

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

FINANCIAL STATEMENTS AUDIT REPORT  
OF

WVUT-TV  
A PUBLIC TELEVISION STATION OPERATED  
BY VINCENNES UNIVERSITY  
VINCENNES, INDIANA

July 1, 2020 to June 30, 2021



**FILED**  
01/11/2022



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#### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Vice President for Financial Services	Linda L. Waldroup Tim Eaton	07-01-20 to 10-22-21 10-23-21 to 06-30-22
President	Charles R. Johnson	07-01-20 to 12-31-22
Chair of the Board	John A. Stachura	07-01-20 to 10-04-22
Director	Nichole L. Carie	07-01-20 to 06-30-22



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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

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

## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF WVUT-TV, A PUBLIC TELEVISION STATION OPERATED  
BY VINCENNES UNIVERSITY, VINCENNES, INDIANA

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

We have audited the accompanying financial statements of WVUT-TV, a public television station operated by Vincennes University (WVUT-TV), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise WVUT-TV'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 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 WVUT-TV'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 WVUT-TV'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.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of WVUT-TV as of June 30, 2021 and 2020, 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 1, the financial statements of WVUT-TV are intended to present the financial position, the changes in financial position, and, where applicable, cash flows of only that portion of the business-type activities of Vincennes University (University) that are attributable to the transactions of WVUT-TV. They do not purport to, and do not present fairly, the financial position of the University, as of June 30, 2021 and 2020, the changes in its financial position or, where applicable, its cash flows 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.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as listed in the Table of Contents, 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 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.

  
Paul D. Joyce, CPA  
State Examiner

January 6, 2022

## WVUT-TV

### A Public Television Station Owned and Operated by Vincennes University

#### Management's Discussion and Analysis

##### INTRODUCTION

WVUT-TV (the Station) presents its financial statements for the year ending June 30, 2021. This discussion and analysis provide an overview of the financial position and activities of WVUT-TV for the year ending June 30, 2021 with comparative information for the years ending June 30, 2020 and 2019. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes following this section.

WVUT-TV is licensed to the Board of Trustees of Vincennes University. WVUT-TV was the first Public Television station to go on the air in Indiana on October 22, 1968. Vincennes University was also the first college in Indiana to go on the air with a Digital Television Station on September 2, 2002. On June 12, 2009, WVUT-TV, along with all other analog TV stations, turned the analog transmitter off and went on-air completely digital. In July of 2010, all in-studio and out-of-studio local productions were converted to High Definition, making WVUT one of the first stations in the state to completely convert all operations to High Definition.

##### USING THE FINANCIAL STATEMENTS

The WVUT-TV 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. WVUT-TV follows GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and 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*. These statements establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a consolidated basis to focus on the entity as a whole, with resources classified for accounting and reporting purposes into three net position categories.

##### STATEMENT OF NET POSITION

The Statement of Net Position presents the financial position of WVUT-TV at the end of the fiscal year and includes all assets and liabilities of WVUT-TV. The difference between total assets and total liabilities --net position-- is one indicator of the current financial condition of WVUT-TV, 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 summarization of the WVUT-TV's assets, liabilities and net position at June 30, 2021, 2020 and 2019 is as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Current Assets	\$ 1,782,222	\$ 1,328,475	\$ 1,028,991
Noncurrent Assets			
Capital Assets, net of depreciation	<u>658,586</u>	<u>625,103</u>	<u>1,407,664</u>
Total Assets	<u>2,440,808</u>	<u>1,953,578</u>	<u>2,436,655</u>
Current Liabilities	198	2,617	8,931
Net Position	<u>\$ 2,440,610</u>	<u>\$ 1,950,961</u>	<u>\$ 2,427,724</u>

Current assets consist of cash and cash equivalents, accounts receivable and prepaid expenses. Current liabilities consist of accounts payable. WVUT-TV has no long-term liabilities.

Current assets increased \$453,747 in fiscal year 2021. The increase is due in large part to \$471,408 in American Rescue Plan Act Stabilization funds received by the Station in fiscal year 2021. The Stabilization funds were distributed through the Corporation for Public Broadcasting to public television stations for the purpose of maintaining programming and services and to prevent, prepare for, and respond to the coronavirus.

The Community Service Grant (CSG) award also increased in 2021 as the result of a CSG policy change which was effective for fiscal year 2021. The policy change included modifications to the CSG grant calculation formula providing an increase in base grant funds to all stations. WVUT's base grant increased \$46,402 as a result of the CSG policy change.

The multi-year Federal Communications Commission (FCC) channel repack project was completed in fiscal year 2021. The \$95,143 decrease in accounts receivable is directly related to the project's completion and the associated reimbursements received for repack expenditures. There was also a \$33,813 decrease in prepaid expenses in fiscal year 2021. Prepaid expense in fiscal year 2020 included a large down payment for newsroom equipment and furniture received in fiscal year 2021. At June 30, 2021, prepaid expense consisted of advance payments associated with Station service contracts.

Cash increased by just over \$273,000 in fiscal year 2020, representing 91 percent of the increase in current assets from 2019. The increase in cash is primarily attributable to the \$260,205 in CARES Act funds that were provided by Congress to help public television and radio stations maintain local programming and services.

The Station reported a receivable of \$95,585 at 2020 fiscal year end for unreimbursed expenditures associated with the FCC mandated channel repack. Prepaid expense totaled \$47,479 at June 30, 2020, consisting of the required down payment for the Station's newly designed set.

New capital acquisitions for the Station totaled \$152,833 in fiscal year 2021. The Station's newsroom set accounted for \$87,474 of the capital acquisitions. The Station also disposed of assets with a combined original cost of \$137,636. All asset disposals were fully depreciated, with \$0 book



value. The \$33,483 increase in capital assets, net of depreciation, is the difference between new asset acquisition cost and current year depreciation of \$119,350.

During fiscal year 2020, there was an overall decrease in capital assets, net of depreciation. The Station added \$300,000 in capital equipment including the new Channel 31 antenna. Accumulated depreciation and the removal of a film picture collection combine for the net decrease in capital assets. Current liabilities decreased in fiscal year 2020 with the repack project nearing completion.

## Net Position

Net position represents the residual interest in WVUT-TV's assets after liabilities are deducted. WVUT-TV's net position is summarized as follows:

	2021	2020	2019
Net Investment in Capital Assets	\$ 658,586	\$ 625,103	\$ 1,407,664
Restricted	\$ 785,138	\$ 825,466	\$ 811,807
Unrestricted	996,886	500,392	208,253
Total Net Position	<u>\$ 2,440,610</u>	<u>\$ 1,950,961</u>	<u>\$ 2,427,724</u>

*Net Investment in Capital Assets* represents the Station's equity in property, plant and equipment net of accumulated depreciation.

Capital acquisitions of \$152,833 less additional depreciation of \$119,350 in fiscal year 2021 resulted in the \$33,483 increase to net investment in capital assets. The Station's newsroom set represents the major portion of new capital acquisitions with a total cost of \$87,474. Asset disposals totaled \$137,636 in fiscal year 2021. All disposed assets were fully depreciated. The Station reported depreciation expense of \$119,350 for fiscal year 2021.

As mandated by the FCC, WVUT-TV completed the move to the new digital channel 31 in October 2020. Of the \$300,000 cost added to capital assets in fiscal year 2020, the Station's new antenna represented \$239,417 of the total. The decommissioned antenna was fully depreciated and removed from capital assets in fiscal year 2020 along with a film picture collection. As fine arts, the film collection is not a depreciable asset and so capital assets were reduced by the collection's recorded cost.

*Restricted Net Position* represents constraints placed on net position use when imposed by third parties or by law through constitutional provisions or enabling legislation. The Station's restricted net position includes unspent CSG funds and PBS Brand Refresh funds.

*Unrestricted Net Position* is the net amount of assets and liabilities that are not included in the determination of net investment in capital assets. The significant increase in unrestricted net

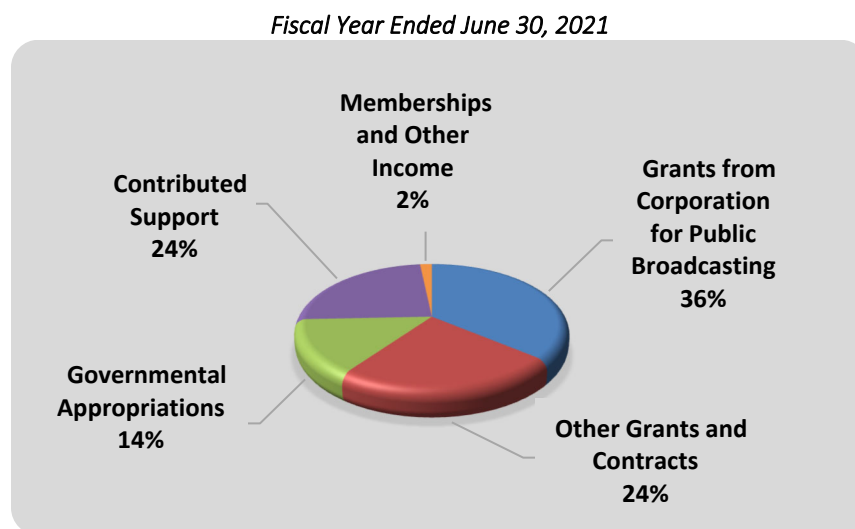
position from 2020 to 2021 is linked to the \$471,408 in American Rescue Plan Act Stabilization funds received in April 2021. The funds were unspent at June 30, 2021. The Stabilization funds are designated as unrestricted with no expenditure period.

### **STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

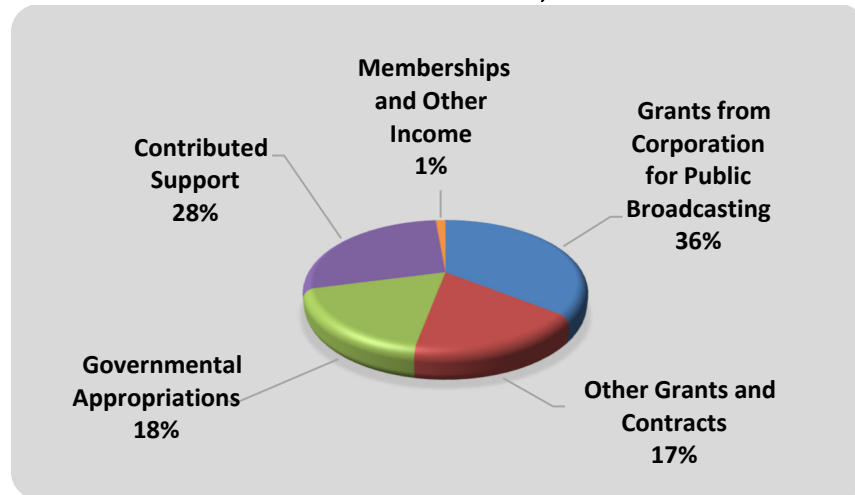
The Statement of Revenues, Expenses, and Changes in Net Position presents the operating results of WVUT-TV as well as the non-operating revenues and expenses. Governmental appropriations, while used for operations, are considered non-operating revenues as defined by GASB Statement No. 35. A summarized comparison of the Statement of Revenues, Expenses, and Changes in Net Position is presented below:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating Revenue	\$ 1,785,137	\$ 1,625,491	\$ 1,597,093
Operating Expenses	<u>1,625,950</u>	<u>1,731,671</u>	<u>1,853,243</u>
Net Operating Loss	159,187	(106,180)	(256,150)
Non Operating Revenue (Expense)	<u>330,462</u>	<u>(370,583)</u>	<u>373,464</u>
Increase (Decrease) in Net Position	489,649	(476,763)	117,314
Net Position, beginning of year	1,950,961	2,427,724	2,310,410
Net Position - End of year	<u>\$ 2,440,610</u>	<u>\$ 1,950,961</u>	<u>\$ 2,427,724</u>

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



*Fiscal Year Ended June 30, 2020*



*Fiscal Year 2021*

CPB represents the major source of funding for the Station. In addition to the CSG funds, CPB also distributed American Rescue Plan Act Stabilization funds to eligible CSG recipients in fiscal year 2021. As a percentage of total revenue, CSG and other grant funding increased by seven percent as the result of a CSG policy change to the grant calculation formula along with the receipt of American Rescue Plan Act Stabilization funds. The FCC spectrum repack project was completed in fiscal year 2021, with repack revenue representing three percent of the \$1,267,107 in total grant revenue.

State appropriations for the Station dropped \$53,908, or 15 percent, in fiscal year 2021. As a percentage of total revenue, government appropriations fell from 18 percent in fiscal year 2020 to 14 percent in fiscal year 2021.

PBS Passport member donations were up by nearly \$2,000, or 58 percent, in fiscal year 2021. As a percentage of total revenue, donations doubled from one percent to two percent. The online donation platform for viewers was launched in fiscal year 2020.

The Station's operating costs declined by six percent in fiscal year 2021. Decreases in programming costs and depreciation represent the majority of the overall operating cost reduction.

*Fiscal Year 2020*

Appropriations from CPB serve as the largest funding source for the Station. In fiscal year 2020, \$715,348 was received in grants from CPB, a 1.7 percent decrease from 2019. The increase in operating revenue was primarily due to CARES Act stabilization funds received in fiscal year 2020 totaling \$260,205. The funds were approved by Congress and distributed by CPB to public radio and television stations to help maintain local programming and services during the economic decline triggered by COVID-19. The Station also received a \$10,000 PBS Brand Refresh grant in fiscal year 2020.

As the institutional licensee for WVUT-TV, Vincennes University provides significant financial support for ongoing operations through direct and indirect contributions to the Station. The University contributed over \$525,000 in support to the Station for fiscal year 2020 compared to contributed support of just over \$567,000 in fiscal year 2019. Contributed support was impacted by a new method for calculating indirect administrative support from the University (licensee). The new method was implemented by CPB in fiscal year 2020 for all institutional licensees. Since a corresponding expense is also recorded for indirect administrative support, there is a \$0 net effect on Station net income.

In fiscal year 2020, governmental appropriations from the State of Indiana totaling \$359,411 provided additional revenue to help cover the more than \$1.7 million in Station operating expenses.

Each year, WVUT-TV seeks to expand its revenue base. In fiscal year 2020, the Station launched an online PBS Passport member donation platform for viewers. Since introducing PBS Passport membership on the website, the Station has received a steady stream of small donations, adding to operating revenue.

Operating expenses decreased seven percent in total in fiscal year 2020. Decreases in broadcasting repairs, maintenance and utility costs helped to offset a three percent increase in programming and production costs. The decrease in management and general costs is mostly the result of decreased indirect administrative support for fiscal year 2020.

A summary of WVUT-TV's expenses by object for the year ended June 30, 2021, 2020 and 2019 is as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating:			
Compensation and Benefits	\$ 579,595	\$ 627,131	\$ 596,685
Supplies and Services	468,144	463,876	568,695
Programming Costs	231,036	255,053	269,351
Depreciation	119,350	137,769	124,389
Administrative Support	227,825	247,842	294,123
Total Operating Expenses	<u>\$ 1,625,950</u>	<u>\$ 1,731,671</u>	<u>\$ 1,853,243</u>

### ***Fiscal Year 2021***

The Station's operating costs declined by \$105,721, or six percent in fiscal year 2021. Lower salary and benefit costs contributed to the decrease as well as a reduction in programming costs. Savings in programming repairs and maintenance can be credited to the new equipment upgrades in fiscal year 2020. The decrease in programming production costs is largely due to programming changes prompted by COVID. The station utilized more in-house production, reducing program acquisition costs in fiscal year 2021.

Indirect administrative support cost is calculated using a percentage of the Station's direct costs. As a result of lower operating costs, indirect administrative support declined \$20,017 in fiscal year 2021.

Supplies and services cost increased by \$4,268 in fiscal year 2021 while aging of the Station's capital assets resulted in a \$18,419 decrease in depreciation.

#### ***Fiscal Year 2020***

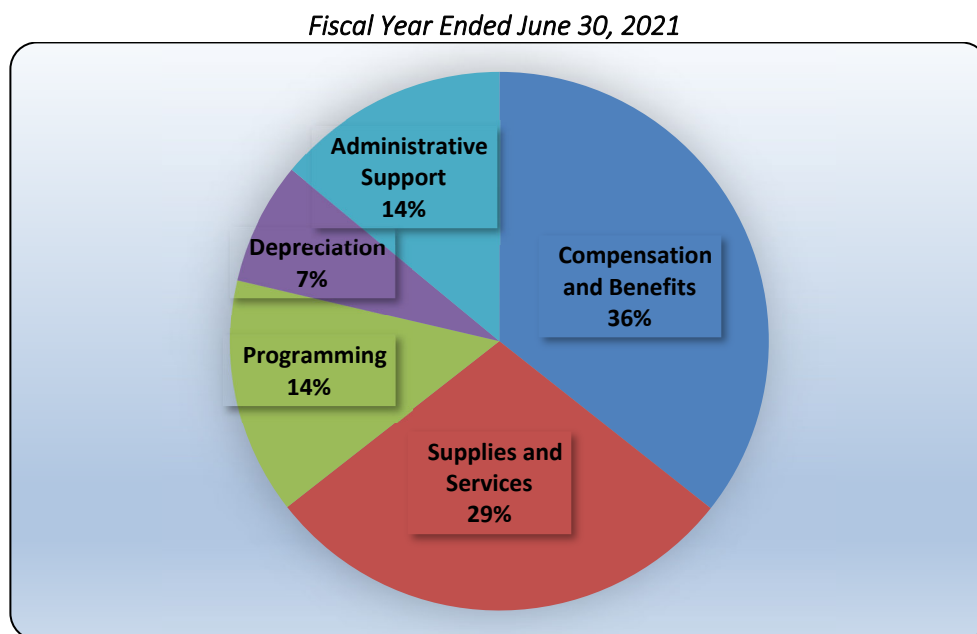
The supplies and services cost category represents the largest decline in operating expenses for fiscal year 2020. With the repack project nearing completion, decreases in professional services and supplies account for over half of the \$104,819 drop in supplies and services costs from 2019.

In spite of the operational challenges associated with COVID-19, the Station maintained regular programming throughout fiscal year 2020. A decrease in PBS programming costs resulted in a five percent net decrease in Station programming costs from 2019.

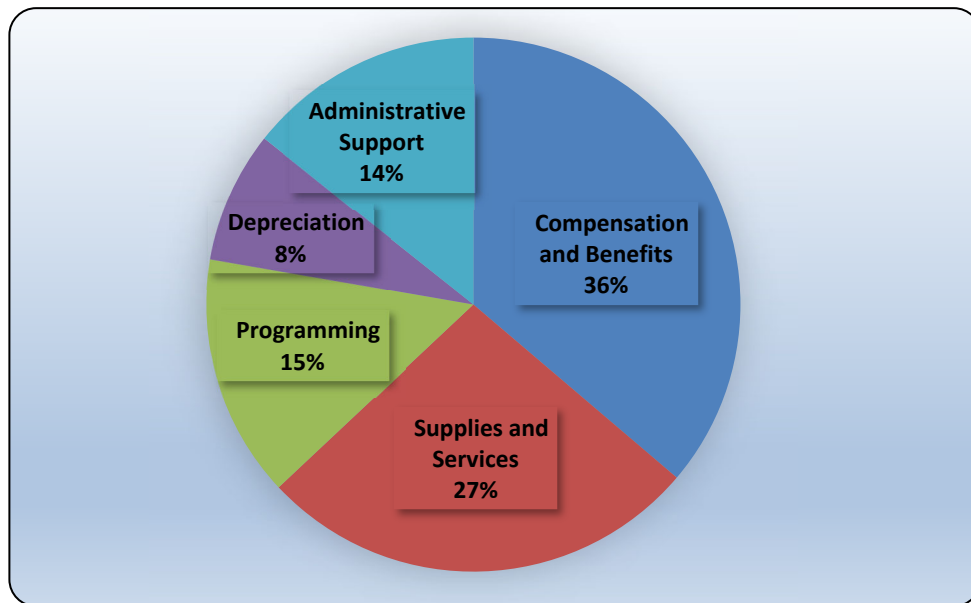
Since the indirect cost rate is applied to the Station's net direct expenses, the decrease in total operating expenses is also reflected in lower indirect administration support cost for fiscal year 2020.

The Station filled a production position in fiscal year 2020, increasing compensation and benefit costs by five percent from 2019. Depreciation expense also increased in fiscal year 2020 from new capital asset additions.

Graphic illustration of total expenses by object for fiscal years 2021 and 2020 are shown below:



*Fiscal Year Ended June 30, 2020*



A summary of WVUT-TV's expenses by functional classification for the years ended June 30, 2021, 2020 and 2019 is as follows:

	2021	2020	2019
Operating			
Programming & Production	\$ 989,111	\$ 1,085,267	\$ 1,052,578
Broadcasting	135,854	130,372	222,387
Program Information & Promotion	5,780	5,129	19,243
Management & General	375,505	371,335	434,646
Fundraising & Membership Development	350	1,799	-
Depreciation	119,350	137,769	124,389
Total Operating Expenses	<u>\$ 1,625,950</u>	<u>\$ 1,731,671</u>	<u>\$ 1,853,243</u>

In analyzing the functional classifications over the past three fiscal years, a number of factors have contributed to the changes within each cost category from year to year.

Programming and production costs decreased by nine percent from fiscal year 2020 to fiscal year 2021. Following a noteworthy career in broadcasting spanning 40+ years with WVUT, the Station's senior engineer elected to retire in 2021. A portion of the decrease in programming salaries and benefits is related to this personnel change. New equipment with lower repair and maintenance costs along with the Station's shift to more in-house production also contributed to the overall savings of \$96,156 in programming and production costs.

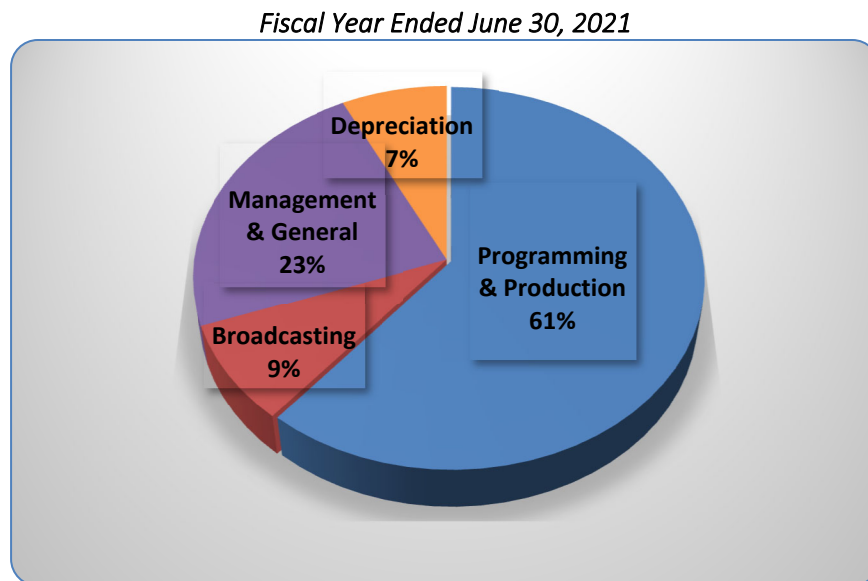
A number of the Station's aging capital assets reached full depreciation in fiscal year 2021, resulting in lower depreciation cost.

In fiscal year 2020, costs were below prior year levels in broadcasting, program information and promotion, and management and general. The Station realized significant cost savings in tower utility costs (broadcasting) as a result of equipment upgrades. Public activities for the Station were limited as a result of COVID-19, leading to a decrease in program information and promotion costs. A decrease in indirect administrative support for fiscal year 2020 represents the major change in management and general costs.

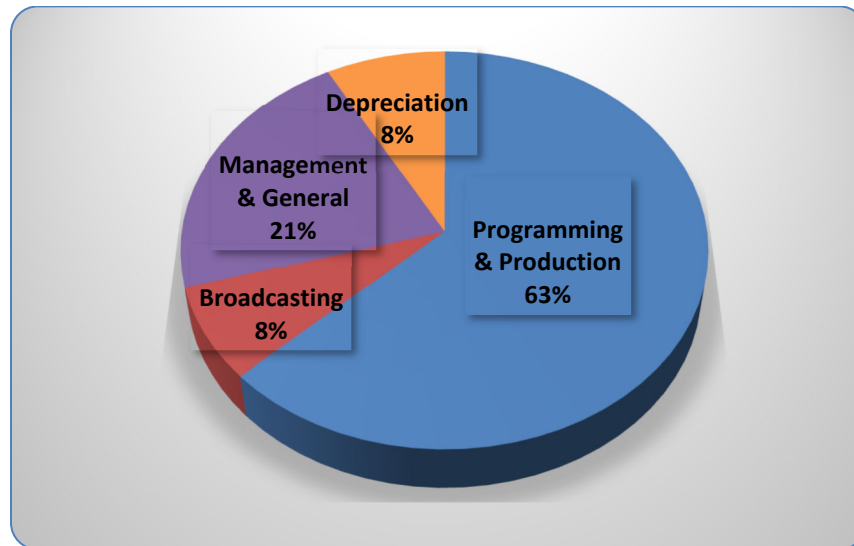
Utility cost savings and lower repair and maintenance costs account for nearly 80 percent of the \$92,015 decrease in broadcasting costs. As mentioned, a high priority was placed on maintaining station programming which is consistent with the three percent increase in programming and production expenses in fiscal year 2020.

Decreases in contributed support, supplies and travel costs outweighed minor increases in compensation and depreciation in fiscal year 2020 for a 15 percent net decline in management and general costs.

The graphic illustrations below present total expenses by function for fiscal years 2021 and 2020.



*Fiscal Year Ended June 30, 2020*



## STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides additional information about WVUT-TV's financial results by reporting the major sources and uses of cash. A summary of the Statement of Cash Flows for the year ended June 30, 2021, 2020 and 2019 is as follows:

	2021	2020	2019
Cash received from operations	\$ 1,624,456	\$ 1,304,220	\$ 1,173,510
Cash expended for operations	(1,219,382)	(1,305,088)	(1,356,553)
Net cash used in operating activities	405,074	(868)	(183,043)
Net cash provided by non capital financing activities	330,462	379,417	373,465
Net cash used in capital and related financing activities	(152,833)	(105,208)	(218,003)
Net increase/(decrease) in cash and cash equivalents	582,703	273,341	(27,581)
Cash and cash equivalents, beginning of year	1,185,411	912,070	939,651
Cash and cash equivalents, end of year	\$ 1,768,114	\$ 1,185,411	\$ 912,070



Cash and cash equivalents increased 49 percent in fiscal year 2021. The overall net change can be explained primarily by additional grant funding received from CSG and the American Rescue Plan Act Stabilization funds distributed by CPB.

The Station's receivable for unreimbursed repack costs was also reduced from \$95,585 at 2020 fiscal year end to \$442 at June 30, 2021. The repack project's completion and related cost reimbursement represents another portion of the increase in cash and cash equivalents.

In fiscal year 2020, the 30 percent increase in cash and cash equivalents can be tied primarily to \$260,205 of CARES Act funds that were distributed to public television and radio stations. The receipt of the CARES Act funds, along with decreased expenditures for supplies and services, are the two major contributors to the increase in cash. Unreimbursed repack costs were reported as a receivable totaling \$95,585 at June 30, 2020, relatively unchanged from 2019.

### **ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE**

The COVID-19 pandemic continues to enforce a challenging time in regards to station growth. Staffing levels were a challenge over the last year with some vacancies which proved difficult to fill. However, at this time, the station is back to full-staffing. Efforts to grow underwriting remain strained, while membership is slowly increasing.

The majority of the station's funding remains directly tied to the University, the State of Indiana and federal funding through the Corporation for Public Broadcasting.

- Emergency funding secured and distributed by CPB through the American Rescue Plan Act has been vital in maintaining services provided by WVUT. This emergency funding will help off-set any possible budget cuts on the federal, state or university levels in the near future and help maintain our station operations.
- University enrollment continues to decrease, as a result of the COVID-19 pandemic. The University has continued to implement a hiring freeze, but has allowed WVUT to fill two vacant positions due to resignation/retirement. The University's continued support to maintain existing staffing levels is of significant benefit to the Station. Efforts to increase student enrollment will be vital in sustaining long-term stability for the University and our stations.
- The Indiana Legislature continues to support public broadcasting with its two-year budget set in 2021. While anticipating a budget reduction as high as 15 percent for public broadcasting across the state, legislators settled on a smaller reduction of three percent based on revenue forecasts which were coming in higher than originally expected with the pandemic. Of course, this state funding will be directly dependent on revenue remaining stable at the state level as we move forward. Station managers remain hopeful that increased efforts to help with at-home learning and other programming aimed at assisting during the COVID-19 pandemic will help keep our funding stable. Indiana Public Broadcasting has received grant funding to assist with the initiative to implement datacasting for K-12 schools across the state, as COVID-19 continues to throw curveballs at the education system and threaten face-to-face learning.

WVUT has wrapped up the reimbursement process for expenses incurred during the FCC mandated spectrum repack. Station management is satisfied with this process and the reimbursements received for the expenses related to the repack process.

Station management remains committed to the fiscal stewardship of funds in order to maintain sound financial position for the Station. Efforts will continue to adapt practices to expand membership, as well as grow underwriting and sponsorship opportunities for WVUT. Community outreach will remain the cornerstone of operations as we continue to serve those comprising the public audience in our viewing area.

#### BASIC FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

The financial statements and accompanying notes were prepared by management of WVUT-TV. The financial statements and notes are presented as intended by WVUT-TV.

**WVUT-TV**  
**A Public TV Station Operated by Vincennes University**

**Statement of Net Position**  
**As of June 30, 2021 and 2020**

	<u>6/30/2021</u>	<u>6/30/2020</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,768,114	\$ 1,185,411
Accounts receivable	442	95,585
Prepaid expense	13,666	47,479
<b>Total current assets</b>	<u>1,782,222</u>	<u>1,328,475</u>
Non-current assets:		
Capital assets being depreciated	3,732,672	3,717,475
Less accumulated depreciation	<u>(3,074,086)</u>	<u>(3,092,372)</u>
<b>Total non-current assets</b>	<u>658,586</u>	<u>625,103</u>
<b>Total assets</b>	<u>\$ 2,440,808</u>	<u>\$ 1,953,578</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 198	\$ 2,617
<b>Total current liabilities</b>	<u>198</u>	<u>2,617</u>
Net position:		
Investment in capital assets	658,586	625,103
Restricted for station activities	785,138	825,466
Unrestricted	996,886	500,392
<b>Total net position</b>	<u>2,440,610</u>	<u>1,950,961</u>
<b>Total liabilities and net position</b>	<u>\$ 2,440,808</u>	<u>\$ 1,953,578</u>

The accompanying notes are an integral part of the financial statements.

**WVUT-TV**  
**A Public TV Station Operated By Vincennes University**

**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Years Ended June 30, 2021 and 2020**

	<b>6/30/2021</b>	<b>6/30/2020</b>
Operating revenue:		
Grants from Corporation for Public Broadcasting	\$ 762,301	\$ 715,348
Other grants and contracts	504,806	346,261
Memberships and underwriting	10,477	7,887
Contributed support	507,553	555,995
<b>Total operating revenue</b>	<b>\$ 1,785,137</b>	<b>\$ 1,625,491</b>
Operating Expenses		
Programming and production	\$ 989,111	\$ 1,085,267
Broadcasting	135,854	130,372
Program information and promotion	5,780	5,129
Management and general	375,505	371,335
Fundraising and membership development	350	1,799
Depreciation	119,350	137,769
<b>Total operating expenses</b>	<b>\$ 1,625,950</b>	<b>\$ 1,731,671</b>
<b>Operating income (loss)</b>	<b>159,187</b>	<b>(106,180)</b>
Non-operating revenues		
Governmental appropriations	305,503	359,411
Other non-operating revenues	24,959	20,006
Loss on Disposition of Capital Assets	-	(750,000)
<b>Total non-operating revenues (expenses)</b>	<b>330,462</b>	<b>(370,583)</b>
<b>Increase (decrease) in net position</b>	<b>\$ 489,649</b>	<b>\$ (476,763)</b>
Net Position - beginning of year	1,950,961	2,427,724
Net Position - end of year	<b>\$ 2,440,610</b>	<b>\$ 1,950,961</b>

The accompanying notes are an integral part of the financial statements.

**WVUT-TV**  
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**Statement of Cash Flows**  
**For the Years Ended June 30, 2021 and 2020**

	<b>6/30/2021</b>	<b>6/30/2020</b>
Cash flows from operating activities:		
Grants and Contracts	\$ 1,362,250	\$ 1,061,355
Underwriting and Other Contributions	10,477	7,887
Contributed Support	251,729	234,978
Payments to Suppliers	(639,787)	(677,957)
Payments to Employees	(437,658)	(472,319)
Payments for Benefits	(141,937)	(154,812)
<b>Net cash provided (used) in operating activities</b>	<b>\$ 405,074</b>	<b>\$ (868)</b>
Cash flows from noncapital financing activities:		
Governmental Appropriations	305,503	359,411
Other Income	24,959	20,006
<b>Net cash provided by noncapital financing activities</b>	<b>\$ 330,462</b>	<b>\$ 379,417</b>
Cash flows from capital and related financing activities:		
Purchases of Capital Assets and Construction	(152,833)	(105,208)
<b>Net cash used in capital and related financing activities</b>	<b>\$ (152,833)</b>	<b>\$ (105,208)</b>
<b>Net increase in cash and cash equivalents</b>	<b>\$ 582,703</b>	<b>\$ 273,341</b>
Cash and cash equivalents - beginning of year	1,185,411	912,070
Cash and cash equivalents - end of year	<b>\$ 1,768,114</b>	<b>\$ 1,185,411</b>
Reconciliation of operating loss to net cash used in operating activities:		
Operating income (loss)	\$ 159,187	\$ (106,180)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	119,350	137,769
Changes in assets and liabilities:		
Accounts receivable	95,143	(253)
Prepaid expense	33,813	(25,890)
Accounts payable and accrued liabilities	(2,419)	(6,314)
<b>Net cash used in operating activities</b>	<b>\$ 405,074</b>	<b>\$ (868)</b>

The accompanying notes are an integral part of the financial statements.

**WVUT-TV**  
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**Notes to Financial Statements**

**Note 1 – Summary of Significant Accounting Policies**

**Reporting entity:** WVUT-TV (the Station) is a public television station operated by Vincennes University (the University). The University is an institution of higher education and is considered to be a component unit of the State of Indiana.

**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 States of America, as prescribed by the GASB. In fiscal year 2021, the University adopted GASB Statement No. 84, *Fiduciary Activities*. WVUT-TV financial statements were not impacted by the adoption of GASB Statement No. 84.

**Basis of accounting:** For financial reporting purposes, the Station is considered a special-purpose government engaged only in business-type activities. Accordingly, the Station'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.

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 Station considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**Accounts receivable:** The receivable reflects the estimated reimbursable expenditures incurred for the FCC repacking as of June 30, 2021 and June 30, 2020. Management has concluded that no allowance for uncollectible accounts is necessary.

**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 Station'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. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Inventories of materials and supplies at year-end are not considered material; therefore, are not reflected in the financial statements.

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.

**Membership and underwriting revenue:** Contributions are recognized as revenue upon receipt.

**Contributed support:** Contributed materials, supplies, facilities, and non-capital property are recorded at their estimated acquisition value at the date of donation. If the acquisition value of contributed materials, supplies, facilities and non-capital property cannot be reasonably determined, they are not recorded. Donated personal services of nonprofessional volunteers, as well as national and local programming services, are not recorded as revenue and expense as there is no objective basis available to measure the value of such services.

Contributed advertising and promotion are recorded at the fair value of the contribution portion of the total value received.

**WVUT-TV**  
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**Notes to Financial Statements**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**Indirect administrative support:** Administrative support from Vincennes University (licensee) consists of indirect costs incurred by the University on behalf of the Station, calculated using the indirect administrative support method as required by the Corporation for Public Broadcasting (CPB).

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

**Investment in capital assets:** This represents the Station's total investment in capital assets. There is no outstanding debt related to these capital assets.

**Restricted net position:** Restricted net position represents constraints placed on net position use when imposed by third parties or imposed by law through constitutional provisions or enabling legislation.

**Unrestricted net position:** Unrestricted net position represents resources derived from grants, underwriting, and fees. These resources are used for transactions relating to the educational and general operations of the Station. The unrestricted component of net position is the net amount of the assets and liabilities that are not included in the determination of investment in capital assets and restricted net position.

**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.

**Classification of revenues and expenses:** The Station has classified its revenues as operating revenues and expense according to the following criteria:

**Operating revenues and expenses:** The Station distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Station's principal ongoing operations. The principal operating revenues of the Station are grants for public broadcasting entities, including grants to enhance the quality of programming and expand the scope of public broadcasting services, contributed support from the University, contributions from donors and underwriting. Operating expenses include costs of services, payments to suppliers and employees, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**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 to 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.

**Corporation for Public Broadcasting – Other Grants:** In fiscal year 2021, the Station received \$471,408 in American Rescue Plan Act Stabilization Grant funds. The funds were distributed by the Corporation for Public Broadcasting for the purpose of maintaining the Station's programming and services impacted by the coronavirus and attendant loss of revenues. The Stabilization Grant funds have no spending period.



**WVUT-TV**  
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**Notes to Financial Statements**

**Note 1 – Summary of Significant Accounting Policies (continued)**

**Non-operating revenues and expenses:** Non-operating revenues and expenses are defined in GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable 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 revenue include governmental appropriations and examples of non-operating expenses include loss on disposition of capital assets.

**Advertising Costs:** Advertising costs are expensed in the period in which they are incurred.

**Note 2 – Cash**

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 for the checking account at June 30, 2021 and June 30, 2020 is \$1,768,114 and \$1,185,411 respectively.

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**NOTE 3: Capital Assets**

The following are summaries of the Station's capital asset activities as of June 30:

2020-2021	Beginning Balances 07/01/20	Increases	Decreases	Transfers	Ending Balances 06/30/21
Capital assets being depreciated:					
Building and Improvements	401,036	-	-	-	401,036
Equipment	3,316,439	152,833	137,636	-	3,331,636
Total capital assets being depreciated	3,717,475	152,833	137,636	-	3,732,672
Less accumulated depreciation for:					
Building and Improvements	225,480	13,222	-	-	238,702
Equipment	2,866,892	106,128	137,636	-	2,835,384
Total accumulated depreciation	3,092,372	119,350	137,636	-	3,074,086
Total capital assets being depreciated, net	625,103	33,483	-	-	658,586
Capital assets, net	\$ 625,103	\$ 33,483	\$ -	\$ -	\$ 658,586

2019-2020	Beginning Balances 07/01/19	Increases	Decreases	Transfers	Ending Balances 06/30/20
Capital assets not being depreciated:					
Construction in progress	194,808			(194,808)	-
Fine arts (film library) See Note below *	750,000	-	750,000	-	-
Total capital assets not being depreciated	944,808	-	750,000	(194,808)	-
Capital assets being depreciated:					
Building and Improvements	401,036	-	-	-	401,036
Equipment	4,069,447	300,016	1,053,024	-	3,316,439
Total capital assets being depreciated	4,470,483	300,016	1,053,024	-	3,717,475
Less accumulated depreciation for:					
Building and Improvements	212,258	13,222	-	-	225,480
Equipment	3,795,369	124,547	1,053,024	-	2,866,892
Total accumulated depreciation	4,007,627	137,769	1,053,024	-	3,092,372
Total capital assets being depreciated, net	462,856	162,247	-	-	625,103
Capital assets, net	\$ 1,407,664	\$ 162,247	\$ 750,000	\$ (194,808)	\$ 625,103

\* The fine arts film library was removed from fixed assets based upon assessment of current condition and value following physical inspection of the collection. The film collection was disposed in fiscal year 2020.

**NOTE 4: Functional Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of revenues, expenses, and changes in net position. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Operating expenses by functional classification for the years ended June 30, 2021 and 2020, are summarized as follows:

	2021							
	PROGRAM SERVICES			SUPPORT SERVICES			Total	Total
	Programming and Production	Broadcasting	Program Information and Promotion	Management and General	Fundraising and Membership Development		6/30/2021	6/30/2020
Salaries, Wages & Benefits	\$ 480,484			\$ 99,111		\$	579,595	\$ 627,131
Professional Services	923	37,699		37,079	350	\$	76,051	47,351
Supplies	23,523	295		6,610			30,428	16,219
Occupancy		45,182		2,016			47,198	61,903
Postage				276			276	573
Advertising			5,780				5,780	5,968
Conferences & Meetings							-	2,461
Repairs & Maintenance	29,103	52,678		623			82,404	101,209
Programming Costs	230,696			340			231,036	255,053
Membership & Dues	224,382			1,625			226,007	228,192
Administrative Support				227,825			227,825	247,842
Depreciation				119,350			119,350	137,769
Total	\$ 989,111	\$ 135,854	\$ 5,780	\$ 494,855	\$ 350	\$	1,625,950	\$ 1,731,671

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2020							
	PROGRAM SERVICES			SUPPORT SERVICES		Total 6/30/2020	Total 6/30/2019
	Programming and Production	Broadcasting	Program Information and Promotion	Management and General	Fundraising and Membership Development		
Salaries, Wages & Benefits	\$ 528,507			\$ 98,624		\$ 627,131	\$ 596,685
Professional Services		30,505		16,670	176	47,351	64,747
Supplies	13,238	943		2,038		16,219	56,595
Occupancy		59,887		2,016		61,903	103,049
Postage				573		573	629
Advertising	839		5,129			5,968	19,243
Conferences & Meetings				838	1,623	2,461	9,606
Repairs & Maintenance	60,910	39,037		1,262		101,209	107,264
Programming Costs	255,053					255,053	269,351
Membership & Dues	226,720			1,472		228,192	207,561
Administrative Support				247,842		247,842	294,124
Depreciation				137,769		137,769	124,389
Total	\$ 1,085,267	\$ 130,372	\$ 5,129	\$ 509,104	\$ 1,799	\$ 1,731,671	\$ 1,853,243

**Note 5: Indirect Administrative Support**

The Station (grantee) calculates indirect administrative support (IAS) received from the University (licensee) using the method prescribed by the Corporation for Public Broadcasting. The IAS calculation utilizes indirect and direct cost information from the licensee's audited financial statements in calculating indirect administrative support.

Indirect administrative support from other state agencies consists of allocated institutional support and physical plant costs incurred by the University for which the Station receives benefits. The fair value of this support is recognized in the Statement of Revenues, Expenses, and Changes in Net Position as Contributed Support and also as an expense in the management and general functional expense category.

Included as part of the University's institutional support is Other Postemployment Benefit Cost (OPEB). Because the University funds OPEB cost entirely through the general fund, and the Station is not charged for OPEB related costs, there is not a special allocation of OPEB cost to the Station. There is, however, a portion of OPEB cost that is allocated to the Station as part of the indirect administrative support calculation.

The value of this support for the years ended June 30, 2021 and June 30, 2020 was \$227,825 and \$247,842, respectively.

**Note 6: Contributed In-Kind Support**

Contributed in-kind support represents expenses paid on behalf of the Station by others outside the reporting entity, and includes contributed professional services and donated materials. The acquisition value of this support is recognized in the Statement of Revenues, Expenses, and Changes in Net Position as Contributed Support. As an equal amount of expense is also recognized, there is no impact on net position. The Station received in-kind contributed support of \$28,000 for fiscal year ended June 30, 2021 and \$28,000 for fiscal year ended June 30, 2020.

**Note 7: Support from Vincennes University**

Vincennes University contributes support to the Station by partially funding the operations, studio, and production facility. The total costs for this support totaled \$251,728 and \$280,152 for the years ended June 30, 2021 and June 30, 2020, respectively.

**Note 8: Risk Management**

WVUT-TV is licensed to the Board of Trustees of Vincennes University; therefore, the station is exposed to the same risk as the University. These risks include: torts, theft, damage or destruction of assets; errors or omissions; job-related illnesses or injuries to employees; 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, no settled claims have 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 and \$1,203,986 for the fiscal year 2019-20.

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 claims are incurred to when the claims are submitted for payment.

Changes in the total reported self-insured health, dental & drug benefit liability during the years ending June 30, 2021 and 2020 were as follows:

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

**Note 9: TIAA/CREF Pension Plan**

**Plan Description**

Through Vincennes University, eligible employees at WVUT-TV participate in 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 the funds contributed. An agreement between the University and TIAA is approved by the University Board of Trustees.

**Funding Policy**

For all full-time faculty and professional staff, 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, which is included in the contributed support and expense allocation to WVUT-TV.

Additional Details of the plan can be found in the Vincennes University's Annual Financial Report, which can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa>.

## OTHER REPORTS

In addition to this report, other reports may have been issued for the University. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.