

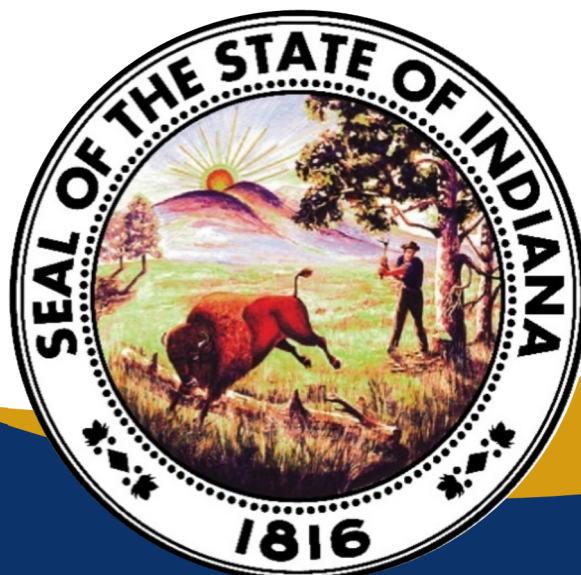
**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

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

FINANCIAL STATEMENTS AUDIT REPORT
OF

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

July 1, 2023 to June 30, 2024



FILED

02/07/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President	Dr. Charles R. Johnson	07-01-23 to 06-30-25
Vice President for Financial Services	Timothy J. Eaton	07-01-23 to 06-30-25
Chair of the Board of Trustees	John A. Stachura Michael J. Sievers	07-01-23 to 10-05-23 10-06-23 to 10-01-25
Director	Nichole L. Carie	07-01-23 to 06-30-25



Paul D. Joyce, CPA
State Examiner

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

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, 2024 and 2023, and the related notes to the financial statements, which collectively comprise WVUT-TV'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 WVUT-TV, as of June 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 WVUT-TV, 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 WVUT-TV'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 WVUT-TV'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 WVUT-TV'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

February 4, 2025

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, 2024. This discussion and analysis provide an overview of the financial position and activities of WVUT-TV for the year ending June 30, 2024 with comparative information for the years ending June 30, 2023 and 2022. 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-TV 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, 2024, 2023 and 2022 is as follows:

	2024	2023	2022
Current Assets	\$ 1,605,026	\$ 1,739,456	\$ 1,770,589
Noncurrent Assets			
Lease Receivable	\$ 221,095	\$ 237,437	\$ 253,280
Capital Assets, net of depreciation	891,867	848,883	584,081
Total Assets	\$ 2,717,988	\$ 2,825,776	\$ 2,607,950
Current Liabilities	\$ 99,169	\$ 20,284	\$ 7,858
Deferred Inflows	215,802	235,420	255,039
Net Position	\$ 2,403,017	\$ 2,570,072	\$ 2,345,053

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

In fiscal year 2024, there was a 7.7 percent decrease in current assets. Cash and cash equivalents decreased by \$133,044, primarily due to the timing of the Station's spending of CARES Act and American Rescue Plan Act Stabilization funds received in 2020 and 2021. These funds are being utilized for Station expenses, to supplement traditional Station funding gaps following the pandemic. The Community Service Grant (CSG) funds remained unchanged from the prior year.

Noncurrent assets consist of the long-term portion of lease receivable and net capital assets.

A noncurrent portion of lease receivable was recorded in connection with GASB Statement No. 87, *Leases*. The noncurrent lease receivable of \$221,095 was recorded for fiscal year 2024, as compared to \$237,437 for fiscal year 2023.

Capital acquisitions for fiscal year 2024 totaled \$227,476. The majority of this capital equipment was purchased with funding from the American Rescue grant to upgrade Studio A to complete automation, allowing the station to execute full studio productions with less staff involvement. This will also allow the station to increase local production to better serve our community. During fiscal year 2024, there was an overall increase of \$42,984 in capital assets, net of depreciation. More detailed information concerning capital assets is presented in the Notes to the Financial Statements.

Accounts payable increased by \$78,885 in fiscal year 2024, which was related to timing of payments. Deferred inflows of resources in the amounts of \$215,802 and \$235,420 were recognized as of June 30, 2024 and June 30, 2023, respectively, in accordance with the GASB Statement No. 87 for lease arrangements. Deferred inflows of resources represent an acquisition of net assets that is applicable to a future reporting period.

In fiscal year 2023, there was a 1.8 percent decrease in current assets. Cash and cash equivalents decreased by \$43,794, primarily due to the timing of the Station's spending of CARES Act and American Rescue Plan Act Stabilization funds received in 2020 and 2021. These funds are being utilized for Station expenses, to supplement traditional Station funding gaps following the pandemic. The Community Service Grant (CSG) funds remained unchanged from the prior year.

Noncurrent assets consist of the long-term portion of lease receivable and net capital assets. A noncurrent portion of lease receivable was recorded in connection with implementation of GASB Statement No. 87, *Leases* in the prior year. The noncurrent lease receivable of \$237,437 was recorded for fiscal year 2023, as compared to \$253,280 for fiscal year 2022.

Capital acquisitions for fiscal year 2023 totaled \$430,871. The majority of this capital equipment was purchased with funding from the Indiana Public Broadcasting Station (IPBS) for the datacasting project. This program is provided to K-12 public schools within the Station's viewing area. This equipment also serves the Station in an eventual shift to ATSC 3.0 broadcasting. During fiscal year 2023, there was an overall increase of \$264,802 in capital assets, net of depreciation.

Accounts payable increased by \$12,426 in fiscal year 2023 which was related to timing of payments. Deferred inflows of resources in the amounts of \$235,420 and \$255,039 were recognized as of June 30, 2023 and June 30, 2022, respectively, in accordance with the GASB Statement No. 87 for lease arrangements. Deferred inflows of resources represent an acquisition of net assets that is applicable to a future reporting period.

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:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Net Investment in Capital Assets	\$ 891,867	\$ 848,883	\$ 584,081
Restricted	940,992	854,887	862,827
Unrestricted	570,158	866,302	898,145
Total Net Position	<u>\$ 2,403,017</u>	<u>\$ 2,570,072</u>	<u>\$ 2,345,053</u>

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

Capital asset additions of \$227,476, along with additional depreciation of \$184,492 combine for the increase of \$42,984 to net investment in capital assets in fiscal year 2024. As previously mentioned, the majority of the equipment purchases made during fiscal year 2024 were supported by funds received from the American Rescue Grant for studio automation. These enhancements will allow for efficiencies into the future. Fully depreciated capital assets totaling \$63,136 were disposed of in fiscal year 2024.

Capital asset additions of \$430,871, along with additional depreciation of \$166,069, combine for the increase of \$264,802 to net investment in capital assets in fiscal year 2023. As previously mentioned, the majority of the equipment purchases made during fiscal year 2023 were supported by funds received from

the IPBS for the datacasting project. These enhancements will allow for efficiencies into the future. Fully depreciated capital assets totaling \$566,304 were disposed of in fiscal year 2023.

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 increased \$86,105 from FY23 due to the increase in funding from CSG and Interconnection. The CPB Funding remained relatively unchanged from FY22 to FY23.

Unrestricted Net Position is the net amount of assets and liabilities that are not included in the determination of net investment in capital assets or the restricted component of net position. The decrease in unrestricted net position from 2023 to 2024 and from 2022 to 2023 is related to the Station's spending of the unrestricted stabilization funds during fiscal years 2024 and 2023.

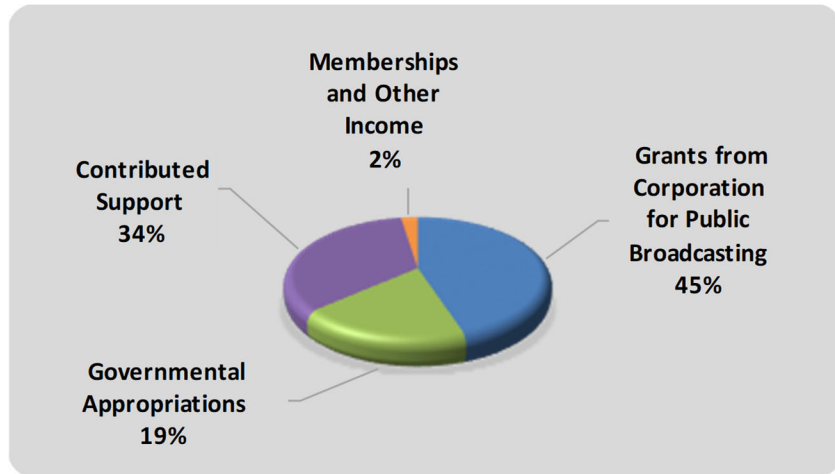
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

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:

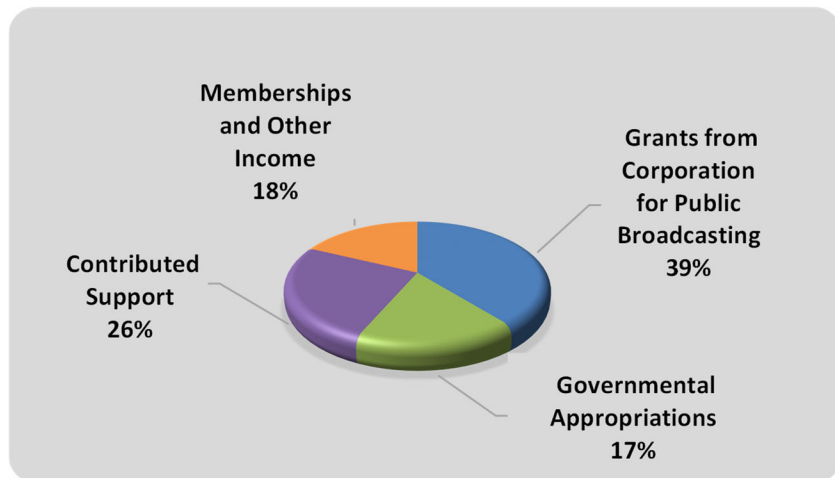
	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating Revenue	\$ 1,539,320	\$ 1,629,550	\$ 1,397,895
Operating Expenses	<u>2,095,675</u>	<u>1,787,635</u>	<u>1,869,210</u>
Net Operating Gain (Loss)	\$ (556,355)	\$ (158,085)	\$ (471,315)
Non-Operating Revenue	<u>\$ 389,300</u>	<u>\$ 383,104</u>	<u>\$ 367,504</u>
Increase (Decrease) in Net Position	\$ (167,055)	\$ 225,019	\$ (103,811)
Net Position - Beginning of Year	\$ 2,570,072	\$ 2,345,053	\$ 2,448,864
Net Position - End of Year	<u>\$ 2,403,017</u>	<u>\$ 2,570,072</u>	<u>\$ 2,345,053</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, 2024 and June 30, 2023, respectively.

Fiscal Year Ended June 30, 2024



Fiscal Year Ended June 30, 2023



Fiscal Year 2024

Appropriations from CPB serve as the largest funding source for the Station. During fiscal year 2024, \$866,007 was received in CPB grants, an increase from 2023. Operating revenue decreased by 5.5 percent from fiscal year 2023 to 2024. This decrease is a result of funding received from IPBS in 2023 to purchase equipment datacasting for \$319,386.

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 \$627,947 in support to the Station for fiscal year 2024 compared to contributed support of just over

\$513,613 in fiscal year 2023. Contributed support consists of direct costs incurred by the University on behalf of the Station, indirect administrative cost, and other contributions of goods or services from outside parties.

In fiscal year 2024, governmental appropriations from the State of Indiana totaling \$359,411 provided additional revenue to help cover nearly \$2.10 million in Station operating expenses.

Each year, WVUT-TV seeks to expand its revenue base. In fiscal year 2024, the Station saw another increase in its online PBS Passport member donations from viewers. Contributions totaled \$38,997 in fiscal year 2024 as compared to \$9,093 in fiscal year 2023. Since introducing PBS Passport membership on the website, the Station has received a steady stream of small donations, adding to operating revenue.

Total operating expenses increased 17.2 percent in fiscal year 2024. While programming costs decreased \$35,081 in fiscal year 2024, supplies and services increased by \$191,119. Programming costs leveled off to normal spending in FY24 after a one time increase in FY23 due to a specialized local production in cooperation with an independent producer. The supplies and services increase is attributed to Studio A automation.

Management and General costs increased by \$99,165 from FY23 to FY24. Of that amount, \$87,810 is directly related to the indirect administrative support calculation for WVUT-TV.

Fiscal Year 2023

Appropriations from CPB serve as the largest funding source for the Station. During fiscal year 2023, \$786,627 was received in CPB grants, a slight decrease from 2022. Operating revenue increased by 16.6 percent from fiscal year 2022 to 2023. This increase is a result of funds totaling \$319,386 received by IPBS to purchase equipment for datacasting. This program is provided to K-12 public schools within the Station's viewing area.

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 \$513,613 in support to the Station for fiscal year 2023 compared to contributed support of just over \$602,228 in fiscal year 2022. Contributed support consists of direct costs incurred by the University on behalf of the Station, indirect administrative cost, and other contributions of goods or services from outside parties.

In fiscal year 2023, governmental appropriations from the State of Indiana totaling \$352,063 provided additional revenue to help cover nearly \$1.79 million in Station operating expenses.

Each year, WVUT-TV seeks to expand its revenue base. In fiscal year 2023, the Station saw another increase in its online PBS Passport member donations from viewers. Contributions totaled \$9,093 in fiscal year 2023 as compared to \$6,540 in fiscal year 2022. Since introducing PBS Passport membership on the website, the Station has received a steady stream of small donations, adding to operating revenue.

Total operating expenses decreased 4.4 percent in fiscal year 2023. While programming costs increased \$28,516 in fiscal year 2023, repairs and maintenance cost decreased by \$81,698 during that same time period. The increase in programming costs was attributable to new local programming and the decrease in repairs and maintenance is mainly due to the television lighting repair project during fiscal year 2022.

The \$92,471 decrease in management and general costs is directly related to the indirect administrative support calculation for WVUT-TV. During fiscal year 2023, there were the actuarial changes for the University's retiree postemployment benefit calculation which decreased the administrative costs.

Expenses

A summary of WVUT-TV's expenses by object for the year ended June 30, 2024, 2023 and 2022 is as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating Expenses:			
Compensation and Benefits	\$ 684,108	\$ 638,339	\$ 619,421
Supplies and Services	680,559	489,440	571,401
Programming Costs	246,293	281,374	252,858
Depreciation	184,492	166,069	129,920
Administrative Support	300,223	212,413	295,610
Total Operating Expenses	<u>\$ 2,095,675</u>	<u>\$ 1,787,635</u>	<u>\$ 1,869,210</u>

Fiscal Year 2024

When analyzing the natural classification of expenses, total expenditures increased 17.2 percent. Significant changes include:

- The \$45,769 increase in compensation and benefits is primarily related to the 4 percent merit increase and the one-time payment for Station employees during 2024.
- The \$191,119 increase in supplies and services was predominantly related to the television studio automation.
- Programming costs decreased by \$35,081, leveling off to normal spending in FY24 after a one time increase in FY23 due to a specialized local production in cooperation with an independent producer.
- Depreciation increased \$18,423 because of the equipment purchased for Studio A automation.
- The administrative support increased by \$87,810 from FY23 to FY24.

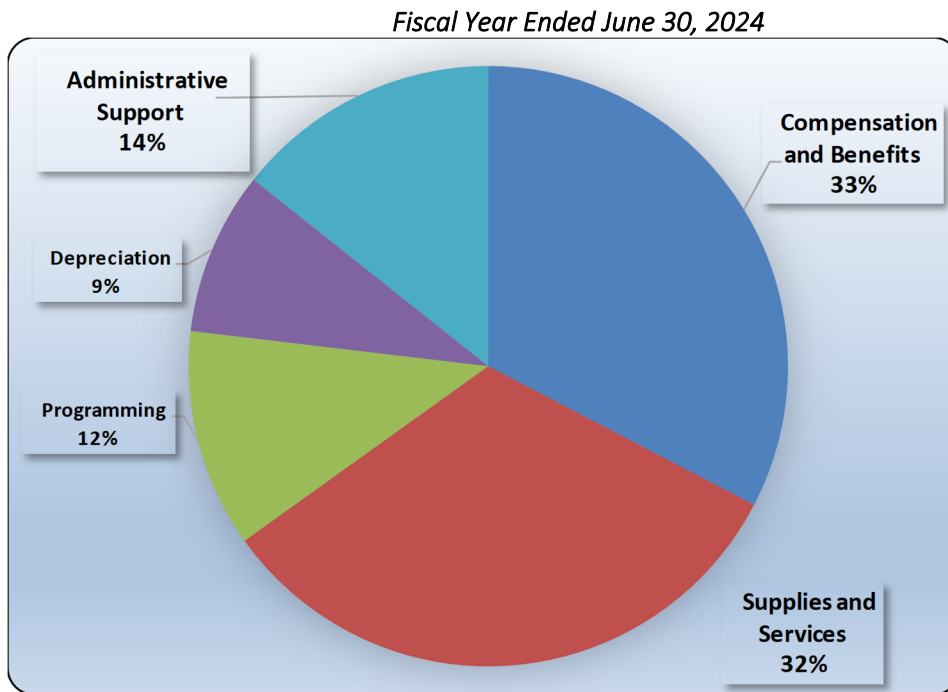
Fiscal Year 2023

When analyzing the natural classification of expenses, total expenditures decreased 4.4 percent. Significant changes include:

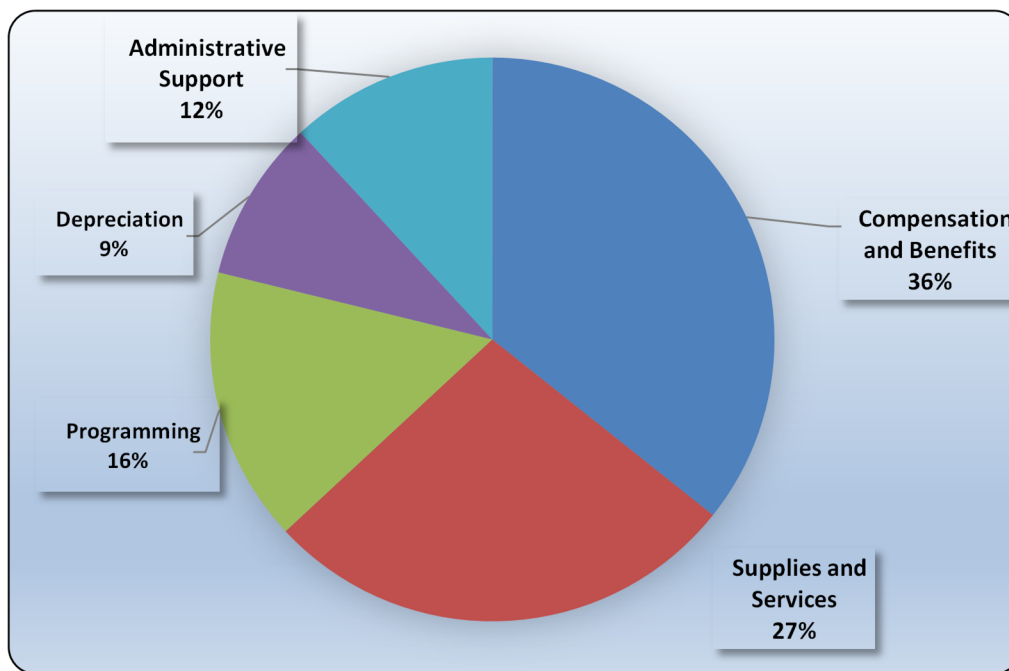
- The \$18,918 increase in compensation and benefits is primarily related to the 2 percent merit increase and the one-time payment for Station employees during 2023.
- The \$81,961 decrease in supplies and services was predominantly related to the television studio's lighting system repair project which occurred in fiscal year 2022.

- Programming costs increased 11.3 percent which was attributable to the acquisition of the new local programming from Jericho Road Productions.
- Depreciation increased \$36,149 as a result of the equipment purchases to provide datacasting.
- As mentioned beforehand, the administrative support decreased with the actuarial changes for the University's retiree postemployment benefit calculation.

Graphic illustration of total expenses by object for fiscal years 2024 and 2023 are shown below:



Fiscal Year Ended June 30, 2023



A summary of WVUT-TV's expenses by functional classification for the years ended June 30, 2024, 2023 and 2022 is as follows:

	2024	2023	2022
Operating Expenses			
Programming & Production	\$ 1,282,085	\$ 1,126,572	\$ 1,168,161
Broadcasting	128,987	118,774	91,354
Program Information & Promotion	26,825	2,333	13,600
Management & General	472,356	373,191	465,662
Fundraising & Membership Development	930	696	513
Depreciation	184,492	166,069	129,920
Total Operating Expenses	<u>\$ 2,095,675</u>	<u>\$ 1,787,635</u>	<u>\$ 1,869,210</u>

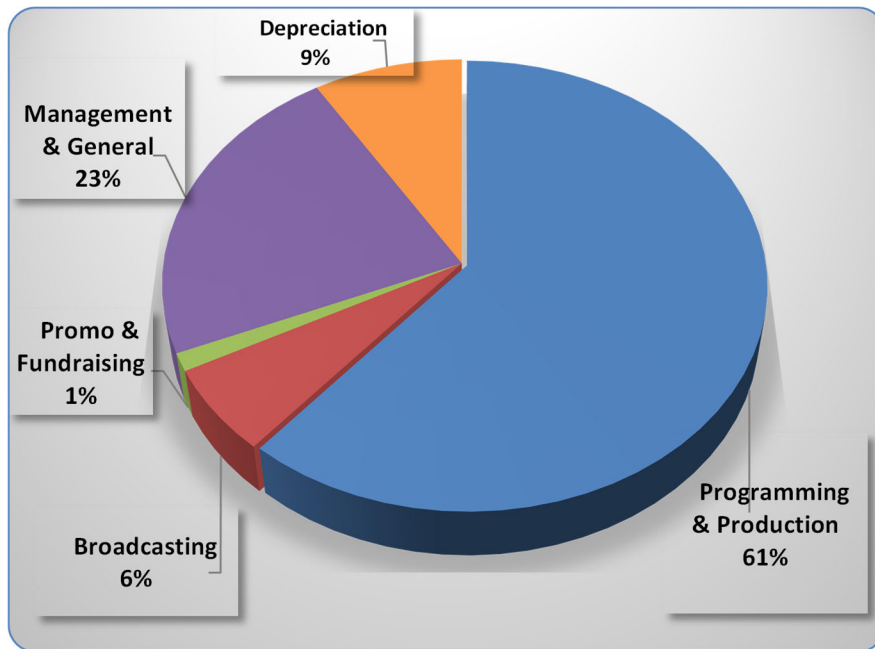
When analyzing the functional classifications over the past three fiscal years, the following factors have contributed to the changes within each cost category:

- The major reason for the increase from 2023 to 2024 and the decrease from 2022 to 2023 in programming and production costs is related to the 2024 studio automation and 2022 student lighting repair project. Programming and production costs leveled out in FY23 to normal spending.
- Broadcasting costs increased \$10,213 from 2023 to 2024. The majority of this increase is associated with the new tv antenna, which was installed for power increase, as well as ATSC 3.0. Broadcasting increased \$27,420 from 2022 to 2023 due to related professional services purchased to update the power supplies associated with the upgrade of the router.

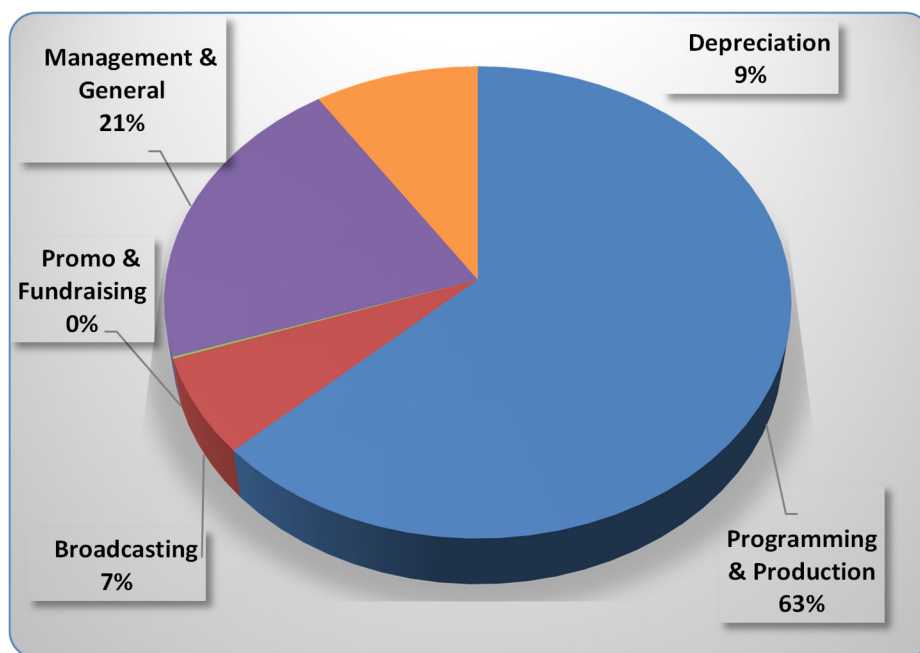
- In FY24, Management and general increased by \$99,165. The majority of this is attributed to the increase in contributed support by the University. Management and general costs decreased in FY23 by 19.9 percent as a result of the actuarial changes for the University's retiree postemployment benefit calculation which carried over to the calculation for WVUT-TV's indirect cost.

The graphic illustrations below present total expenses by function for fiscal years 2024 and 2023.

Fiscal Year Ended June 30, 2024



Fiscal Year Ended June 30, 2023



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. 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

WVUT-TV continues to strengthen its commitment to serving our local communities while prudently utilizing funding streams during challenging economic conditions.

While there may be a consistent concern for the possible decrease of federal support, WVUT-TV continues to receive level funding from Corporation for Public Broadcasting, the State of Indiana, 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.

WVUT-TV is organizing strategies to grow membership, as well as underwriting revenue for our broadcast signals. We are also working to create new revenue streams through digital efforts. Our recent investment of full studio automation has made it possible for an increase in local production efforts by requiring less staff in the studio. Those staff members are now focusing on creating more content which we are posting online, as well as inserting into broadcast programs.

WVUT-TV management is encouraged by current efforts to grow content which should lead to an increase of local revenue, while remaining hopeful that federal and state funding will remain consistent over the next year. Management will continue to be diligent in maintaining fiscally sound budgets and spending practices in order to weather the current economic conditions and outlooks.



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, 2024 and 2023

	<u>6/30/2024</u>	<u>6/30/2023</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,575,630	\$ 1,708,674
Accounts receivable	3,457	-
Lease receivable	16,342	15,843
Accrued interest income	595	634
Prepaid expense	9,002	14,305
Total current assets	<u>\$ 1,605,026</u>	<u>\$ 1,739,456</u>
Non-current assets:		
Lease receivable	\$ 221,095	\$ 237,437
Capital assets being depreciated	3,816,994	3,652,654
Less accumulated depreciation	(2,925,127)	(2,803,771)
Total non-current assets	<u>\$ 1,112,962</u>	<u>\$ 1,086,320</u>
Total assets	<u><u>\$ 2,717,988</u></u>	<u><u>\$ 2,825,776</u></u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 99,169	\$ 20,284
Total current liabilities	<u>\$ 99,169</u>	<u>\$ 20,284</u>
Deferred inflows		
Deferral of leases	\$ 215,802	\$ 235,420
	<u>\$ 215,802</u>	<u>\$ 235,420</u>
Net position		
Investment in capital assets	\$ 891,867	\$ 848,883
Restricted for station activities	940,992	854,887
Unrestricted	570,158	866,302
Total net position	<u>\$ 2,403,017</u>	<u>\$ 2,570,072</u>
Total liabilities, deferred inflows, and net position	<u><u>\$ 2,717,988</u></u>	<u><u>\$ 2,825,776</u></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, 2024 and 2023

	<u>6/30/2024</u>	<u>6/30/2023</u>
Operating revenue:		
Grants from Corporation for Public Broadcasting	\$ 866,007	\$ 786,627
Other grants and contracts	-	317,817
Memberships and underwriting	17,366	11,493
Contributed support	655,947	513,613
Total operating revenue	<u>\$ 1,539,320</u>	<u>\$ 1,629,550</u>
Operating expenses:		
Programming and production	\$ 1,282,085	\$ 1,126,572
Broadcasting	128,987	118,774
Program information and promotion	26,825	2,333
Management and general	472,356	373,191
Fundraising and membership development	930	696
Depreciation	184,492	166,069
Total operating expenses	<u>\$ 2,095,675</u>	<u>\$ 1,787,635</u>
Operating loss	<u>\$ (556,355)</u>	<u>\$ (158,085)</u>
Non-operating revenues:		
Governmental appropriations	\$ 359,411	\$ 352,063
Other non-operating revenues	29,889	31,041
Total non-operating revenues	<u>\$ 389,300</u>	<u>\$ 383,104</u>
Increase (decrease) in net position	<u>\$ (167,055)</u>	<u>\$ 225,019</u>
Net Position - beginning of year	2,570,072	2,345,053
Net Position - end of year	<u>\$ 2,403,017</u>	<u>\$ 2,570,072</u>

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

WVUT-TV
A Public TV Station Operated By Vincennes University
Statement of Cash Flows
For the Years Ended June 30, 2024 and 2023

	6/30/2024	6/30/2023
Cash flows from operating activities:		
Grants and contracts	\$ 862,550	\$ 1,106,013
Underwriting and other contributions	17,366	11,493
Contributed support	327,724	273,200
Payments to suppliers	(814,665)	(743,500)
Payments to employees	(500,233)	(467,121)
Payments for benefits	(183,874)	(171,218)
Net cash provided (used) in operating activities	\$ (291,132)	\$ 8,867
Cash flows from noncapital financing activities:		
Governmental appropriations	359,411	352,063
Other income	26,153	26,147
Net cash provided by noncapital financing activities	\$ 385,564	\$ 378,210
Cash flows from capital and related financing activities:		
Purchases of capital assets and construction	(227,476)	(430,871)
Net cash used in capital and related financing activities	\$ (227,476)	\$ (430,871)
Net decrease in cash and cash equivalents	\$ (133,044)	\$ (43,794)
Cash and cash equivalents - beginning of year	1,708,674	1,752,468
Cash and cash equivalents - end of year	\$ 1,575,630	\$ 1,708,674
Reconciliation of operating loss to net cash provided (used) in operating activities:		
Operating loss	\$ (556,355)	\$ (158,085)
Adjustments to reconcile operating loss to net cash provided (used) in operating activities:		
Depreciation expense	184,492	166,069
Changes in assets and liabilities:		
Accounts receivable	(3,457)	1,569
Prepaid expense	5,303	(13,111)
Accounts payable and accrued liabilities	78,885	12,425
Net cash provided (used) in operating activities	\$ (291,132)	\$ 8,867

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

WVUT-TV
A Public Television Station Operated by Vincennes University

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. Effective for the fiscal year ending June 30, 2023, the University implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. WVUT-TV financial statements were not impacted by the adoption of 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. The University generally uses an estimate based on municipal bond rate yield curves as the discount rate for leases, unless the actual rate charged by the lessor/vendor is known. 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 accrued accounts receivable payments not yet received. Management has concluded that no allowance for uncollectible accounts is necessary.

Lease receivable: The receivable reflects the present value of the expected future minimum lease payments, discounted by an applicable interest rate.

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.

WVUT-TV
A Public Television Station Operated by Vincennes University

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

Deferred inflows of resources: As prescribed by GASB Statement No. 63, the Statement of Financial Position reports a separate section for deferred inflows of resources. Deferred inflows of resources is an acquisition of net assets that is applicable to a future reporting period. Lease-related amounts are recognized at the inception of leases in which Vincennes University is the lessor and are recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that related to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

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.

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.

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

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

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

WVUT-TV
A Public Television Station Operated by Vincennes University

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies (continued)

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 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. These funds have no spending period.

Other Grants and Contracts – In fiscal year 2023, the Station entered into an agreement with the Indiana Public Broadcasting Station to purchase equipment for datacasting. This program is provided to K-12 public schools within the Station's viewing area. All funds were expended during fiscal year 2023.

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, 2024 and June 30, 2023 is \$1,575,630 and \$1,708,674, respectively.

WVUT-TV
A Public Television Station Operated by Vincennes University

Notes to Financial Statements

Note 3: Capital Assets

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

<u>2023-2024</u>	Beginning Balances 07/01/23	Increases	Decreases	Transfers	Ending Balances 06/30/24
Capital assets being depreciated:					
Building and improvements	\$ 401,036	\$ -	\$ -	\$ -	\$ 401,036
Equipment	3,251,618	227,476	63,136	-	3,415,958
Total capital assets being depreciated	\$ 3,652,654	\$ 227,476	\$ 63,136	\$ -	\$ 3,816,994
Less accumulated depreciation for:					
Building and improvements	\$ 261,652	\$ 9,728	\$ -	\$ -	\$ 271,380
Equipment	2,542,119	174,764	63,136	-	2,653,747
Total accumulated depreciation	\$ 2,803,771	\$ 184,492	\$ 63,136	\$ -	\$ 2,925,127
Total capital assets being depreciated, net	\$ 848,883	\$ 42,984	\$ -	\$ -	\$ 891,867
Capital assets, net	\$ 848,883	\$ 42,984	\$ -	\$ -	\$ 891,867

<u>2022-2023</u>	Beginning Balances 07/01/22	Increases	Decreases	Transfers	Ending Balances 06/30/23
Capital assets being depreciated:					
Building and improvements	\$ 401,036	\$ -	\$ -	\$ -	\$ 401,036
Equipment	3,387,051	430,871	566,304	-	3,251,618
Total capital assets being depreciated	\$ 3,788,087	\$ 430,871	\$ 566,304	\$ -	\$ 3,652,654
Less accumulated depreciation for:					
Building and improvements	\$ 251,924	\$ 9,728	\$ -	\$ -	\$ 261,652
Equipment	2,952,082	156,341	566,304	-	2,542,119
Total accumulated depreciation	\$ 3,204,006	\$ 166,069	\$ 566,304	\$ -	\$ 2,803,771
Total capital assets being depreciated, net	\$ 584,081	\$ 264,802	\$ -	\$ -	\$ 848,883
Capital assets, net	\$ 584,081	\$ 264,802	\$ -	\$ -	\$ 848,883

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, 2024 and 2023, are summarized as follows:

WVUT-TV
A Public Television Station Operated by Vincennes University

Notes to Financial Statements

Note 4: Functional Expenses (continued)

2024								
	PROGRAM SERVICES			SUPPORT SERVICES				
	Programming and Production	Broadcasting	Program Information and Promotion	Management and General	Fundraising and Membership Development	Total 6/30/2024	Total 6/30/2023	
Salaries, Wages & Benefits	\$ 563,923	\$ -	\$ -	\$ 120,185	\$ -	\$ 684,108	\$ 638,339	
Professional Services	2,475	24,242	-	25,944	930	53,591	37,765	
Supplies	92,458	564	1,334	5,833	-	100,189	84,155	
Occupancy	-	53,050	-	2,016	-	55,066	50,703	
Postage	-	-	-	405	-	405	209	
Advertising	-	-	25,491	-	-	25,491	2,304	
Conferences & Meetings	32,229	-	-	15,793	-	48,022	24,490	
Repairs & Maintenance	114,562	51,131	-	119	-	165,812	100,628	
Programming Costs	246,293	-	-	-	-	246,293	281,374	
Membership & Dues	230,145	-	-	1,838	-	231,983	189,186	
Administrative Support	-	-	-	300,223	-	300,223	212,413	
Depreciation	-	-	-	184,492	-	184,492	166,069	
Total	\$ 1,282,085	\$ 128,987	\$ 26,825	\$ 656,848	\$ 930	\$ 2,095,675	\$ 1,787,635	

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	\$ 522,341	\$ -	\$ -	\$ 115,998	\$ -	\$ 638,339	\$ 619,421	
Professional Services	-	12,573	-	24,496	696	37,765	25,262	
Supplies	60,888	17,686	29	5,552	-	84,155	90,474	
Occupancy	-	48,687	-	2,016	-	50,703	48,390	
Postage	-	-	-	209	-	209	147	
Advertising	-	-	2,304	-	-	2,304	3,513	
Conferences & Meetings	14,587	-	-	9,903	-	24,490	235	
Repairs & Maintenance	59,956	39,828	-	844	-	100,628	182,326	
Programming Costs	281,374	-	-	-	-	281,374	252,858	
Membership & Dues	187,426	-	-	1,760	-	189,186	221,054	
Administrative Support	-	-	-	212,413	-	212,413	295,610	
Depreciation	-	-	-	166,069	-	166,069	129,920	
Total	\$ 1,126,572	\$ 118,774	\$ 2,333	\$ 539,260	\$ 696	\$ 1,787,635	\$ 1,869,210	

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, 2024 and June 30, 2023 was \$300,223 and \$212,413 respectively.

WVUT-TV
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Notes to Financial Statements

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 the 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, 2024 and \$28,000 for fiscal year ended June 30, 2023.

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 \$327,724 and \$273,200 for the years ended June 30, 2024 and June 30, 2023, 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 the 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 \$851,249 for the fiscal year 2023-24 and \$744,477 for the fiscal year 2022-23.

The liability, for medical claims but not reported at June 30, 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, 2024 and 2023 were as follows:

WVUT-TV
A Public Television Station Operated by Vincennes University

Notes to Financial Statements

Note 8: Risk Management (continued)

	2024	2023
Balance, beginning of year	\$ 744,477	\$ 658,533
Claims incurred	14,067,306	11,544,091
Claim payments	<u>(13,960,534)</u>	<u>(11,458,147)</u>
Balance, end of year	<u>\$ 851,249</u>	<u>\$ 744,477</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% invested 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>.

Note 10: Lessor Arrangement

The University leases space on its cell tower to the Integrated Public Safety Commission. In accordance with GASB Statement No. 87, Leases, the University records lease receivables and deferred inflows of resources based on the present value of expected receipts over the term of the respective leases. The expected receipts are discounted using the interest rate charged on the lease. If the lease does not include a stated interest rate, municipal bond rate yield curves are used as the discount rate for calculating present value. Variable payments are excluded from the valuations unless they are fixed in substance. During the years ended June 30, 2024 and 2023, the University recognized revenue, including interest income, related to this lease agreement totaling \$27,261 and \$28,367, respectively.

OTHER REPORTS

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