; the Statement of Revenues, Expenses, and Changes in Net Position, which reflects revenues and expenses recognized during the fiscal year; and the Statement of Cash Flows, which provides information on all of the cash inflows and outflows for the Station by major category during the fiscal year.

Statement of Net Position

Total assets at June 30, 2021, were \$631,162, a decrease of \$247,285, which was primarily attributable to a reduction in cash and cash equivalents. Cash and cash equivalents decreased primarily as a result of a decline in Indiana University Foundation (IUF) contributions, coupled with a decrease in general fund support from Indiana University (university). Net investment in capital assets comprised \$211,800, or 33.6%, of the total assets at June 30, 2021. Total assets at June 30, 2020, were \$878,447, an increase of \$239,826, primarily due to an increase in cash and cash equivalents and receivables. Net investment in capital assets comprised \$188,569, or 21.5%, of the total assets at June 30, 2020.

Deferred outflows of resources at June 30, 2021 were \$102,815, an increase of \$15,254 from June 30, 2020. Deferred outflows of resources at June 30, 2020 were \$87,561, a decrease of \$13,384 from June 30, 2019. Changes in deferred outflows of resources are the result of fluctuations in pension and other postemployment benefit obligations.

Total liabilities were \$509,670 at June 30, 2021, a decrease of \$2,945. Noncurrent liabilities were \$341,138, or 66.9%, of the total liabilities at June 30, 2021. Total liabilities were \$512,615 at June 30, 2020, a decrease of \$93,579. Noncurrent liabilities, as reclassified, were \$375,616, or approximately 73.3% of total liabilities at June 30, 2020. The Station had no outstanding debt obligations as of June 30, 2021, 2020, or 2019.

Deferred inflows of resources at June 30, 2021 were \$76,713, an increase of \$18,497 from June 30, 2020. Deferred inflows of resources at June 30, 2020 were \$58,216, an increase of \$21,239 from June 30, 2019. Changes in deferred inflows of resources are the result of fluctuations in pension and other postemployment benefit obligations.

Total net position at June 30, 2021, was \$147,594, a decrease of \$247,583 from fiscal year 2020, or a 62.7% decrease in net position. Total net position at June 30, 2020 was \$395,177, an increase of \$298,782 from fiscal year 2019, or a 310% increase in net position.

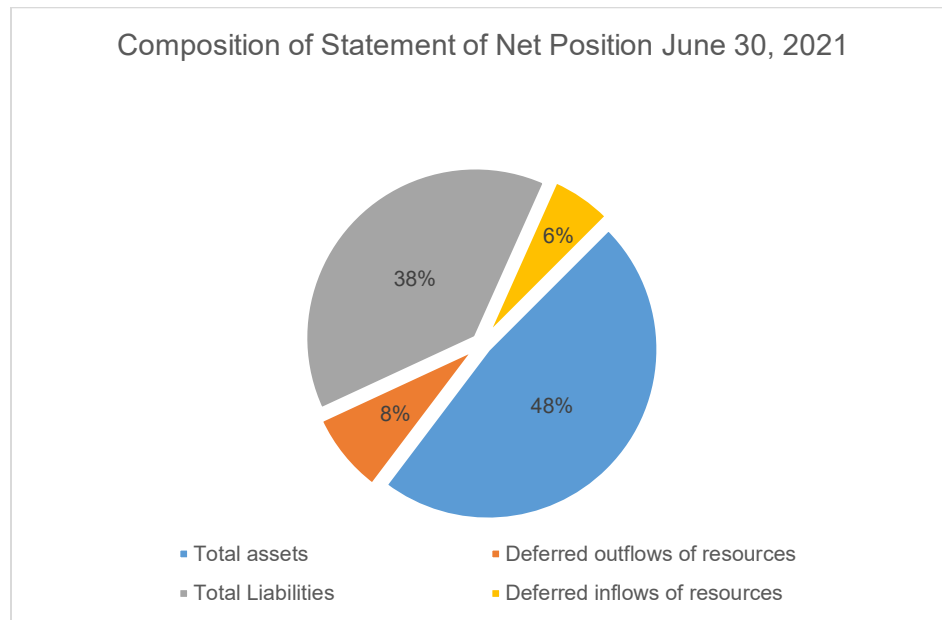
Management’s Discussion and Analysis

June 30, 2021

A comparison of WFIU’s assets, liabilities, and net position at June 30, 2021, 2020 and 2019 is summarized as follows:

| Condensed Statement of Net Position | | | | |
|---------------------------------------|-------------------|-------------------|------------------|--|
| | Fiscal Year Ended | | | |
| | June 30, 2021 | June 30, 2020 | June 30, 2019 | |
| Current assets | \$ 419,362 | \$ 689,878 | \$ 427,901 | |
| Noncurrent assets | 211,800 | 188,569 | 210,720 | |
| Total assets | 631,162 | 878,447 | 638,621 | |
| Deferred outflows of resources | 102,815 | 87,561 | 100,945 | |
| Current Liabilities | 168,532 | 136,999 | 180,834 | |
| Noncurrent Liabilities | 341,138 | 375,616 | 425,360 | |
| Total Liabilities | 509,670 | 512,615 | 606,194 | |
| Deferred inflows of resources | 76,713 | 58,216 | 36,977 | |
| Net investment in capital assets | 211,800 | 188,569 | 210,720 | |
| Restricted net position | 48,636 | 44,784 | 55,656 | |
| Unrestricted net position | (112,842) | 161,824 | (169,981) | |
| Total net position | \$ 147,594 | \$ 395,177 | \$ 96,395 | |

The composition of assets, deferred outflows, liabilities, and deferred inflows is displayed below as of June 30, 2021.



Management's Discussion and Analysis

June 30, 2021

Capital Assets

At June 30, 2021, 2020, and 2019, the Station had \$211,800, \$188,569, and \$210,720, respectively, invested in capital assets, net of accumulated depreciation. Depreciation charges for the years ended June 30, 2021, 2020, and 2019, totaled \$25,834, \$28,543, and \$25,797, respectively.

Details of these assets are shown below:

| Capital Assets | | | | |
|--------------------------------------|-------------------|-------------------|-------------------|--|
| | Fiscal Year Ended | | | |
| | June 30, 2021 | June 30, 2020 | June 30, 2019 | |
| Building components | \$ 132,988 | \$ 135,635 | \$ 138,139 | |
| Transmission, antenna and tower | 46,973 | 35,969 | 54,077 | |
| Studio and other broadcast equipment | 31,839 | 16,965 | 18,504 | |
| Total capital assets, net | \$ 211,800 | \$ 188,569 | \$ 210,720 | |

Statement of Revenues, Expenses, and Changes in Net Position

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

| Condensed Statement of Revenue, Expenses, and Changes in Net Position | | | | |
|---|--------------------|--------------------|--------------------|--|
| | Fiscal Year Ended | | | |
| | June 30, 2021 | June 30, 2020 | June 30, 2019 | |
| Operating revenues | \$ 182,319 | \$ 204,883 | \$ 44,308 | |
| Operating expenses | (3,044,198) | (3,233,908) | (3,216,647) | |
| Total operating loss | (2,861,879) | (3,029,025) | (3,172,339) | |
| Net nonoperating revenue | 2,614,296 | 3,327,807 | 2,993,321 | |
| Income before other revenues | (247,583) | 298,782 | (179,018) | |
| Increase (decrease) in net position | (247,583) | 298,782 | (179,018) | |
| Net position, beginning of year | 395,177 | 96,395 | 275,413 | |
| Prior period adjustments | - | - | - | |
| Net position, beginning of year, as restated | 395,177 | 96,395 | 275,413 | |
| Net position, end of year | \$ 147,594 | \$ 395,177 | \$ 96,395 | |

Revenues

Operating revenues at WFIU-FM for fiscal year ended June 30, 2021 decreased by \$22,564, or 11.0%, which was primarily attributable to a decrease in royalty income. Net nonoperating revenues decreased by \$713,511, or 21.4%, in fiscal year 2021. The decrease was driven primarily by reductions in contributions from IUF and general fund support from the university. The declines in IUF funding and general fund support were partially offset by increases in both Corporation for Public Broadcasting and individual contributions.

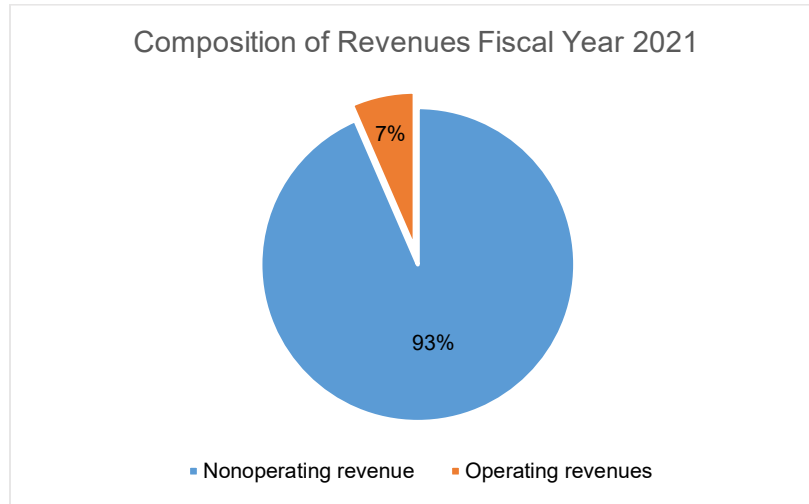
Operating revenues at WFIU-FM for fiscal year ended June 30, 2020 increased by \$160,575, or 362.4%, largely due to regional journalism initiatives in 2020. Net nonoperating revenues increased by \$334,486, or 11.2% in fiscal year 2020, primarily due to increases in general fund support from the university and Corporation for Public Broadcasting contributions, partially offset by a reduction in corporate and IUF contributions.

Management’s Discussion and Analysis

June 30, 2021

Total operating revenues and net nonoperating revenues of the Station in fiscal year 2021 decreased by \$736,075, a decrease of 20.8%. Total operating revenues and net nonoperating revenues of the Station in fiscal year 2020 increased by \$495,062, an increase of 16.3%.

The compositions of revenues are displayed in the following graph:



Expenses

Operating expenses were \$3,044,198 for the 2021 fiscal year. This was a decrease over the previous fiscal year of \$189,710, or 5.9%. Changes in the major categories of expenses were:

For all functional areas:

- Professional and support staff, on average, did not receive an annual raise for the fiscal year ended June 30, 2021. The professional staff fringe benefit rate decreased from 39.31% to 39.11%. The support staff fringe benefit rate decreased from 39.99% to 39.86%.
- A review of the methodology for the allocation of functional expenses was performed for fiscal year ended June 30, 2021. As a result, some expenses were reallocated between functions and stations.

For specific functional areas:

- Programming and production costs decreased \$556,452, or 28.8%, which was primarily attributable to the reallocation of non-programming expenses (i.e. dues and assessments) to the management and general expense functions.
- Broadcasting costs increased \$141,586, or 48.7%, due to increases in broadcasting expenses. These increases were primarily attributable to job reclassifications, which is broadly related to the updates in the functional expense methodology for fiscal year ended June 30, 2021.
- Public information and promotion expenses decreased \$20,016, or 6.8%. Community events and promotions continued to see reductions in activities due to COVID-19 associated restrictions.
- Management and general expenses increased \$227,223, or 57.5%. The increase was partially attributable to the hiring of an Executive Director on November 30, 2020. In addition, non-programming expenses (i.e. dues and assessments) were reallocated from programming and production, which increased the overall management and general functional expenses.

Management’s Discussion and Analysis

June 30, 2021

- Fundraising, membership development, and underwriting solicitation costs increased \$17,949, or 5.5%. The increase is in line with the increase in contributions.

Operating expenses were \$3,233,908 for the 2020 fiscal year. This was an increase over the previous fiscal year of \$17,261, or 0.5%. Changes in the major categories of expenses were:

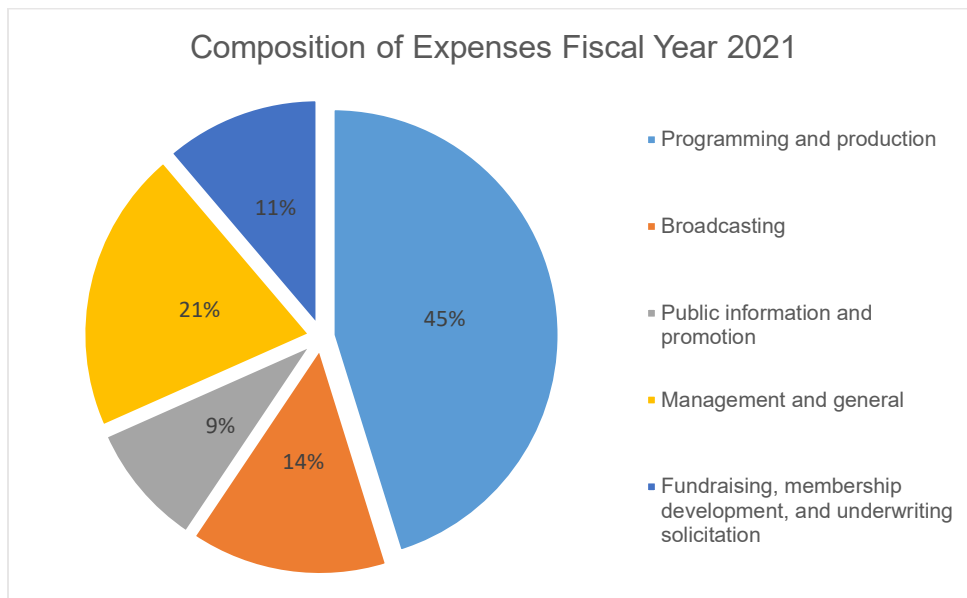
For all functional areas:

- Professional and support staff received an average 1.5% salary increase. The professional staff fringe benefit rate increased from 38.09% to 39.31%. The support staff fringe benefit rate increased from 38.60% to 39.99%.

For specific functional areas:

- Programming and production costs increased \$195,291, or 11.2%, due to filling vacant positions in the News Department, production of a new series, and an increase in the airtime of an existing locally produced series.
- Broadcasting costs decreased \$30,731, or 9.5%, due to staffing priorities and completion of equipment upgrades in the prior year.
- Public information and promotion expenses decreased \$61,591, or 17.4%. The promotion budget was trimmed due to competing priorities. A reduction in community events due to COVID-19 also contributed to the decrease.
- Management and general expenses decreased \$55,407, or 12.3%, as a result of reductions in management personnel.
- Fundraising, membership development, and underwriting solicitation costs decreased \$30,301, or 8.6%, as a result of staffing priorities.

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



Management's Discussion and Analysis

June 30, 2021

Net Position

Net position decreased by \$247,583 in 2021, compared to a \$298,782 increase in 2020 from 2019. The operating loss was \$2,861,879 in 2021 and \$3,029,025 in 2020. Net nonoperating revenues decreased by \$713,511 from 2020 to 2021. The ending net position as of June 30, 2021 was \$147,594, compared to ending net position in 2020 of \$395,177. This was a 62.7% decrease in net position.

Net position increased by \$298,782 in 2020, compared to a \$179,018 decrease in 2019 from 2018. The operating loss was \$3,029,025 in 2020 and \$3,172,339 in 2019. Net nonoperating revenues increased by \$334,486 from 2019 to 2020. The ending net position was as of June 30, 2020 \$395,177, compared to ending net position in 2019 of \$96,395. This was a 310.0% increase in net position.

Statement of Cash Flows

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

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

| Comparative Statement of Cash Flows | | | |
|--|--------------------------|----------------------|----------------------|
| | <i>Fiscal Year Ended</i> | | |
| | <i>June 30, 2021</i> | <i>June 30, 2020</i> | <i>June 30, 2019</i> |
| Net cash provided (used) by: | | | |
| Operating activities | \$ (2,364,486) | \$ (2,608,533) | \$ (2,835,797) |
| Noncapital financing activities | 2,171,058 | 2,865,685 | 2,619,043 |
| Capital and related financing activities | (49,065) | (6,392) | (11,674) |
| Net increase (decrease) in cash and cash equivalents | (242,493) | 250,760 | (228,428) |
| Beginning cash and cash equivalents | 615,136 | 364,376 | 592,804 |
| Ending cash and cash equivalents | \$ 372,643 | \$ 615,136 | \$ 364,376 |

From fiscal year 2020 to 2021, cash used by operating activities decreased by \$244,047. The decrease was primarily related to a decrease in payments to employees and vendors, which was partially offset by an increase from sales and services revenues. From fiscal year 2019 to 2020, cash used by operating activities decreased by \$227,264. This was primarily due to a reduction in payments to vendors, which was offset by an increase in sales and services revenues.

From fiscal year 2020 to 2021, cash flows provided from noncapital financing activities decreased \$694,627, which was primarily due to a decline in IUF contributions, coupled with a reduction in general fund support from Indiana University. From fiscal year 2019 to 2020, cash flows provided from noncapital financing activities increased \$246,642, due primarily to an increase in general fund support from the university.

From fiscal year 2020 to 2021, cash used by capital and related financing activities increased by \$42,673, which was due to increased purchases of capital equipment. From fiscal year 2019 to 2020, cash flows used by capital and related financing activities decreased by \$5,282, which reflects decreases purchases of capital equipment.

There was a net decrease in cash and cash equivalents in 2021 of \$242,493 and a net increase in 2020 of \$250,760.

June 30, 2021**Economic Outlook**

As WFIU continues to navigate the COVID-19 pandemic, the Station has successfully adapted to the new realities and challenges of providing public radio content to listeners. The next year will continue to be challenging, but the Station is expecting to be productive and successful.

Thanks to the work of the Station staff and the support of the community, WFIU continues to be financially successful. The Station's membership revenue is performing well, as the public continues to support the impressive lineup of National Public Radio (NPR) and locally produced programming, including *Earth Eats*, *Noon Edition*, *Ask the Mayor*, and *Soul Kitchen*. WFIU continues to offer the best broadcast/digital news coverage in the state. On the flip side, corporate development continues to be a challenge. Clients are still struggling with their businesses, forcing them to pull back on their support of WFIU through production support and underwriting. However, the Station expects to meet or exceed its fiscal year goals.

WFIU continues to receive strong financial support from the State of Indiana, the Corporation of Public Broadcasting, and Indiana University. The Station expects support to remain strong moving forward. WFIU expenses remain manageable, with major expenses like staffing and NPR member station fees increasing modestly.

WFIU continues to adapt to changing technology by making ongoing investments in capital equipment. The Station is also looking at opportunities to expand broadcast and streaming services to more Indiana residents in southcentral Indiana. This includes the Terre Haute area and southeastern Indiana.

The Station is also developing a new three-year strategic plan that will help navigate the challenges of changing technology and consumer behavior. This plan will also help address other needs, including recruiting and retaining quality employees and developing a station culture that focuses on promoting diversity, equity, and inclusion.

Statement of Net Position

June 30, 2021 and 2020

| | 2021 | 2020 |
|--|-------------------|-------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents (Note 3) | \$ 372,643 | \$ 615,136 |
| Receivables - Other receivables | 13,021 | 52,707 |
| Prepaid expenses and other assets - Prepaid expenses | 33,698 | 22,035 |
| Total current assets | 419,362 | 689,878 |
| Noncurrent assets - Capital assets - Net (Note 4) | 211,800 | 188,569 |
| Total assets | 631,162 | 878,447 |
| Deferred Outflows of Resources | | |
| Deferred pension costs (Note 7) | 25,534 | 19,967 |
| Deferred OPEB costs (Note 8) | 77,281 | 67,594 |
| Total deferred outflows of resources | 102,815 | 87,561 |
| Liabilities | | |
| Current liabilities: | | |
| Accounts payable | 10,521 | 10,574 |
| Accrued liabilities and other: | | |
| Accrued salaries and wages | 29,660 | 27,993 |
| Compensated absences (Note 6) | 104,144 | 72,310 |
| Current portion of total OPEB obligations (Note 8) | 24,207 | 26,122 |
| Total current liabilities | 168,532 | 136,999 |
| Noncurrent liabilities: | | |
| Compensated absences | 61,417 | 82,114 |
| Net pension liability (Note 7) | 93,760 | 103,010 |
| Total OPEB liability (Note 8) | 185,961 | 190,492 |
| Total noncurrent liabilities | 341,138 | 375,616 |
| Total liabilities | 509,670 | 512,615 |
| Deferred Inflows of Resources | | |
| Deferred pension cost reductions (Note 7) | 25,609 | 19,442 |
| Deferred OPEB cost reductions (Note 8) | 51,104 | 38,774 |
| Total deferred inflows of resources | 76,713 | 58,216 |
| Net Position | | |
| Net investment in capital assets | 211,800 | 188,569 |
| Restricted for expendable station activities | 48,636 | 44,784 |
| Unrestricted | (112,842) | 161,824 |
| Total net position | \$ 147,594 | \$ 395,177 |

Statement of Revenue, Expenses, and Changes in Net Position

Years Ended June 30, 2021 and 2020

| | 2021 | 2020 |
|---|-------------|-------------|
| Operating Revenue | | |
| Facility sales and services | \$ 171,789 | \$ 170,270 |
| Other grants | 1,000 | 2,500 |
| Royalty income | 9,530 | 32,113 |
| Total operating revenue | 182,319 | 204,883 |
| Operating Expenses | | |
| Program services - Programming and production | 1,375,828 | 1,932,280 |
| Program services - Broadcasting | 432,520 | 290,934 |
| Program services - Public information and promotion | 272,224 | 292,240 |
| Support services - Management and general | 622,147 | 394,924 |
| Support services - Fundraising, membership development, and underwriting solicitation | 341,479 | 323,530 |
| Total operating expenses | 3,044,198 | 3,233,908 |
| Operating Loss | (2,861,879) | (3,029,025) |
| Nonoperating Revenue | | |
| General Fund support from Indiana University | 1,330,836 | 1,464,556 |
| Donated facilities and administrative support from Indiana University | 389,433 | 409,232 |
| Appropriations from State of Indiana | 49,583 | 58,333 |
| CPB contributions | 352,936 | 250,646 |
| Individual contributions | 393,704 | 340,489 |
| Corporate/Foundation contributions | 80,039 | 783,753 |
| In-kind support - Other | 17,765 | 20,798 |
| Total nonoperating revenue | 2,614,296 | 3,327,807 |
| Change in Net Position | (247,583) | 298,782 |
| Net Position - Beginning of year | 395,177 | 96,395 |
| Net Position - End of year | \$ 147,594 | \$ 395,177 |

Statement of Cash Flows

Years Ended June 30, 2021 and 2020

| | 2021 | 2020 |
|---|-----------------------|-----------------------|
| Cash Flows from Operating Activities | | |
| Other grants | \$ 1,000 | \$ 2,500 |
| Sales and service | 211,476 | 117,563 |
| Payments to employees | (1,879,564) | (1,948,300) |
| Payments to vendors | (706,928) | (812,409) |
| Other receipts | 9,530 | 32,113 |
| Net cash and cash equivalents used in operating activities | (2,364,486) | (2,608,533) |
| Cash Flows from Noncapital Financing Activities | | |
| General fund support from Indiana University - Bloomington campus | 1,299,001 | 1,464,556 |
| Appropriation from State of Indiana | 49,583 | 58,333 |
| Contributions | 822,474 | 1,342,796 |
| Net cash and cash equivalents provided by noncapital financing activities | 2,171,058 | 2,865,685 |
| Cash Flows Used in Financing Activities - Purchase of capital assets | (49,065) | (6,392) |
| Net (Decrease) Increase in Cash and Cash Equivalents | (242,493) | 250,760 |
| Cash and Cash Equivalents - Beginning of year | 615,136 | 364,376 |
| Cash and Cash Equivalents - End of year | \$ 372,643 | \$ 615,136 |
| Classification of Cash and Cash Equivalents - Cash and investments | \$ 372,643 | \$ 615,136 |
| Reconciliation of Operating Loss to Net Cash from Operating Activities | | |
| Operating loss | \$ (2,861,879) | \$ (3,029,025) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | | |
| Depreciation | 25,834 | 28,543 |
| Donated facilities and administrative support from Indiana University | 389,433 | 409,232 |
| In-kind - Other | 17,765 | 20,798 |
| Corporate/Foundation in-kind | 4,205 | 8,194 |
| General Fund support - Contributions | 31,835 | - |
| Changes in assets and liabilities: | | |
| Other receivables - Net of allowance for doubtful accounts | 39,686 | (52,707) |
| Prepaid and other assets | (11,663) | 41,490 |
| Accounts payable | (53) | (25,401) |
| Accrued payroll | 1,667 | 27,993 |
| Compensated absences | 11,137 | (1,929) |
| Net pension and related deferrals | (8,650) | (4,671) |
| Other postemployment liability and related deferrals | (3,803) | (6,423) |
| Accrued and other liabilities | - | (24,627) |
| Total adjustments | 497,393 | 420,492 |
| Net cash and cash equivalents used in operating activities | \$ (2,364,486) | \$ (2,608,533) |

June 30, 2021 and 2020

Note 1 - Nature of Business

WFIU (the "Station") is a public radio station operated by the Radio and Television Services Department of Indiana University (the "University") on behalf of the trustees of the University.

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

Note 2 - Significant Accounting Policies***Related Organization***

The Indiana University Foundation, Inc. (the "IU Foundation") is organized as a not-for-profit corporation under the laws of the State of Indiana for the exclusive purpose of supporting the University by receiving, holding, investing, and administering property and making expenditures to or for the benefit of the University. The IU Foundation receives both general contributions and membership contributions on behalf of the Station and provided support totaling \$30,041 and \$699,494 to the Station during fiscal years 2021 and 2020, respectively.

Basis of Accounting

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

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

Cash and Cash Equivalents

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

Other Receivables

Other receivables consist primarily of amounts due from third parties. Management reviews other receivable accounts to determine the need for an allowance for uncollectible accounts. Management has determined no allowance is necessary for June 30, 2021 and 2020.

Prepaid Expenses

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

June 30, 2021 and 2020

Note 2 - Significant Accounting Policies (Continued)***Capital Assets***

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

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

Deferred Outflows of Resources

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

Accounts Payable and Accrued Expenses

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

Compensated Absences

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

Deferred Inflows of Resources

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

Operating and Nonoperating Revenue

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

Revenue Recognition**Unrestricted**

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

June 30, 2021 and 2020

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

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

General Fund Support

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

Corporation for Public Broadcasting Community Service Grants

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

Functional Allocation of Expenses

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

Net Position

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

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

Income Taxes

The Station, operating as a department of the University, is exempt from federal income tax except on activities unrelated to its exempt purpose as an integral part of the State of Indiana. There was no required provision for income taxes for fiscal years 2021 and 2020.

June 30, 2021 and 2020

Note 2 - Significant Accounting Policies (Continued)***COVID-19***

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak continues to impact millions with a new variant named omicron. In response, many countries implemented measures to combat the outbreak which impacted business operations globally. The COVID-19 global pandemic has been an unexpected economic factor that is affecting the Station and is expected to continue financially affecting the Station throughout the 2021-2022 fiscal year. The Station received Coronavirus Aid, Relief, and Economic Security (CARES) Act emergency stabilization funds received in fiscal year 2020 of \$75,000. The Station also \$172,632 in fiscal year 2021 from the American Rescue Plan Act available to support the Station. This federal support is one-time funding, so it will be critical that the Station continue to grow support from other sources.

Reclassification

The 2020 current and long-term net OPEB liability balances have been reclassified to mirror the current year presentation. The effect on the 2020 balances was to reclassify \$26,122 from long-term liabilities to current liabilities. There was no effect on net position or net income resulting from this reclassification.

Note 3 - Deposits and Investments

WFIU maintains no directly held bank accounts. Rather, the Station's funds are held and managed by the University. The University has an investment policy statement. The investment policy ultimately determines the credit risk for the Station. The Station's demand deposits were held at Indiana University in the amount of \$372,643 and \$615,136 at June 30, 2021 and 2020, respectively.

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Station's deposits may not be returned to it. The Station does not have a formal deposit policy for custodial credit risk.

Statutory Authorization for Investments

The University's board of trustees has acknowledged responsibility as a fiduciary body for the invested assets of the University. Indiana Code 30-4-3-3 requires the trustees to "exercise the judgment and care required by Indiana Code 30-4-3.5," the Indiana Uniform Prudent Investor Act. That Act requires the trustees to act "as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill, and caution." The trustees have the responsibility to ensure the assets are prudently invested in a manner consistent with the University's investment policy. The trustees have delegated the day-to-day responsibilities of overseeing the investment program to the Office of the Treasurer. As of June 30, 2021 and 2020, the Station did not hold any investments.

June 30, 2021 and 2020

Note 4 - Capital Assets

Capital assets include both purchased and donated assets. There were no donated capital assets during fiscal years 2021 and 2020. Capital asset activity for the years ended June 30, 2021 and 2020 were as follows:

| | Balance July 1, 2020 | Additions | Disposals and Adjustments | Balance June 30, 2021 |
|---|-------------------------|--------------------|------------------------------|--------------------------|
| Capital assets being depreciated: | | | | |
| Building components | \$ 142,157 | \$ - | \$ - | \$ 142,157 |
| Transmission, antenna, and tower | 537,762 | 30,211 | - | 567,973 |
| Studio and other broadcasting equipment | 47,218 | 18,854 | (3,802) | 62,270 |
| Subtotal | 727,137 | 49,065 | (3,802) | 772,400 |
| Accumulated depreciation: | | | | |
| Building components | 6,522 | 2,647 | - | 9,169 |
| Transmission, antenna, and tower | 501,793 | 19,207 | - | 521,000 |
| Studio and other broadcasting equipment | 30,253 | 3,980 | (3,802) | 30,431 |
| Subtotal | 538,568 | 25,834 | (3,802) | 560,600 |
| Net capital assets | <u>\$ 188,569</u> | <u>\$ 23,231</u> | <u>\$ -</u> | <u>\$ 211,800</u> |
| | | | | |
| | Balance July 1, 2019 | Additions | Disposals and Adjustments | Balance June 30, 2020 |
| Capital assets being depreciated: | | | | |
| Building components | \$ 142,157 | \$ - | \$ - | \$ 142,157 |
| Transmission, antenna, and tower | 537,762 | - | - | 537,762 |
| Studio and other broadcasting equipment | 47,560 | 6,392 | (6,734) | 47,218 |
| Subtotal | 727,479 | 6,392 | (6,734) | 727,137 |
| Accumulated depreciation: | | | | |
| Buildings and improvements | 4,018 | 2,504 | - | 6,522 |
| Transmission, antenna, and tower | 483,685 | 18,108 | - | 501,793 |
| Studio and other broadcasting equipment | 29,056 | 7,931 | (6,734) | 30,253 |
| Subtotal | 516,759 | 28,543 | (6,734) | 538,568 |
| Net capital assets | <u>\$ 210,720</u> | <u>\$ (22,151)</u> | <u>\$ -</u> | <u>\$ 188,569</u> |

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

| | 2021 | 2020 |
|--------------------------------|------------------|------------------|
| Business-type activities: | | |
| Programming and production | \$ 3,980 | \$ 7,931 |
| Broadcasting | 19,207 | 18,108 |
| Management and general | 2,647 | 2,504 |
| Total business-type activities | <u>\$ 25,834</u> | <u>\$ 28,543</u> |

June 30, 2021 and 2020

Note 5 - Indiana University Donated Facilities and Administrative Support

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

Institutional support from the University is estimated at \$182,872 and \$179,443 for the fiscal years ended June 30, 2021 and 2020, respectively, and is computed using operating expenses as the base.

Physical plant support from the University is estimated at \$157,864 and \$181,351 for the fiscal years ended June 30, 2021 and 2020, respectively. This represents the Station's pro rata share of allowable physical plant costs not allocated by the University based on operating costs.

The value of the University's donated facilities is calculated on the Annual Value Computations for Buildings and Tower Facilities form provided by the Corporation for Public Broadcasting. For the renovated radio and TV building for fiscal years ended June 30, 2021 and 2020, the total for the Station was \$45,865. For the new roof and satellite dish mount on the Radio and TV building for fiscal years ended June 30, 2021 and 2020, the totals for the Station were \$2,832 and \$2,573, respectively. No value is claimed for the transmitter building because its remaining useful life is zero.

Note 6 - Compensated Absences

Compensated absences activity for the years ended June 30, 2021 and 2020 can be summarized as follows:

| | 2021 | | | | |
|----------------------|-------------------|-----------|-------------|----------------|---------------------|
| | Beginning Balance | Additions | Reductions | Ending Balance | Due within One Year |
| Compensated absences | \$ 154,424 | \$ 43,820 | \$ (32,683) | \$ 165,561 | \$ 104,144 |
| | 2020 | | | | |
| | Beginning Balance | Additions | Reductions | Ending Balance | Due within One Year |
| Compensated absences | \$ 156,353 | \$ 23,555 | \$ (25,484) | \$ 154,424 | \$ 72,310 |

Note 7 - Retirement Plans

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

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

Nonexempt staff retirement plan expenses for the years ended June 30, 2021 and 2020 were \$33,533 and \$34,579, respectively. Exempt staff retirement plan expenses for the years ended June 30, 2021 and 2020 were \$114,077 and \$111,003, respectively.

Retirement and Savings Plan

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

June 30, 2021 and 2020

Note 7 - Retirement Plans (Continued)***Academic and Professional Staff Employees***

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

Indiana Public Employees' Retirement Fund

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

There are two tiers to the PERF Plan. The first is the Public Employees' Defined Benefit Plan (PERF Hybrid Plan) and the second is the My Choice: Retirement Savings Plan for Public Employees (My Choice), formerly known as Public Employees' Annuity Savings Account Only Plan (PERF ASA Only Plan). The University participates in the PERF Hybrid Plan. The PERF Hybrid Plan was established by the Indiana Legislature in 1945 and is governed by the INPRS board of trustees in accordance with Indiana Code (IC) 5-10.2, IC 5-10.3, and Title 35 of the Indiana Administrative Code. There are two aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension. The second portion of the PERF Hybrid Plan benefit structure is the defined contribution component, known as Public Employees' Hybrid Members Defined Contribution Account. Both components are funded by employer contributions. Support staff and temporary employees who normally work at least 50 percent FTE appointment hired prior to July 1, 2013, participate in the PERF Hybrid Plan. There were 1,983 and 2,210 active university-wide employees covered by this retirement plan as of June 30, 2021 and 2020, respectively.

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

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The financial report and corresponding fiduciary net position is prepared using the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP). INPRS applies all applicable GASB pronouncements in accounting and reporting for its operations. INPRS investments are measured at fair value within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. The INPRS Comprehensive Annual Financial Report for 2020 may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204; by calling 1-844-464-6777; or by downloading the annual report online at www.in.gov/inprs/annualreports.htm.

June 30, 2021 and 2020

Note 7 - Retirement Plans (Continued)

Required and actual contributions made by the Station totaled \$19,453 and \$19,166 for fiscal years ended June 30, 2021 and 2020, respectively. This represented an 11.2 percent university pension benefit contribution for fiscal years ended June 30, 2021 and 2020 and a 3.0 percent university contribution for the annuity savings account provisions each year.

Net Pension Liability

At June 30, 2021 and 2020, the Station reported a liability of \$93,760 and \$103,010, respectively, for its proportionate share of the University's net pension liability. For June 30, 2021, the net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, which used update procedures to roll forward the estimated liability to June 30, 2020. For June 30, 2020, the net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, which used update procedures to roll forward the estimated liability to June 30, 2019. The Station's proportion of the net pension liability was based on wages reported by the Station relative to the collective wages of the University reported to the plan. At June 30, 2021 and 2020, the Station's proportion was 0.161 and 0.158 percent, respectively, which was an increase of 0.003 percentage points from its proportion measured as of June 30, 2020 and a decrease of 0.007 percentage points from its proportion measured as of June 30, 2019.

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

For the years ended June 30, 2021 and 2020, the Station recognized pension expense of \$10,801 and \$17,212, respectively.

At June 30, 2021 and 2020, the Station reported deferred outflows of resources and deferred inflows of resources related to pensions 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 | \$ 1,662 | \$ 1,258 | \$ 2,728 | \$ - |
| Changes in assumptions | - | 19,538 | 23 | 11,198 |
| Net difference between projected and actual earnings on pension plan investments | 8,025 | - | - | 4,869 |
| Changes in proportionate share or difference between amount contributed and proportionate share of contributions | 698 | 4,813 | 1,503 | 3,375 |
| Employer contributions to the plan subsequent to the measurement date | 15,149 | - | 15,713 | - |
| Total | \$ 25,534 | \$ 25,609 | \$ 19,967 | \$ 19,442 |

Note 7 - Retirement Plans (Continued)

Deferred outflows of resources in the amount of \$15,149 and \$15,713 related to pensions resulting from university contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years ending June 30, 2022 and 2021, respectively.

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

| Years Ending June 30 | Amount |
|-------------------------|--------------------|
| 2022 | \$ (11,159) |
| 2023 | (5,100) |
| 2024 | (2,375) |
| 2025 | 3,410 |
| Total | <u>\$ (15,224)</u> |

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

Actuarial Assumptions

The total pension liability as of June 30, 2020 and 2019 is based on the results of actuarial valuations as of June 30, 2019 and 2018, respectively, and rolled forward. The total pension liability was determined using the following actuarial assumptions, which were applied to all periods included in the measurement:

| | 2020 | 2019 |
|---------------------------|---|--|
| Cost of living | FY 2021-2022 - 13th check FY 2023-2034 - 0.4% FY 2035-2039 - 0.5% FY 2040 and on - 0.6% | FY 2020-2021 - 13th check FY 2022-2033 - 0.4% FY 2034-2038 - 0.5% FY 2039 and on - 0.6% |
| Inflation | 2.25%, average | 2.25%, average |
| Future salary increases | 2.75% to 8.75% | 2.50% to 4.25% |
| Investment rate of return | 6.75%, net of pension plan investment expense | 6.75%, net of pension plan investment expense |
| Mortality rates | Based on Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019 | Based on RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables and Disability Mortality Tables for disabled members |

The actuarial assumptions used in the valuations of June 30, 2020 were adopted by the Indiana Public Retirement System Board pursuant to the experience studies, which reflected the period from July 1, 2014 through June 30, 2019. Member census data as of June 30, 2019 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2019 and June 30, 2020. Standard actuarial roll-forward techniques were then used to project the total pension liability computed as of June 30, 2019 to the June 30, 2020 measurement date.

There were no significant changes to assumptions for the pension plan since the prior measurement date of June 30, 2019. For 2020, the mortality tables were changed to use public retirement plans experience.

Note 7 - Retirement Plans (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent for PERF at June 30, 2020 and 2019. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| Asset Class | 2020 | |
|------------------------------------|-------------------|--|
| | Target Allocation | Long-term Expected Real Rate of Return |
| Public equity | 22.00 % | 4.40 % |
| Private equity | 14.00 | 7.60 |
| Fixed-income - Ex-inflation linked | 20.00 | 1.90 |
| Fixed-income inflation linked | 7.00 | 0.50 |
| Commodities | 8.00 | 1.60 |
| Real estate | 7.00 | 5.80 |
| Absolute return | 10.00 | 2.90 |
| Risk parity | 12.00 | 5.50 |

| Asset Class | 2019 | |
|------------------------------------|-------------------|--|
| | Target Allocation | Long-term Expected Real Rate of Return |
| Public equity | 22.00 % | 4.90 % |
| Private equity | 14.00 | 7.00 |
| Fixed-income - Ex-inflation linked | 20.00 | 2.50 |
| Fixed-income inflation linked | 7.00 | 1.30 |
| Commodities | 8.00 | 2.00 |
| Real estate | 7.00 | 6.70 |
| Absolute return | 10.00 | 2.90 |
| Risk parity | 12.00 | 5.30 |

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

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

| | 1 Percentage Point Decrease (5.75%) | Current Discount Rate (6.75%) | 1 Percentage Point Increase (7.75%) |
|---------------|-------------------------------------|-------------------------------|-------------------------------------|
| June 30, 2021 | \$ 152,881 | \$ 93,760 | \$ 44,264 |
| June 30, 2020 | 165,435 | 103,010 | 50,942 |

June 30, 2021 and 2020

Note 7 - Retirement Plans (Continued)***Pension Plan Fiduciary Net Position***

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

Note 8 - Other Postemployment Benefit Plan***Plan Description***

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

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

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

Funding Policy

The contribution requirements of plan members and the University are established and may be amended by the trustees. The university contribution to the 18/20 Plan and retiree life insurance is based on pay-as-you-go financing requirements. Plan members do not make contributions. The medical plans are self-funded, and each plan's premiums are updated annually based on actual claims. Retirees receiving medical benefits university-wide paid \$912,000 and \$806,000 in premiums in the fiscal years ended June 30, 2021 and 2020, respectively. The University contributed \$27,640,000 and \$33,456,000 to the consolidated OPEB Plan in the fiscal years ended June 30, 2021 and 2020, respectively. The University does not maintain a separate legal trust to house assets used to fund postemployment benefits

Total OPEB Liability

At June 30, 2021 and 2020, the Station reported \$210,168 and \$216,614, respectively, for its total OPEB liability. The total OPEB liability was measured as of June 30, 2021 and was based on an actuarial valuation date of June 30, 2020 with no adjustments. The total OPEB liability as of June 30, 2020 was based on an actuarial valuation as July 1, 2019, actuarially projected on a no gain/no loss basis to get to the June 30, 2020 measurement date. At June 30, 2021 and 2020, the Station's proportion was 0.101 and 0.095 percent, respectively, an increase of 0.006 percentage points and a decrease of 0.004 percentage points over the prior year.

June 30, 2021 and 2020

Note 8 - Other Postemployment Benefit Plan (Continued)

Changes in the total reported liability for postemployment benefits obligations and total OPEB expense for the year ended June 30, 2021 are summarized as follows:

| | 18/20 Plan | Retiree Health Insurance | Retiree Life Insurance | Total |
|---|------------------|-----------------------------|---------------------------|-------------------|
| Balance at July 1, 2020 | \$ 79,328 | \$ 93,915 | \$ 43,371 | \$ 216,614 |
| Changes for the year: | | | | |
| Service cost | 1,665 | 9,070 | 1,437 | 12,172 |
| Interest | 1,975 | 2,862 | 1,246 | 6,083 |
| Differences between expected and actual experience | (2,443) | (16,382) | - | (18,825) |
| Changes in assumptions | 383 | 3,666 | 4,108 | 8,157 |
| Changes in proportionate share | 5,034 | 5,960 | 2,752 | 13,746 |
| Benefit payments, including refunds | (23,703) | (2,667) | (1,409) | (27,779) |
| Net changes | (17,089) | 2,509 | 8,134 | (6,446) |
| Balance at June 30, 2021 | <u>\$ 62,239</u> | <u>\$ 96,424</u> | <u>\$ 51,505</u> | <u>\$ 210,168</u> |

Changes in the total reported liability for postemployment benefits obligations and total OPEB expense for the year ended June 30, 2020 are summarized as follows:

| | 18/20 Plan | Retiree Health Insurance | Retiree Life Insurance | Total |
|---|------------------|-----------------------------|---------------------------|-------------------|
| Balance at July 1, 2019 | \$ 105,792 | \$ 107,422 | \$ 38,856 | \$ 252,070 |
| Changes for the year: | | | | |
| Service cost | 2,308 | 8,266 | 1,057 | 11,631 |
| Interest | 3,161 | 3,829 | 1,315 | 8,305 |
| Differences between expected and actual experience | (2,297) | (20,885) | 390 | (22,792) |
| Changes in assumptions | 1,903 | 3,640 | 4,902 | 10,445 |
| Change in proportionate share | (4,795) | (4,870) | (1,761) | (11,426) |
| Benefit payments | (26,744) | (3,487) | (1,388) | (31,619) |
| Net changes | (26,464) | (13,507) | 4,515 | (35,456) |
| Balance at June 30, 2020 | <u>\$ 79,328</u> | <u>\$ 93,915</u> | <u>\$ 43,371</u> | <u>\$ 216,614</u> |

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

At June 30, 2021 and 2020, the Station reported \$5,395 and \$23,951, respectively, for its total OPEB expense.

June 30, 2021 and 2020

Note 8 - Other Postemployment Benefit Plan (Continued)

At June 30, 2021, the Station reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | 2021 | | 2020 | |
|--|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Changes in assumptions: | | | | |
| 18/20 Plan | \$ 2,263 | \$ 441 | \$ 2,129 | \$ 498 |
| Retiree health insurance | 10,111 | - | 7,697 | - |
| Retiree life insurance | 8,844 | 508 | 5,801 | 573 |
| Difference between expected and actual experience: | | | | |
| 18/20 Plan | - | 8,006 | - | 6,564 |
| Retiree health insurance | 32,730 | 34,965 | 36,929 | 22,756 |
| Retiree life insurance | 350 | - | 385 | - |
| Change in proportionate share | 22,983 | 7,184 | 14,653 | 8,383 |
| Total | <u>\$ 77,281</u> | <u>\$ 51,104</u> | <u>\$ 67,594</u> | <u>\$ 38,774</u> |

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

| Years Ending June 30 | 18/20 Plan | Retiree Health Insurance | Retiree Life Insurance | Change in Proportionate Share | Total |
|----------------------|-------------------|--------------------------|------------------------|-------------------------------|------------------|
| 2022 | \$ (1,123) | \$ 1,391 | \$ 2,669 | \$ 2,783 | \$ 5,720 |
| 2023 | (1,123) | 1,391 | 2,669 | 2,783 | 5,720 |
| 2024 | (1,123) | 1,391 | 2,669 | 2,783 | 5,720 |
| 2025 | (1,123) | 1,391 | 2,669 | 2,783 | 5,720 |
| 2026 | (1,123) | 1,391 | 2,669 | 2,783 | 5,720 |
| Thereafter | (569) | 1,732 | (5,469) | 1,882 | (2,424) |
| Total | <u>\$ (6,184)</u> | <u>\$ 8,687</u> | <u>\$ 7,876</u> | <u>\$ 15,797</u> | <u>\$ 26,176</u> |

Actuarial Assumptions

The total OPEB liability as of June 30, 2021 and 2020 is based on the results of actuarial valuation dates of June 30, 2021 and 2020, with no adjustments to get to the June 30, 2021 and 2020 measurement date. Significant actuarial methods and assumptions used to calculate the Station's total OPEB liability were as follows:

| | Measurement Date as of June 30, 2021 | Measurement Date as of June 30, 2020 |
|------------------------------------|---|---|
| Payroll growth (medical/life plan) | 3.0% | 3.0% |
| Payroll growth (18/20 Plan) | 2.5% | 2.5% |
| Inflation | 3.0% | 3.0% |
| Health care cost trend rate | 7.5% for fiscal year 2022 to 4.5% for fiscal year 2028 and later years | 8.0% for fiscal year 2021 to 4.5% for fiscal year 2028 and later years |
| Mortality rates | Based on SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019 | Based on SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019 |
| Actuarial cost method | Entry age normal level percent of salary | Entry age normal level percent of salary |

June 30, 2021 and 2020

Note 8 - Other Postemployment Benefit Plan (Continued)

Discount Rate

The discount rate used in valuing OPEB liabilities as of June 30, 2021 and 2020 was 2.19 percent and 2.66 percent, respectively. The discount rate must be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The S&P 20-year municipal bond index was used for the current discount rate.

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

The following presents the total OPEB liability of the Station, calculated using the discount rate of 2.19 percent, as well as what the Station's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

| | 2021 | | |
|--------------------------|--|----------------------------------|--|
| | 1 Percentage Point Decrease (1.19%) | Current Discount Rate (2.19%) | 1 Percentage Point Increase (3.19%) |
| 18/20 Plan | \$ 63,030 | \$ 62,239 | \$ 61,416 |
| Retiree health insurance | 104,665 | 96,424 | 88,781 |
| Retiree life insurance | 61,126 | 51,505 | 43,317 |

The following presents the total OPEB liability of the Station, calculated using the discount rate of 2.66 percent, as well as what the Station's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

| | 2020 | | |
|--------------------------|--|----------------------------------|--|
| | 1 Percentage Point Decrease (1.66%) | Current Discount Rate (2.66%) | 1 Percentage Point Increase (3.66%) |
| 18/20 Plan | \$ 80,479 | \$ 79,328 | \$ 78,140 |
| Retiree health insurance | 102,019 | 93,915 | 86,413 |
| Retiree life insurance | 51,952 | 43,371 | 36,713 |

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

The following presents the total OPEB liability of the Station at June 30, 2021 and 2020, calculated using the health care cost trend rates as of those dates, as well as what the Station's total OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

| | 2021 | | |
|---|--|--|--|
| | 1 Percentage Point Decrease (6.50% Decreasing to 3.50%) | Current Health Care Cost Trend Rate (7.50% Decreasing to 4.50%) | 1 Percentage Point Increase (8.50% Decreasing to 5.50%) |
| Total OPEB liability of the retiree health insurance plan | \$ 84,195 | \$ 96,424 | \$ 111,090 |

June 30, 2021 and 2020

Note 8 - Other Postemployment Benefit Plan (Continued)

| | 2020 | | |
|---|--|--|--|
| | 1 Percentage Point Decrease (7.00%) Decreasing to 3.50%) | Current Health Care Cost Trend Rate (8.00%) Decreasing to 4.50%) | 1 Percentage Point Increase (9.00%) Decreasing to 5.50%) |
| Total OPEB liability of the retiree health insurance plan | \$ 83,033 | \$ 93,915 | \$ 106,835 |

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

Note 9 - Risk Management

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

The University has three health care plans for full-time appointed employees, one of which is also available to retirees not eligible for Medicare. All of the employee plans are self-funded. The University records a liability for incurred but unpaid claims for university-sponsored, self-funded health care plans. This liability is estimated to be no more than 6.75 percent of the paid self-funded claims during the fiscal year and totals \$27,502,000 and \$23,951 at June 30, 2021 and 2020, respectively, for the University.

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

| Fiscal Year | Beginning Balance | Claims Incurred and Changes in Estimates | Claims Paid | Ending Balance |
|-------------|-------------------|--|--------------|----------------|
| 2021 | \$ 28,024 | \$ 248,220 | \$ (248,742) | \$ 27,502 |
| 2020 | 27,665 | 253,436 | (253,077) | 28,024 |
| 2019 | 27,344 | 234,680 | (234,359) | 27,665 |

Separate funds have been established to account for the liability of incurred but unpaid health care claims, as well as any unusual catastrophic claims fluctuation experience. All organizational units of the University are charged fees based on estimates of the amounts necessary to pay health care coverage costs, including premiums and claims.

June 30, 2021 and 2020**Note 9 - Risk Management (Continued)**

The University also provides health care plans for graduate assistants, fellowship recipients, and medical residents. These plans are either fully insured or self-funded with a stop/loss provision. For these groups, the University has recorded a liability for incurred but unpaid claims for university-sponsored, self-funded health care plans in the amount of \$1,855,000 and \$1,623,000 at June 30, 2021 and 2020, respectively. These plans are funded by direct charges to the associated schools and/or departments.

Note 10 - Non-federal Financial Support (NFFS)

The CPB allocates a portion of its funds annually to public broadcasting entities based on a base grant amount and non-federal financial support ("NFFS"), which is defined by CPB. NFFS is defined as the total value of cash and the fair market value of services received as contributions or payments and meeting all the respective criteria for each. Calculated in accordance with CPB guidelines, the Station reported total NFFS of \$2,259,579 and \$3,088,850 for the years ended June 30, 2021 and 2020, respectively.

Required Supplemental Information

Required Supplemental Information
 Schedule of the Station's Proportionate Share of the Net Pension Liability
 Indiana Public Employees' Retirement Fund

| | Last Five Plan Years | | | | |
|---|---------------------------------|------------|------------|------------|------------|
| | Plan Years Ended June 30 | | | | |
| | 2020 | 2019 | 2018 | 2017 | 2016 |
| Station's proportion of the net pension liability | 0.16088 % | 0.15790 % | 0.16500 % | 0.15600 % | 0.15600 % |
| Station's proportionate share of the net pension liability | \$ 93,760 | \$ 103,010 | \$ 113,271 | \$ 143,623 | \$ 149,275 |
| Station's covered payroll | \$ 149,436 | \$ 167,429 | \$ 185,522 | \$ 210,846 | \$ 217,632 |
| Station's proportionate share of the net pension liability as a percentage of its covered payroll | 62.74 % | 61.52 % | 61.06 % | 68.12 % | 68.59 % |
| Plan fiduciary net position as a percentage of total pension liability | 81.40 % | 80.10 % | 78.90 % | 76.60 % | 75.30 % |

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

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

**Last Five Fiscal Years
Years Ended June 30**

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Statutorily required contribution | \$ 14,727 | \$ 16,706 | \$ 18,450 | \$ 20,796 | \$ 22,939 |
| Contributions in relation to the statutorily required contribution | 14,727 | 16,706 | 18,450 | 20,796 | 22,939 |
| Contribution Excess | \$ - | \$ - | \$ - | \$ - | \$ - |
| Station's Covered Payroll | \$ 135,736 | \$ 149,436 | \$ 167,429 | \$ 185,522 | \$ 210,846 |
| Contributions as a Percentage of Covered Payroll | 10.85 % | 11.18 % | 11.02 % | 11.21 % | 10.88 % |

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

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

Last Four Plan Years

| | 18/20 Plan | | | | Retiree Health Insurance | | | | Retiree Life Insurance | | | |
|--|------------------|------------------|-------------------|-------------------|--------------------------|------------------|-------------------|------------------|------------------------|------------------|------------------|------------------|
| | 2021 | 2020 | 2019 | 2018 | 2021 | 2020 | 2019 | 2018 | 2021 | 2020 | 2019 | 2018 |
| Total OPEB Liability | | | | | | | | | | | | |
| Service cost | \$ 1,665 | \$ 2,308 | \$ 2,187 | \$ 3,167 | \$ 9,070 | \$ 8,266 | \$ 8,342 | \$ 2,863 | \$ 1,437 | \$ 1,057 | \$ 964 | \$ 1,006 |
| Interest | 1,975 | 3,161 | 4,525 | 4,755 | 2,862 | 3,829 | 4,200 | 1,374 | 1,246 | 1,315 | 1,396 | 1,197 |
| Change in proportionate share (for Radio) | 5,034 | (4,795) | 9,017 | - | 5,960 | (4,869) | 7,237 | - | 2,752 | (1,761) | 2,530 | - |
| Differences between expected and actual experience | (2,443) | (2,297) | (3,171) | (727) | (16,382) | (20,885) | (6,261) | 3,218 | - | 390 | - | (836) |
| Changes in assumptions | 383 | 1,903 | 646 | (3,335) | 3,666 | 3,640 | 3,224 | 53,929 | 4,108 | 4,903 | 2,113 | 63 |
| Benefit payments, including refunds | (23,703) | (26,744) | (26,012) | (29,613) | (2,667) | (3,489) | (4,506) | (3,417) | (1,409) | (1,388) | (1,421) | (1,181) |
| Net Change in Total OPEB Liability | (17,089) | (26,464) | (12,808) | (25,753) | 2,509 | (13,508) | 12,236 | 57,967 | 8,134 | 4,516 | 5,582 | 249 |
| Total OPEB Liability - Beginning of year | 79,328 | 105,792 | 118,600 | 144,353 | 93,915 | 107,423 | 95,187 | 37,220 | 43,371 | 38,855 | 33,273 | 33,024 |
| Total OPEB Liability - End of year | \$ 62,239 | \$ 79,328 | \$ 105,792 | \$ 118,600 | \$ 96,424 | \$ 93,915 | \$ 107,423 | \$ 95,187 | \$ 51,505 | \$ 43,371 | \$ 38,855 | \$ 33,273 |
| Covered Payroll | \$ 13,365 | \$ 19,404 | \$ 24,079 | \$ 21,831 | \$ 1,360,542 | \$ 1,242,444 | \$ 1,235,782 | \$ 1,114,955 | \$ 1,360,542 | \$ 1,242,444 | \$ 1,235,782 | \$ 1,114,955 |
| Total OPEB Liability as a Percentage of Covered Payroll | 465.69 % | 408.82 % | 439.35 % | 543.26 % | 7.09 % | 7.56 % | 8.69 % | 8.54 % | 3.79 % | 3.49 % | 3.14 % | 2.98 % |

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

Pension Information

No assets were accumulated in a trust.

Fiscal Year 2021***Changes of Benefit Terms***

There were no changes of benefit terms for the plan year ended June 30, 2021.

Changes in Assumptions

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

Fiscal Year 2020***Changes of Benefit Terms***

None

Changes in Assumptions

None

Fiscal Year 2019***Changes of Benefit Terms***

None

Changes in Assumptions

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

Fiscal Year 2018***Changes of Benefit Terms***

None

Changes in Assumptions

For active and inactive vested members, the INPRS board approved a \$400 salary load to be added to approximate the impact on average monthly earnings of unused sick leave accumulated at termination of employment. For disabled members, the mortality assumption is updated from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality tables to the RP-2014 (with MP-2014 improvement removed) Disability Mortality tables.

Fiscal Years 2017, 2016, and 2015***Changes of Benefit Terms***

None

Changes in Assumptions

None

OPEB Information**Fiscal Year 2021*****Changes in Benefit Terms***

There were no changes of benefit terms in 2021.

Changes in Assumptions

The discount rate decreased to 2.19 percent as of June 30, 2021. The health care trend rates have been reset to an initial rate of 7.5 percent decreasing by 0.5 percent annually to an ultimate rate of 4.5 percent. The mortality table has been updated from fully generational using Scale MP-2017 to headcount-weighted, fully generational using Scale MP-2019.

Fiscal Year 2020***Changes in Benefit Terms***

There were no changes of benefit terms in 2020.

Changes in Assumptions

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

Fiscal Year 2019***Changes in Benefit Terms***

There were no changes of benefit terms in 2019.

Changes in Assumptions

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

Fiscal Year 2018***Changes of Benefit Terms***

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

Changes in Assumptions

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

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Susan Elrod, Chancellor, Indiana University South Bend

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Susan Sciame-Giesecke, Chancellor, Indiana University Kokomo

Ray Wallace, Chancellor, Indiana University Southeast (New Albany)

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J Thomas Forbes, Executive Director and CEO, IU Alumni Association; Interim President and CEO, IU Foundation

Donald S. Lukes, Treasurer, Indiana University