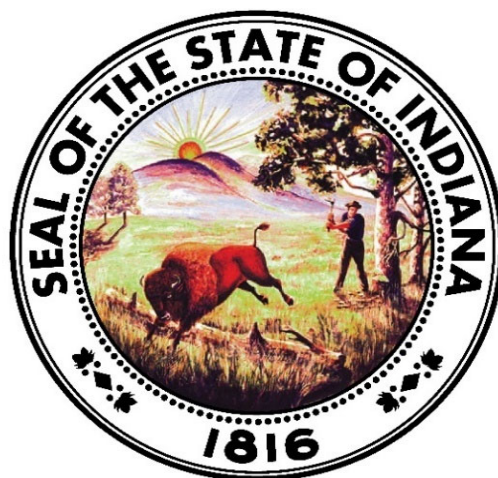


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENTS AUDIT REPORT
OF

WVUB-FM
A PUBLIC RADIO STATION OPERATED
BY VINCENNES UNIVERSITY
VINCENNES, INDIANA

July 1, 2022 to June 30, 2023



FILED

02/05/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President	Dr. Charles R. Johnson	07-01-22 to 06-30-24
Vice President for Financial Services	Timothy Eaton	07-01-22 to 06-30-24
Chair of the Board of Trustees	John A. Stachura Michael J. Sievers	07-01-22 to 10-05-23 10-06-23 to 10-06-24
General Manager	Kevin Watson	07-02-22 to 06-30-24
Director	Nichole L. Carie	07-01-22 to 06-30-24



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF WVUB-FM, A PUBLIC RADIO STATION OPERATED
BY VINCENNES UNIVERSITY, VINCENNES, INDIANA

Opinion

We have audited the accompanying financial statements of WVUB-FM, a public radio station operated by Vincennes University (WVUB-FM), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise WVUB-FM's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of WVUB-FM, as of June 30, 2023 and 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WVUB-FM's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:


- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the WVUB-FM's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the WVUB-FM's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


Beth Kelley, CPA, CFE
Deputy State Examiner

January 22, 2024

Management's Discussion and Analysis

INTRODUCTION

WVUB-FM (the Station) presents its financial statements for the fiscal year ending June 30, 2023. This discussion and analysis provide an overview of the financial position and activities of WVUB-FM for the year ending June 30, 2023 with comparative information for the fiscal years ended June 30, 2022 and June 30, 2021. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes following this section.

Licensed to the Board of Trustees of Vincennes University, WVUB-FM is a 50,000-watt public radio station serving twelve counties in Southwestern Indiana. WVUB-FM began broadcasting in December of 1970, making it one of the first Public Radio stations to go on the air in Indiana.

USING THE FINANCIAL STATEMENTS

The WVUB-FM 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. WVUB-FM 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 WVUB-FM at the end of the fiscal year and includes all assets and liabilities of WVUB-FM. The difference between total assets and total liabilities--net position-- is one indicator of the current financial condition of WVUB-FM, 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 WVUB-FM's assets, liabilities, and net position at June 30, 2023, 2022 and 2021 is as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Current Assets	\$ 240,117	\$ 304,798	\$ 473,876
Noncurrent Assets			
Capital Assets, net of depreciation	<u>\$ 136,062</u>	<u>\$ 153,706</u>	<u>\$ 12,372</u>
Total Assets	<u>\$ 376,179</u>	<u>\$ 458,504</u>	<u>\$ 486,248</u>
Current Liabilities	\$ 25	\$ 24,940	\$ 9
Net Position	<u><u>\$ 376,154</u></u>	<u><u>\$ 433,564</u></u>	<u><u>\$ 486,239</u></u>

WVUB-FM
A Public Radio Station Operated by Vincennes University

Management's Discussion and Analysis
(Continued)

Current assets materially consist of cash and cash equivalents. Current liabilities consist of accounts payable. WVUB-FM has no long-term liabilities.

In fiscal year 2023, there was a 21.2 percent decrease in current assets. Cash and cash equivalents decreased by \$67,211. The decrease in cash is due primarily to the Station expending \$52,482 of CARES Act and American Rescue Act stabilization funds that were received in fiscal years 2020 and 2021.

The decrease in capital assets, net of depreciation is related to new asset acquisitions less the increase in the current year depreciation of \$8,865. New asset acquisitions in fiscal year 2023 were \$10,365.

In fiscal year 2022, there was a 36 percent decrease in current assets. Cash and cash equivalents decreased by \$168,179. The decrease in cash is due primarily to the Station expending \$177,905 of CARES Act and American Rescue Act stabilization funds that were received in fiscal years 2020 and 2021.

New asset acquisitions in fiscal year 2022 were \$160,478. Major capital purchases included a new digital console, studio workstation and talk table. There were no capital asset dispositions in fiscal year 2022. The increase in capital assets, net of depreciation is equal to new asset purchases less current year depreciation of \$19,144.

The Station replaced dated studio equipment and furniture in fiscal year 2022. The majority of the increase in current liabilities from 2021 to 2022 is related to these purchases.

Net Position

Net position represents the residual interest in WVUB-FM's assets after liabilities are deducted. WVUB-FM's net position at June 30, 2023, 2022 and 2021 are summarized as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net Investment in Capital Assets	\$ 136,062	\$ 153,706	\$ 12,372
Restricted	131,919	131,101	132,420
Unrestricted	108,173	148,757	341,447
Total Net Position	<u>\$ 376,154</u>	<u>\$ 433,564</u>	<u>\$ 486,239</u>

Net Investment in Capital Assets represents the Station's equity in property, plant and equipment net of accumulated depreciation. Capital asset acquisitions less current year increases in accumulated depreciation represent the total change in this equity amount for fiscal years 2023 and 2022.

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. These amounts consist of the unspent Community Service Grant funds.

WVUB-FM
A Public Radio Station Operated by Vincennes University

Management's Discussion and Analysis
(Continued)

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 \$40,584 decrease in unrestricted net position in fiscal year 2023 is tied directly to the use of CARES Act and American Rescue Act Stabilization funds for Station expenditures. In fiscal year 2022, the \$192,690 decrease in unrestricted net position was tied directly to the use of the CARES Act and American Rescue Act Stabilization funds for Station expenditures.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position present the operating results of WVUB-FM 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 summary of the Statement of Revenues, Expenses, and Changes in Net Position is presented below:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating Revenue	\$ 449,461	\$ 476,809	\$ 694,307
Operating Expenses	<u>564,027</u>	<u>586,055</u>	<u>560,157</u>
Net Operating Income (Loss)	\$ (114,566)	\$ (109,246)	\$ 134,150
Non-Operating Revenue	<u>\$ 57,156</u>	<u>\$ 56,571</u>	<u>\$ 49,583</u>
Increase (Decrease) in Net Position	\$ (57,410)	\$ (52,675)	\$ 183,733
Net Position - Beginning of year	\$ 433,564	\$ 486,239	\$ 302,506
Net Position - End of year	<u><u>\$ 376,154</u></u>	<u><u>\$ 433,564</u></u>	<u><u>\$ 486,239</u></u>

While fiscal Year 2023 had an overall decrease in operating revenue of \$27,348, the station underwriting increased by \$3,686 and contributed support decreased by \$33,845 when compared to fiscal year 2022. The Community Service base grant also increased by \$2,812 in fiscal year 2023.

Operating expenses decreased by 3.8 percent in fiscal year 2023. Supplies, programming, administrative support and depreciation make up the majority of the \$22,028 overall decrease.

In fiscal year 2022, Station operating revenue returned to a comparable level before receipt of the CARES Act and American Rescue Plan Act Stabilization funds received in fiscal years 2021 and 2020. As a result, total operating revenue decreased by a total of \$217,498 in fiscal year 2022. American Rescue Plan Act Stabilization funds accounted for \$199,491 of total operating revenue in 2021.

Station underwriting and contributions declined by \$26,098, while contributed support increased by \$3,156 in fiscal year 2022. The Community Service base grant also increased by \$4,935 in fiscal year 2022.

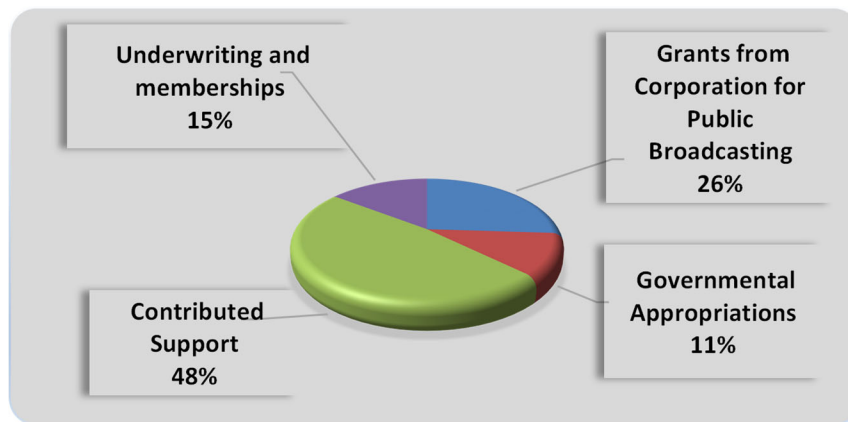
WVUB-FM
A Public Radio Station Operated by Vincennes University

Management's Discussion and Analysis
(Continued)

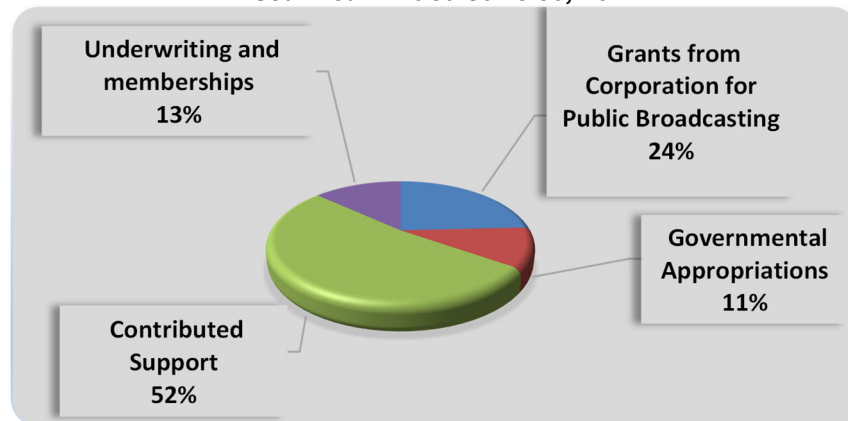
Operating expenses increased by 4.6 percent in fiscal year 2022. Supplies, programming, administrative support and depreciation make up the majority of the \$25,898 overall increase.

Graphic illustration of revenues by source (both operating and non-operating) used to fund WVUB-FM are shown below for fiscal years 2023 and 2022.

Fiscal Year Ended June 30, 2023



Fiscal Year Ended June 30, 2022



A summary of WVUB-FM's operating expenses by the natural classifications for the year ended June 30, 2023, 2022 and 2021 is as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating:			
Compensation and Benefits	\$ 348,193	\$ 333,950	\$ 324,362
Supplies and Services	67,214	69,882	88,510
Programming Costs	49,163	65,150	55,253
Depreciation	28,009	19,144	6,764
Administrative Support	71,448	97,929	85,268
Total Operating Expenses	<u>\$ 564,027</u>	<u>\$ 586,055</u>	<u>\$ 560,157</u>

WVUB-FM
A Public Radio Station Operated by Vincennes University

Management's Discussion and Analysis
(Continued)

Total operating expenses decreased 3.8 percent in fiscal year 2022 to fiscal year 2023. Significant changes include:

- Programming costs decreased as a result of a statewide reduction in the Indiana Public Broadcasting fees which totaled \$10,000 for WVUB-FM and several programs were eliminated which totaled \$6,000.
- The \$14,243 increase in compensation and benefits is primarily related to the 2 percent merit increase and the one-time payment for Station employees during 2023.
- New asset acquisitions resulted in higher depreciation expense for fiscal year 2023.
- As a result of decreased direct operating expenses, administrative support was also lower in fiscal year 2023.

Total operating expenses rose 4.6 percent in fiscal year 2022. Significant changes include:

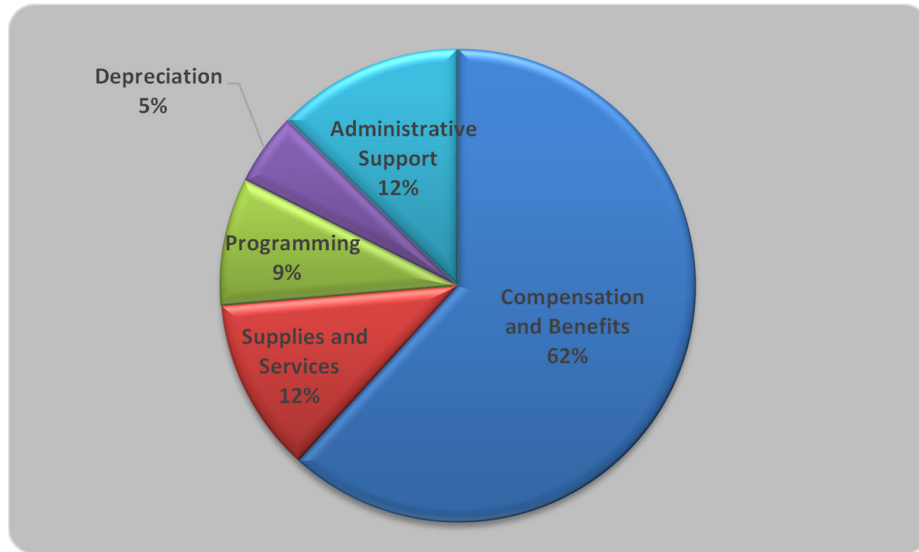
- The \$9,588 increase in compensation and benefits is a combination of personnel changes throughout the year along with a 2 percent pay increase for Station employees in 2022.
- The Station moved underwriting sales from a contracted position to an employed position in fiscal year 2022. This change shifted cost from the supplies and services expense category to compensation and benefits.
- New asset acquisitions resulted in higher depreciation expense for fiscal year 2022.
- As a result of increased direct operating expenses, administrative support was also higher in fiscal year 2022.

The following graphic illustrations present total expenses by object for fiscal years 2023 and 2022.

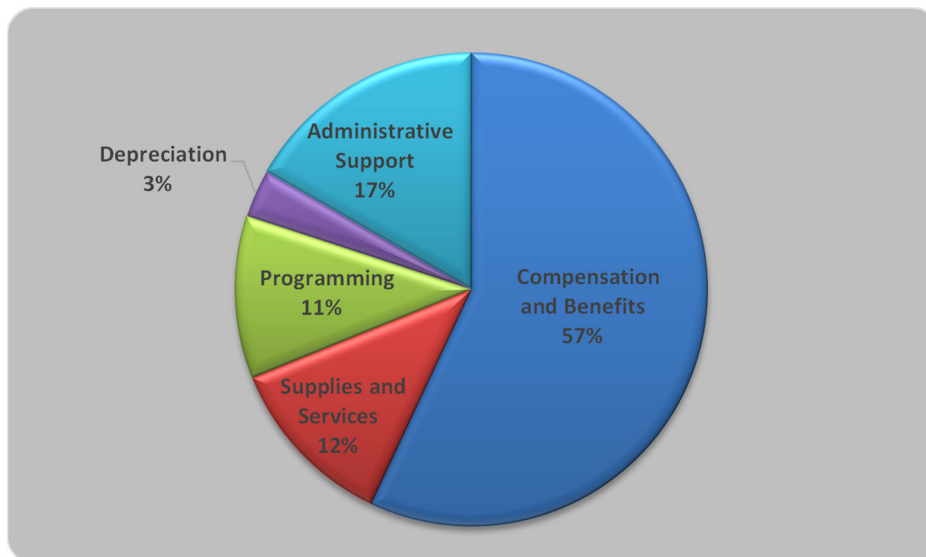
Fiscal Year Ended June 30, 2023

WVUB-FM
A Public Radio Station Operated by Vincennes University

Management's Discussion and Analysis
(Continued)



Fiscal Year Ended June 30, 2022



A summary of WVUB-FM's expenses by the functional classifications for the years ended June 30, 2023, 2022 and 2021 is as follows:

WVUB-FM
A Public Radio Station Operated by Vincennes University

Management's Discussion and Analysis
(Continued)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Operating Expenses			
Programming and Production	\$ 318,521	\$ 334,934	\$ 303,421
Broadcasting	15,448	18,644	18,297
Program Information and Promotion	6,571	3,307	2,007
Management and General	193,278	206,620	193,048
Fundraising and Membership Development	2,200	3,406	36,620
Depreciation	28,009	19,144	6,764
Total Operating Expenses	<u>\$ 564,027</u>	<u>\$ 586,055</u>	<u>\$ 560,157</u>

Operating expenses in fiscal year 2023 had an overall decrease of \$22,028. As mentioned previously, the majority of this decrease is related to the changes that occurred in programming and production while the depreciation expense increased by \$8,865 as a result of newly purchased assets. The decrease in administrative support was aligned with the overall decrease in operating expenses.

In fiscal year 2022, the Station moved underwriting sales from a contract position to a full time employed position. As a result of this change, there was an increase in programming and production cost and a corresponding decrease in fundraising and membership development.

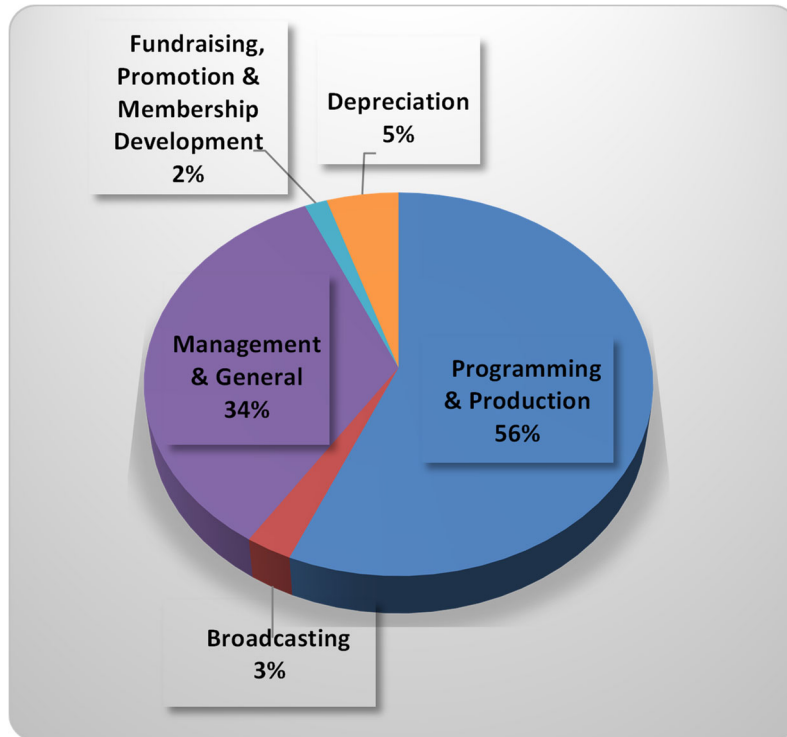
Broadcasting costs remained constant while management and general cost increased largely due to the \$12,661 increase in administrative support. Depreciation expense increased \$12,380 as a result of the newly acquired capital assets purchased in fiscal year 2022.

The following graphic illustration presents total expenses by function for the year ended June 30, 2023:

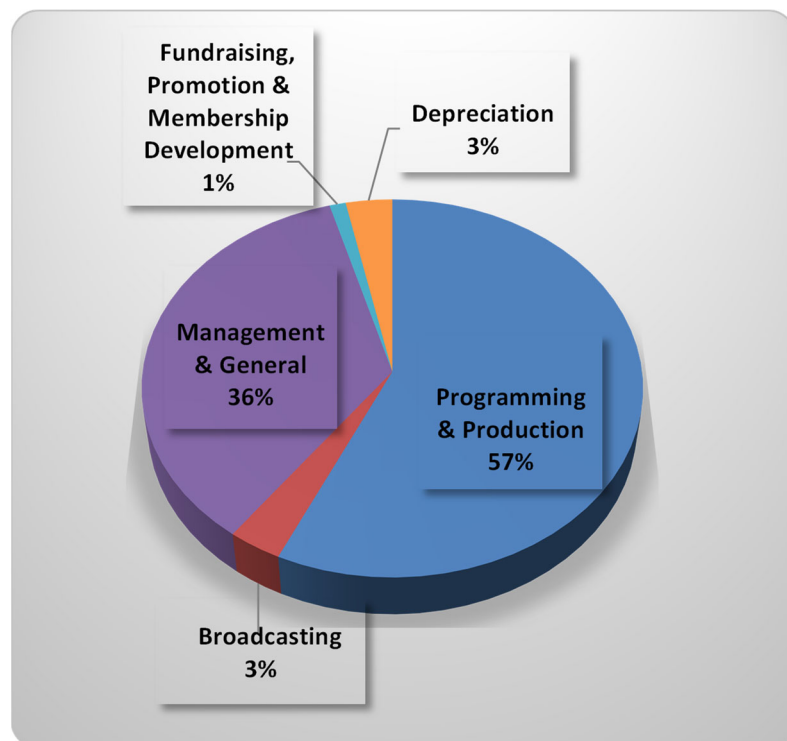
Fiscal Year Ended June 30, 2023

WVUB-FM
A Public Radio Station Operated by Vincennes University

Management's Discussion and Analysis
(Continued)



Fiscal Year Ended June 30, 2022



WVUB-FM
A Public Radio Station Operated by Vincennes University

Management's Discussion and Analysis
(Continued)

STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides additional information about WVUB-FM's financial results by reporting the major sources and uses of cash. Cash received from operations primarily consists of funds from the Corporation for Public Broadcasting and contributions from the University.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

WVUB-FM continues to navigate challenges in the current economic environment. The station continues to receive level funding from the State of Indiana, the Corporation for Public Broadcasting and Vincennes University. Attention remains focused on the possible future impact university enrollment may have on our department, as well as state and national legislation that could adversely affect our funding levels.

WVUB-FM has invested in digital studio equipment that will empower our ability to increase the amount of local content created with our small staff numbers into the future. Expenses are expected to increase due to economic factors including wage growth for current staff and service costs.

WVUB-FM maintains a strong position with listeners in our broadcast area and digitally through our online outreach. Groundwork is also being laid to increase underwriting practices for the station with experienced personnel recently hired for this effort, after several months with the position vacant. WVUB-FM expects a slight increase in underwriting funding during this year's ramp up, however the addition of the staff member is a needed expense as we invest into the underwriting effort.

Management continues to utilize partnerships with both public and commercial stations and other entities in our region to maintain and expand operations, local programming and funding opportunities. To better position the Station to realize these opportunities WVUB-FM continues as a participating member of Greater Public, which provides member stations access to a multitude of resources designed to make fundraising more efficient and effective.

The overall impact of fee restructuring from National Public Radio (NPR) based on revised formulas has now stabilized and has continued to be favorable for WVUB-FM in regard to membership and programming costs associated with NPR. One example is the ability to carry hourly NPR Newscasts at a 50 percent discount as a Music First Public Radio Station.

Station management remains committed to the fiscal stewardship of funds in order to maintain sound financial position for the Station, while maintaining quality programming. Efforts will continue to adapt practices and explore opportunities to grow underwriting and sponsorship for WVUB-FM. This will include a more focused effort to find ways to better monetize and expand our digital media offerings, consistent with our programming and service commitment. Community outreach remains a cornerstone of our operation as we continue to serve those in our listening area.

WVUB-FM management is optimistic in maintaining current budget expectations while battling current economic conditions and uncertainty.

BASIC FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

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

WVUB-FM
A Public Radio Station Operated by Vincennes University
Statement of Net Position
As of June 30, 2023 and 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 235,386	\$ 302,597
Accounts receivable	4,731	-
Prepaid expense	-	2,201
Total current assets	<u>\$ 240,117</u>	<u>\$ 304,798</u>
Non-current assets:		
Capital assets	\$ 435,394	\$ 430,964
Less accumulated depreciation	(299,332)	(277,258)
Total non-current assets	<u>\$ 136,062</u>	<u>\$ 153,706</u>
Total assets	<u><u>\$ 376,179</u></u>	<u><u>\$ 458,504</u></u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 25	\$ 24,940
Total current liabilities	<u>\$ 25</u>	<u>\$ 24,940</u>
Net position		
Investment in capital assets	\$ 136,062	\$ 153,706
Restricted	131,919	131,101
Unrestricted	108,173	148,757
Total net position	<u>\$ 376,154</u>	<u>\$ 433,564</u>
Total liabilities and net position	<u><u>\$ 376,179</u></u>	<u><u>\$ 458,504</u></u>

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

WVUB-FM
A Public Radio Station Operated by Vincennes University
Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2023 and 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Operating revenue:		
Grants from Corporation for		
Public Broadcasting	\$ 131,809	\$ 128,998
Contributed support	243,826	277,671
Underwriting and memberships	73,826	70,140
Total operating revenue	<u>\$ 449,461</u>	<u>\$ 476,809</u>
Operating expenses:		
Programming and production	\$ 318,521	\$ 334,934
Broadcasting	15,448	18,644
Program information and promotion	6,571	3,307
Management and general	193,278	206,620
Fundraising and membership development	2,200	3,406
Depreciation	28,009	19,144
Total operating expenses	<u>\$ 564,027</u>	<u>\$ 586,055</u>
Operating loss	<u>\$ (114,566)</u>	<u>\$ (109,246)</u>
Non-operating revenues		
Governmental appropriations	\$ 57,156	\$ 56,571
Total non-operating revenues	<u>\$ 57,156</u>	<u>\$ 56,571</u>
Decrease in net position	\$ (57,410)	\$ (52,675)
Net position - beginning of year	\$ 433,564	\$ 486,239
Net position - end of year	<u>\$ 376,154</u>	<u>\$ 433,564</u>

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

WVUB-FM
A Public Radio Station Operated by Vincennes University
Statement of Cash Flows
For the Years Ended June 30, 2023 and 2022

	<u>6/30/2023</u>	<u>6/30/2022</u>
Cash flows from operating activities:		
Grants from Corporation for Public Broadcasting	\$ 131,809	\$ 128,998
Underwriting and memberships	69,095	70,140
Support from Vincennes University	172,378	179,742
Payments to suppliers	(139,091)	(109,201)
Payments to employees	(262,028)	(250,013)
Payments for benefits	(86,165)	(83,938)
Net cash used in operating activities	<u>\$ (114,002)</u>	<u>\$ (64,272)</u>
Cash flows from noncapital financing activities:		
Governmental appropriations	\$ 57,156	\$ 56,571
Net cash provided by noncapital financing activities	<u>\$ 57,156</u>	<u>\$ 56,571</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	\$ (10,365)	\$ (160,478)
Net cash used in capital and related financing activities	<u>\$ (10,365)</u>	<u>\$ (160,478)</u>
Net decrease in cash and cash equivalents	\$ (67,211)	\$ (168,179)
Cash and cash equivalents - beginning of year	<u>\$ 302,597</u>	<u>\$ 470,776</u>
Cash and cash equivalents - end of year	<u><u>\$ 235,386</u></u>	<u><u>\$ 302,597</u></u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (114,566)	\$ (109,246)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	28,009	19,144
Changes in assets and liabilities:		
Accounts receivable	(4,731)	-
Prepaid expense	2,201	899
Accounts payable and accrued liabilities	(24,915)	24,931
Net cash used in operating activities	<u><u>\$ (114,002)</u></u>	<u><u>\$ (64,272)</u></u>

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

**WVUB-FM
A PUBLIC RADIO STATION OPERATED BY VINCENNES UNIVERSITY**

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies

Reporting entity: WVUB-FM (the Station) is a public radio 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. Effective for the fiscal year ending June 30, 2022, the University implemented the provisions of GASB Statement No. 87, *Leases* and for the fiscal year ending June 30, 2023, the University implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. WVUB-FM financial statements were not impacted by the adoption of GASB Statement No. 87 or GASB Statement No. 96.

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.

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.

Underwriting revenue: Contributions are recognized as revenue upon receipt.

Contributed support: Contributed materials, supplies, facilities, and property are recorded at their estimated acquisition value at the date of donation. If the acquisition value of contributed materials, supplies, facilities and 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.

**WVUB-FM
A PUBLIC RADIO STATION OPERATED BY VINCENNES UNIVERSITY**

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

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

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, as well as contributed support from the University and contributions from donors. 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 \$199,491 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.

**WVUB-FM
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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, 2023 and June 30, 2022 is \$235,386 and \$302,597, respectively.

**WVUB-FM
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Notes to Financial Statements

Note 3: Capital Assets

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

<u>2022-2023</u>	<i>Beginning Balances</i>				<i>Ending Balances</i>
	<i>07/01/22</i>	<i>Increases</i>	<i>Decreases</i>	<i>Transfers</i>	<i>06/30/23</i>
Capital assets being depreciated:					
Equipment	\$ 430,964	\$ 10,365	\$ 5,935	\$ -	\$ 435,394
Total capital assets being depreciated	\$ 430,964	\$ 10,365	\$ 5,935	\$ -	\$ 435,394
Less accumulated depreciation for:					
Equipment	\$ 277,258	\$ 28,009	\$ 5,935	\$ -	\$ 299,332
Total accumulated depreciation	\$ 277,258	\$ 28,009	\$ 5,935	\$ -	\$ 299,332
Total capital assets being depreciated, net	\$ 153,706	\$ (17,644)	\$ -	\$ -	\$ 136,062

<u>2021-2022</u>	<i>Beginning Balances</i>				<i>Ending Balances</i>
	<i>07/01/21</i>	<i>Increases</i>	<i>Decreases</i>	<i>Transfers</i>	<i>06/30/22</i>
Capital assets being depreciated:					
Equipment	\$ 270,486	\$ 160,478	\$ -	\$ -	\$ 430,964
Total capital assets being depreciated	\$ 270,486	\$ 160,478	\$ -	\$ -	\$ 430,964
Less accumulated depreciation for:					
Equipment	\$ 258,114	\$ 19,144	\$ -	\$ -	\$ 277,258
Total accumulated depreciation	\$ 258,114	\$ 19,144	\$ -	\$ -	\$ 277,258
Total capital assets being depreciated, net	\$ 12,372	\$ 141,334	\$ -	\$ -	\$ 153,706

Note 4: Functional Statement

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, 2023 and 2022, are summarized as follows:

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Notes to Financial Statements

		2023							
		PROGRAM SERVICES			SUPPORT SERVICES				
		Programming and Production	Broadcasting	Program Information and Promotion	Management and General	Fundraising and Membership Development	Total 6/30/2023	Total 6/30/2022	
Salaries, Wages & Benefits	\$	258,841	\$ -	\$ -	\$ 89,352	\$ -	\$ 348,193	\$ 333,950	
Professional Services		-	-	-	24,911	-	24,911	17,271	
Supplies		12,154	3,989	3,081	634	-	19,858	31,220	
Occupancy		-	-	-	3,159	-	3,159	3,243	
Postage		-	-	-	499	-	499	442	
Advertising		-	-	3,490	-	-	3,490	3,266	
Conferences & Meetings		4,187	-	-	834	-	5,021	1,756	
Repairs & Maintenance		853	144	-	2,303	-	3,300	4,081	
Programming Costs		37,848	11,315	-	-	-	49,163	65,150	
Membership & Dues		4,638	-	-	138	2,200	6,976	8,603	
Administrative Support		-	-	-	71,448	-	71,448	97,929	
Depreciation		-	-	-	28,009	-	28,009	19,144	
Total	\$	318,521	\$ 15,448	\$ 6,571	\$ 221,287	\$ 2,200	\$ 564,027	\$ 586,055	

		2022							
		PROGRAM SERVICES			SUPPORT SERVICES				
		Programming and Production	Broadcasting	Program Information and Promotion	Management and General	Fundraising and Membership Development	Total 6/30/2022	Total 6/30/2021	
Salaries, Wages & Benefits	\$	247,914	\$ -	\$ -	\$ 86,036	\$ -	\$ 333,950	\$ 324,362	
Professional Services		-	-	-	17,271	-	17,271	48,241	
Supplies		21,222	8,756	-	404	838	31,220	17,867	
Occupancy		-	-	-	3,243	-	3,243	3,323	
Postage		-	-	-	442	-	442	498	
Advertising		-	-	3,266	-	-	3,266	2,007	
Conferences & Meetings		1,495	-	41	220	-	1,756	1,934	
Repairs & Maintenance		2,556	432	-	725	368	4,081	6,353	
Programming Costs		55,694	9,456	-	-	-	65,150	55,253	
Membership & Dues		6,053	-	-	350	2,200	8,603	8,287	
Administrative Support		-	-	-	97,929	-	97,929	85,268	
Depreciation		-	-	-	19,144	-	19,144	6,764	
Total	\$	334,934	\$ 18,644	\$ 3,307	\$ 225,764	\$ 3,406	\$ 586,055	\$ 560,157	

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.

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Notes to Financial Statements

The value of this support for the years ended June 30, 2023 and June 30, 2022 was \$71,448 and \$97,929 respectively.

Note 6: 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 \$172,378 and \$179,742 for the years ended June 30, 2023, and June 30, 2022, respectively.

Note 7: Risk Management

WVUB-FM 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 \$744,477 for the fiscal year 2022-23 and \$658,533 for the fiscal year 2021-22.

The liability, for medical claims incurred but not reported at June 30, is based on the 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 ended June 30, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 658,533	\$ 1,102,779
Claims incurred	11,544,091	11,182,191
Claim payments	<u>(11,458,147)</u>	<u>(11,626,437)</u>
Balance, end of year	<u>\$ 744,477</u>	<u>\$ 658,533</u>

**WVUB-FM
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Notes to Financial Statements

Note 8: TIAA/CREF Pension Plan

Plan Description

Through Vincennes University, eligible employees at WVUB-FM 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.

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 WVUB-FM. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.