

**THE TRUSTEES of INDIANA UNIVERSITY (“INDIANA UNIVERSITY”)
Annual Financial Information Disclosure Document
December 14, 2023**

This filing relates to the following bonds outstanding as of June 30, 2023 for the issues occurring in the month and year specified:

Indiana University Student Fee Bonds, Series W-1 & W-2: January 2015
Indiana University Student Fee Bonds, Series X: August 2016
Indiana University Student Fee Bonds, Series Y: October 2018
Indiana University Student Fee Bonds, Series Z-1 & Z-2: June 2020

Indiana University Consolidated Revenue Bonds, Series 2015A: April 2015
Indiana University Consolidated Revenue Bonds, Series 2016A: April 2016
Indiana University Consolidated Revenue Bonds, Series 2020A & 2020B: March 2020

Indiana University Certificates of Participation, Series 2013A: March 2013

Indiana University Lease Purchase Obligations, Series 2015A: May 2015
Indiana University Lease Purchase Obligations, Series 2017A: March 2017
Indiana University Lease Purchase Obligations, Series 2020A & 2020B: March 2020

Indiana University Commercial Paper, Series 2018A: May 2018
Indiana University Commercial Paper, Series 2021A: April 2021
Indiana University Commercial Paper, Series 2023A: May 2023

Exhibit A – Audited Financial Statements for the Fiscal Year Ended June 30, 2023
Exhibit B – Certificate RE: Audited Financial Statements
Exhibit C – Certificate RE: Annual Financial Information Disclosure
Schedule I to Exhibits B and C

INDIANA UNIVERSITY

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INDIANA UNIVERSITY

Overview

Indiana University (the “University” or “IU”) is a major public research institution and one of the largest universities in the nation. It was established by the Indiana General Assembly (the “General Assembly”) in 1820 as Indiana Seminary located in Bloomington. It was designated as Indiana College by the General Assembly in 1828 and became Indiana University in 1838. The University has core campuses in Bloomington and Indianapolis (Indiana University Purdue University at the Indianapolis Campus (“IUPUI”)) (see “Subsequent Events” and “Vision for Indianapolis Campus”). Indiana University and Purdue University Columbus, which becomes IU Columbus on July 1, 2024, and IU Fort Wayne are extensions of IU’s Indianapolis campus. Regional campuses serving other areas of Indiana are located in Gary (“Northwest”), Kokomo, New Albany (“Southeast”), Richmond (“East”), and South Bend (collectively, “Regionals”). Indiana University offers 232 online academic programs and majors marketed through the IU Online brand. As of June 30, 2023, the various campuses of the University covered a total of 3,703 acres. The Bloomington campus is the oldest and largest campus of the University, occupying 1,954 acres, and is the primary residential campus. IUPUI is the home of the Indiana University School of Medicine, the School of Dentistry, and the School of Nursing. IU’s Global Gateway Network consists of the following gateways: ASEAN (Bangkok), China (Beijing), Europe (Berlin), Mexico (Mexico City), and India (New Delhi). They support international engagement for faculty, students, alumni and staff aiming to create new opportunities for research, partnerships, conferences, workshops, study abroad, and internships.

United by an aspirational vision for IU’s third century, IU 2030: The Indiana University Strategic Plan (“IU 2030”) outlines an ambitious and shared path, reaffirming the university’s rightful place within the highest tier of American public higher education. Its three foundational pillars include commitments to:

- Affordability and a student experience that equips graduates for resounding success in the workplace and beyond.
- The pursuit of discovery, creativity, and innovation that improves communities and changes lives.
- Engagement, partnership, and collaboration that strengthens the vitality of Indiana, the nation, and the world.

Vision for Indianapolis Campus

Indiana’s two world-class public research universities, Indiana University and Purdue University, are transforming their 53-year-old collaborative IUPUI vision with the creation of separate and independent urban campuses in the capital city: Indiana University Indianapolis and Purdue University in Indianapolis. The Musical Arts and Technology Program in the Purdue School of Engineering and Technology will transition to the IU Herron School of Art and Design, effective January 1, 2024.

The creation of independent campuses will enable the two higher education powerhouses to build upon their incredible legacies of excellence and impact to meet the needs of Indiana and its capital city for decades to come. Leveraging the strength of globally respected reputations independently, IU, Purdue and the state of Indiana (the “State”) will each benefit from recently announced plans by each institution to expand extensive academic and research portfolios, increase talent attraction and retention programs, and invest millions of dollars in both individual and collaborative efforts.

With the June 14, 2023 action by the Indiana University and Purdue University Boards of Trustees, all academic programs at IUPUI will transition to become part of IU Indianapolis in July 2024, with the exception of the Purdue School of Engineering and Technology and Computer Science within the School of Science, which will become part of Purdue University in Indianapolis.

Thanks to dedicated appropriations from the General Assembly, IU will significantly expand and renovate research and laboratory facilities to support growing numbers of STEM (science, technology, engineering and mathematics) faculty, including through the School of Science. To meet crucial talent and research needs, IU is also expanding the nation’s first school of informatics — the Luddy School of Informatics, Computing and Engineering — in Indianapolis. IU Indianapolis will offer new programs, including in applied computer science, while pursuing

significantly expanded student enrollment at the Luddy School. These efforts will be central to IU's recently announced SciTech Corridor, to be located at Michigan and West streets. The corridor will serve as a focal point for ever-expanding research and academic programs that will enhance the vitality of the State with increased research funding, industry partnerships and business ventures, and hundreds — and eventually thousands — of additional STEM graduates to bolster the talent pool for Indiana employers.

Drawing on the expertise of top-tier faculty on its core research campuses in Bloomington and Indianapolis, as well as the nation's largest medical school, IU will also launch the Convergent Bioscience and Technology Institute and the Institute for Human Health and Wellbeing. Aligned to the IU 2030 strategic plan, these Indianapolis-based institutes will drive transformative research in the areas of health, medicine, life sciences and technology, while equipping IU to nimbly address emerging disciplines. These institutes will also be located in the new SciTech Corridor.

IU Indianapolis will also enhance the integration of its science programs with the IU School of Medicine and other allied health science schools, expanding the number of students who will be prepared for health-science-based careers, improving the pipeline of doctors and nurses and keeping more graduates in the State.

In addition, IU will have responsibility for providing certain administrative services for both universities and for the intercollegiate athletic program. IU will continue to provide transformative educational experiences for the more than 20,000 students in other IU programs such as business, law, nursing, social work and a wide range of other academic disciplines.

Forward-looking Statements

Certain information contained in this document, including in particular, that titled "Vision for Indianapolis Campus," "Student Enrollment," "Tuition and Fees - Student Budget," "COVID-19 Pandemic," "Operating Budget and Related Procedures," "State Appropriations to the University," and "Capital Financing Plan" and under the annual financial report accompanying this document contains "forward-looking statements" based on current expectations, estimates, forecasts and projections about and assumptions made by the University. These forward-looking statements may be identified by the use of forward-looking terms such as "may," "will," "expects," "believes," "anticipates," "plans," "estimates," "projects," "targets," "forecasts," and "seeks" or the negatives of such terms or other variations on such terms or comparable terminology. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that could cause actual outcomes and results to differ materially. These risks and uncertainties include demographic changes, demand for higher education services and other services of the University, competition with other higher education institutions and general domestic and international economic conditions including those of the State. Additionally, certain information contained in this document titled "Financial Operations of the University," "Physical Plant," is from current and/or prior audited IU annual financial reports and from "Risk Management" to "Subsequent Events" are taken from the accompanying notes and Required Supplementary Information which are part of the Indiana University Annual Financial Report 2022-23 (audited) with the same titles. The "Indiana University Foundation - Indiana University Foundation Financial Summary" is from the Indiana University Foundation or the current and/or prior audited financial reports of the Indiana University Foundation (the "Foundation"). "Sources of Payment for Indebtedness" is from official statements for consolidated revenue bonds, certificates of participation, or lease purchase obligations or offering memorandum or its supplement for commercial paper. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates. The University disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Accreditations and Memberships

At Indiana University, each campus is fully accredited by the Higher Learning Commission. All programs of study are fully accredited by the appropriate accrediting agencies. The University has been a member of the Association of American Universities since 1909.

Academic Colleges, Schools & Divisions of the University

The University offers courses in the colleges, schools, and divisions listed below. Many courses are available in online and hybrid formats. Additional programs include military science, professional practice, and special summer session programs. IU is home to renowned business and music schools, the world's first school of philanthropy, the nation's first school of informatics, which is in Bloomington and Indianapolis, and the largest medical school.

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The schools, colleges and divisions at the University’s campuses are as shown as of fall 2023.

University Schools, Colleges and Divisions ¹

Bloomington

College of Arts and Sciences
 Eskenazi School of Art, Architecture + Design
 Hamilton Lugar School of Global and
 International Studies
 The Media School
 Hutton Honors College
 Indiana University Graduate School Bloomington
 Jacobs School of Music
 Kelley School of Business
 Luddy School of Informatics, Computing, and
 Engineering
 Maurer School of Law
 Paul H. O’Neill School of Public and
 Environmental Affairs
 School of Education
 School of Medicine - Bloomington
 School of Nursing
 School of Optometry
 School of Public Health - Bloomington
 School of Social Work
 University Division

IUPUI

Herron School of Art and Design
 Honors College
 IU-Fort Wayne
 Richard M. Fairbanks School of Public Health
 School of Dentistry
 School of Health and Human Sciences
 School of Medicine – Fort Wayne
 School of Nursing
 School of Social Work
 IUPU-Columbus
 Division of Business
 Division of Education
 Division of Health Sciences
 Division of Liberal Arts
 Division of Science
 Honors Program
 University College
 Kelley School of Business
 Lilly Family School of Philanthropy
 Luddy School of Informatics, Computing, and
 Engineering
 Paul H. O’Neill School of Public and
 Environmental Affairs
 Richard M. Fairbanks School of Public Health
 Robert H. McKinney School of Law
 School of Dentistry
 School of Education

IUPUI continued

School of Engineering and Technology (Purdue) ²
 School of Health and Human Sciences
 School of Liberal Arts
 School of Medicine – Indianapolis
 School of Nursing
 School of Science ²
 School of Social Work
 University College
 University Graduate School - Indianapolis

East

School of Business and Economics
 School of Education
 School of Humanities and Social Sciences
 School of Natural Science and Mathematics
 School of Nursing and Health Sciences
 School of Social Work

Kokomo

School of Business
 School of Education
 School of Humanities and Social Sciences
 School of Nursing and Allied Health Professions
 School of Sciences

Northwest

College of Arts and Sciences
 School of the Arts
 College of Health and Human Services
 School of Medicine - Gary
 School of Nursing
 School of Public and Environmental Affairs
 School of Social Work
 School of Business and Economics
 School of Education

South Bend

College of Liberal Arts and Sciences
 Ernestine M. Raclin School of the Arts
 Judd Leighton School of Business and
 Economics
 School of Education
 School of Medicine – South Bend
 School of Social Work
 Vera Z. Dwyer College of Health Sciences

Southeast

School of Arts and Letters
 School of Business
 School of Education
 School of Natural Sciences
 School of Nursing
 School of Social Sciences

¹ The Indiana University School of Medicine also operates in Evansville, Muncie, Terre Haute and West Lafayette.

² Provides either Indiana University or Purdue University degree offerings. Starting in the fall of 2024, the new Bachelor’s to MD (B/MD) pathway to medicine program will provide a direct path to admission at the IU School of Medicine for eligible first-year students directly admitted to the School of Science. See “Subsequent Events.”

Authorized Degree Programs and Degrees Conferred

For the 2022-2023 academic year, 1,492 Indiana University degree and certificate programs, including some offered through online education, were authorized and implemented on the University's campuses. Four-year programs leading to baccalaureate degrees account for 523 programs. Advanced degrees (doctoral and professional) and master's degrees account for 546 programs. Associate degrees account for 17 programs. Certificates account for 406 programs.

During the 2022-2023 academic year ended, the University awarded a total of 20,978 degrees consisting of 135 associate degrees, 13,513 bachelor's degrees, 5,712 master's degrees, 1,618 professional and doctoral degrees, and also granted 619 undergraduate certificates, and 637 graduate certificates.

The Board of Trustees of the University

The University is governed by a nine-member Board of Trustees ("Trustees"), which under Indiana statutes has policy and decision-making authority to carry out the programs and missions of the University. Five of the members of the Board of Trustees are appointed by the Governor for three-year terms. Three trustees are elected by the alumni of the University for three-year terms, with one alumnus trustee being elected each year. One trustee position must be a full-time student of the University, who is appointed by the Governor for a two-year term. Certain officers of the Board of Trustees are not members.

The current members and officers of the Board of Trustees are listed below:

<i>Board of Trustees Members</i>	
W. Quinn Buckner	Vice President of Communications, Pacers Sports and Entertainment
Cathy Langham	President and CEO, Langham Logistics, Inc.
Cindy Lucchese	Chief Strategy Officer (retired), Penske Entertainment
Jeremy A. Morris	Senior Counsel, Taft
J. Timothy Morris	Founder and Partner, Proprium Capital Partners
Kyle S. Seibert	MPA Student, O'Neill School, IU Bloomington
Donna B. Spears	Associate Broker, Coldwell Banker Lingle.
Isaac Torres	President and CEO of InterCambio Express
Vivian Winston	Lecturer, Kelley School of Business, IU Bloomington (retired)

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Board of Trustees Officers

W. Quinn Buckner	Chair of the Trustees
Cindy Lucchese	Vice Chair of the Trustees
Donald S. Lukes	Treasurer of the Trustees
Dwayne L. Pinkney	Assistant Treasurer of the Trustees
Andrea Havill	Secretary of the Trustees
Anthony Prather	Assistant Secretary of the Trustees

Administrative Officers of the University

As the chief executive of the University, the President is appointed by the Trustees and is responsible for the operation of the entire University within the framework of policies approved by the Trustees. The President is responsible for accomplishing the objectives of the University, for determining missions and priorities for its various units, and for the effective and efficient planning, use, and management of its resources. The following is a list of University officers.

Pamela Whitten	President
Jay L. Hess	Executive Vice President for University Clinical Affairs
Carol Anne Murdoch-Kinch ¹	Interim Executive Vice President and Chancellor, IUPUI
Dwayne L. Pinkney	Executive Vice President Finance and Administration
Latha Ramchand ²	Executive Vice President and Chancellor, IUPUI
Rahul Shrivastav	Executive Vice President and Provost, Indiana University Bloomington
Scott Dolson	Vice President and Director of Intercollegiate Athletics
Michael Huber	Vice President for University Relations
Hillary Kahn ³	Interim Vice President for International Affairs
Rob Lowden	Vice President for Information Technology and Chief Information Officer
Thomas A. Morrison	Vice President for Capital Planning and Facilities
Russell J. Mumper	Vice President for Research
Nancy Paton	Vice President and Chief Communications and Marketing Officer
Julie Payne-Kirchmeier	Vice President for Student Success
Anthony Prather	Vice President and General Counsel
Todd Richardson	Vice President and Chief Human Resources Officer
Susan Sciame-Giesecke	Vice President for Regional Campuses and Online Education
James C. Wimbush	Vice President for Diversity, Equity, and Inclusion
Mark Canada	Chancellor of Indiana University Kokomo
Susan Elrod	Chancellor of Indiana University South Bend
Ken Iwama	Chancellor of Indiana University Northwest
Deborah Ford	Chancellor of Indiana University Southeast
Dennis M. Rome	Chancellor of Indiana University East

¹ Through February 11, 2024.

² Beginning February 12, 2024; effective July 1, 2024, title will become Executive Vice President and Chancellor, IU Indianapolis.

³ Vice President Hannah Buxbaum is on leave during the 2023-24 school year.

The following are President Emeriti of the University, with most recent listed first:

Michael A. McRobbie	President Emeritus of the University
Adam W. Herbert	President Emeritus of the University
Thomas Ehrlich	President Emeritus of the University

These are brief biographical sketches of certain officers:

PAMELA WHITTEN – Pamela Whitten is the 19th president of Indiana University and the first woman to lead IU, a world-class public research university with seven campuses throughout Indiana. Under her leadership, IU has emphasized three central pillars: providing broad access to an education for all students from Indiana and beyond; pursuing world-class research, scholarship and creative activity; and making meaningful contributions to improving Hoosier health and the economic, social, civic and cultural development of the State and the world. She has accelerated the University's efforts to hire and retain diverse faculty and researchers, strengthened IU's commitment to sustainability, and renewed its focus on student mental health. To help provide the world-class higher education and research capabilities Indiana's economy needs, Whitten announced a bold new vision for the Indianapolis campus that will transform IUPUI into IU Indianapolis by the start of the 2024 academic year. This reimagined structure creates more opportunities for students and positions graduates of the Indianapolis campus to make an even more significant impact on the State. She also leads the implementation of IU 2030, a visionary strategic plan that outlines an ambitious path to new heights for the entire University. Before joining IU, Whitten held various leadership roles in higher education, including at Michigan State University, the University of Georgia, and Kennesaw State University, where she served as president. She is an internationally recognized expert in the field of telemedicine, holding a Ph.D. in communication studies and a Master of Arts in communication.

WAYNE L. PINKNEY – Dwayne Pinkney was named Executive Vice President for Finance & Administration, effective March 1, 2022. Pinkney serves as a strategic advisor to the president, recommending financial and administrative objectives, policies, programs, and practices in support of a sound financial structure for the University. Working with the president and her senior leadership colleagues, Pinkney leads multiple teams responsible for long-range financial planning, budget planning, capital financing and investments. Additionally, he oversees public safety. Prior to this role, Pinkney was the Senior Vice President and Chief Business Officer at Virginia Tech University. He has an accomplished track record of successful leadership in productivity improvement, change management and program/project management initiatives, with more than 25 years of experience in budget and financial management in state government and higher education. Pinkney received his Ph.D. in political science at University of North Carolina-Chapel Hill and a master's degree in public administration from the University of Pittsburgh. He has a bachelor's degree in English and journalism from North Carolina Agricultural and Technical State University.

DONALD S. LUKES – Donald Lukes was named University Treasurer in July 2015 and Treasurer of the Trustees effective August 2015, after previously serving as Associate Vice President & Associate Treasurer since April 2014 and Assistant Treasurer of the Trustees since August 2014. Lukes is responsible for Capital Finance, Insurance and Loss Control, Investments, Treasury Operations, and University Bursar. Before joining the staff of Indiana University, Lukes spent ten years in the energy and utility industry. Lukes also has four years' experience in public accounting and is a Certified Public Accountant. Lukes graduated with a B.S. in Accounting and an M.B.A. in Finance and Strategic Management from the IU Kelley School of Business.

Facilities/Services

Square Footage of Facilities As of fall 2023, there were 822 buildings on the IU campuses, excluding Fort Wayne, encompassing 36.6 million gross square feet, of which approximately 20.9 million square feet are assignable to operating units. As of fall 2022, there were 822 buildings on the IU campuses, excluding Fort Wayne.

Library Facilities The University's library system serves all campuses with separate collections as well as interlibrary loan programs. As of June 30, 2023, the library system holdings included 14.9 million volumes. The University's libraries are open to the general public as well as University faculty and staff; with the exception of the IUPUC library which is only open to IUPUC students, faculty and staff in addition to those at Ivy Tech Community

College and the Purdue University College of Technology; and the Ruth Lilly Medical Library which serves IU School of Medicine students, staff, residents and faculty at all the medical campuses.

The Lilly Library on the Bloomington campus houses the University’s collections of rare books and manuscripts. Its holdings number more than 480,000 books, over 8,500,000 manuscripts and 150,000 pieces of sheet music.

Information Technology Services University Information Technology Services (“UITs”) is responsible for the continued development of a high-performance computing and communications infrastructure and the information technology environment that contains tools and services that support the University’s academic, research, and administrative work, including a high-speed campus network with wireless access; central web hosting; tools and support for instruction and research; supercomputers for data analysis and visualization; thousands of virtual servers in the state-of-the-art, disaster-resistant Data Center; and hundreds of public-access, Internet-connected workstations. Interconnecting these resources is a high-speed statewide fiber optic network connecting all University campuses. The network is connected to national and international research and education networks, such as the Internet2 Network. UITs has offices at IU Bloomington, IUPUI, IU East, IU Kokomo, IU Northwest, IU South Bend, and IU Southeast. UITs is composed of eight divisions: Research Technologies; Learning Technologies; Client Technology Support; Enterprise Support Services; Enterprise Systems; Institutional Analytics; Regional Campuses; and Networks, all working together to support the University community in its use of information technology. UITs reports to the Office of the Vice President for Information Technology and Chief Information Officer, which provides leadership for the continued development of information technology at IU.

Research Facilities As of fall 2023, the University had approximately 1.2 million assignable square feet of laboratories and service areas used for research purposes, primarily on the Bloomington and IUPUI campuses. The nature and function of this research space ranges from highly specialized to broad multi-disciplinary uses, with an emphasis on life and medical sciences.

Housing Facilities All undergraduate first-year students on the Bloomington campus are required to live in on-campus housing facilities, unless an exemption is granted. Residence halls are based on beds. The total number of beds and occupancy are summarized in the following table:

University Owned Housing and Occupancy								
Semester Campus ¹	Fall 2022				Fall 2023			
	IUB	IUPUI	IUSB	IUS	IUB	IUPUI	IUSB	IUS
University Owned Beds Available	12,621	2,400	386	395	11,943	2,464	388	395
University Beds Filled	12,289	2,400	366	331	11,848	2,376	379	382
Occupancy Percentage	97%	100%	97%	84%	99%	96%	97%	97%

Source: Respective campus housing departments

¹IUB is Bloomington campus. IUPUI is Indiana University Purdue University at the Indianapolis Campus. IUSB is South Bend campus. IUS is Southeast campus. Other Regionals have no student residence facilities.

On the Bloomington campus, as of fall 2023, approximately 7,802 undergraduate students participated in Sorority and Fraternity Life in 69 fraternities and sororities at Indiana University Bloomington (35 fraternities and 34 sororities). There are 20 fraternities and 20 sororities providing on-campus housing for 3,281 of their members.

On August 25, 2023, the Board of Trustees granted approval for Indiana University to pursue a ground lease that will facilitate the development of on-campus university-affiliated apartment housing in Bloomington. According to the plan, BPIU Partners LLC will design, construct and finance a six-story, 158-unit housing project at the site of

the former Poplars building to be operated and maintained by Buckingham Management LLC, an affiliate of BPIU Partners. The facility is anticipated to open for the 2026-27 academic year. Unit rental will be prioritized for IU graduate students, who were the primary occupants of on-campus facilities that were demolished in 2020 and 2022 after having exceeded their useful life. Following IU graduate students, rental priority in the new facility will be assigned to IU faculty, staff, employees, undergraduate students and affiliates such as visiting scholars. The housing project will provide 394 beds and include furnished studio and one-, two-, three- and four-bedroom apartments; lounge, study and fitness areas; and a leasing office.

Parking Facilities Parking space is provided for faculty, staff, students and visitors on all University campuses. Use of all parking areas and parking facilities is generally limited to paid permit holders, except for those garages and surface lots provided for visitors that are controlled by daily parking rates. Parking is available at twenty-two garages on four campuses and at various surface lots on all University campuses.

Athletic Facilities Indiana University’s Bloomington campus is home to the 53,454-seat Memorial Stadium for football (which includes Excellence Academy, Shuel Academics Center, Terry Tallen Indiana Football Complex, and the Wilkinson Performance Center) along with 17,222-seat Simon Skjodt Assembly Hall for basketball. Additional facilities include Andy Mohr Field, Bart Kaufman Field, Bill Armstrong Stadium (Jerry Yeagley Field and Jerry F. Tardy Center), Cook Hall, Dale England Rowing Center, Gladstein Fieldhouse, Henke Hall of Champions, the IU Field Hockey Complex, John Mellencamp Pavilion, the Pfau Course at Indiana University, Robert C. Haugh Track & Field Complex (Hayes Track), Sam Bell Cross Country Course, Wilkinson Hall, varsity tennis outdoor courts, and other athletic facilities. The IUPUI campus is home to the IU Natatorium and the Michael A. Carroll Track, Soccer Stadium, and other athletic facilities. Other Regionals have various athletic facilities.

Other Facilities Some of the University's other facilities include extensive science and medical teaching laboratories; observatories; television and radio studios; music, theatre, and performance facilities; fine art studios; museums of art and archaeology; Bradford Woods – a 2,500 acre outdoor educational facility; and several off-campus research and teaching preserves that are not included in on-campus acreage reported.

Faculty and Staff

The following table shows the Full Time Equivalent (“FTE”) Faculty and Staff of the University for the years shown:

Full Time Equivalent Faculty and Staff			
Fall Semester	Instructional Faculty and Administrators ¹	Staff ²	Total FTE
2019	6,464	13,364	19,828
2020	6,522	13,172	19,694
2021	6,632	12,623	19,255
2022	7,099	12,739	19,838
2023	6,950	13,251	20,201

Source: Indiana University Institutional Analytics

¹ Instructional Faculty and Administrators are defined as Academic Staff who are Tenure/Tenure Track Faculty, Non Tenure Track Faculty and Executive/Administrators with faculty status.

² Staff are defined as Academic Professionals, Executive/Administrators without faculty status, and Support Staff: Professional, Administrative (secretarial/clerical), Functional (paraprofessional/technical), and Infrastructure (skilled crafts, service/maintenance). University employees represented by unions are a subset of the reported staff figure.

The percentages of faculty at the University’s Bloomington and IUPUI campuses who had tenure were 73% and 68%, respectively, as of the fall semester of 2023. Percent of tenured faculty is calculated by dividing the number of full-time faculty and administrators who are tenured by the total number of full-time faculty and administrators who are eligible for tenure. As of the fall semester of 2023, 97% of Bloomington campus faculty (including visiting faculty) and academic administrators with professional rank held a doctoral or professional degree. This percentage was 95% at IUPUI and 83% at the other campuses.

Indiana University recognizes four employee unions, which include: the International Alliance of Theatrical Stage Employees (“IATSE”) for stagehand employees on the Bloomington campus; the American Federation of State, County and Municipal Employees (“AFSCME”) Service Staff, for certain custodian, craft, maintenance and food service personnel on the Bloomington, IUPUI, East, and South Bend campuses; AFSCME Police for certain police officers on the Bloomington, IUPUI, East, Kokomo, Northwest, South Bend, and Southeast campuses; and the Communications Workers of America (“CWA”) for certain clerical, technical, and support personnel on the Bloomington and Northwest campuses. In total, these four employee unions currently provide exclusive representation to over 3,000 University employees across all campuses, excluding Fort Wayne. University administration meets and confers with each union about specific working conditions under the framework of “Conditions for Cooperation,” a policy statement adopted by the Trustees, but does not negotiate collective bargaining agreements. As an instrumentality of the State, the University and its employees are not subject to the provisions of the National Labor Relations Act, as amended, but are governed by State law, which prohibits strikes by public employees. Each union’s status as exclusive representative of certain University employees is conditioned upon their disavowal of the right to strike in accordance with such law and Trustees policy.

Student Quality

For fall 2023, of University beginner students (degree seeking undergraduate student enrolled in the fall semester that began this semester or in either of the preceding summer sessions, “Beginner”), 83.3% ranked in the upper 50% of their high school class, 49.1% ranked in the upper 25% of their high school class, and 21.5% ranked in the top 10% of their high school class. For fall 2023, of Bloomington campus beginning students, 93.8% ranked in the upper 50% of their high school class. During the same period, 63.4% of beginning students ranked in the upper 25% of their high school class, and 31.0% of beginning students ranked in the top 10% of their high school class.

All IU campuses have test-optional admissions. IU became test-optional to increase access and equity among low- and middle-income students, first-generation students, and underrepresented minorities. Also, some applicants felt that their standardized test scores did not accurately reflect their academic potential. Additionally, there were some challenges related to standardized test administration because of the COVID-19 Pandemic (both later defined). The following table shows the average math and verbal score on the Scholastic Aptitude Test (“SAT”) over the past five years for beginning students new to the University, regardless of class, and excluding transfer students to the University, as compared to the national average math and verbal composite:

Undergraduate Beginner Average SAT Scores ¹		
Fall Semester	Indiana University	National
2019	1163	1059
2020	1156	1051
2021	1221	1060
2022	1235	1050
2023	1222	1028

Source: Indiana University Institutional Analytics

¹ Prior to fall 2021, SAT reflected all beginners. As of fall 2021, which is the first fall semester when all applicants would have known of the test-optional admission policy by the November 1st early action (non-binding) deadline to receive highest scholarship consideration on certain IU campuses, the IU figure reflects beginners who self-selected to submit SAT scores. As of fall 2023, only 38.0% of applicants self-selected to submit SAT scores.

Student Admissions

Of Indiana University's total fall 2023 degree-seeking enrollment, students come from all 50 states, Washington D.C., US Territories, and 170 foreign countries. Students from Indiana make up 63% of the student population. Out-of-state students make up 24% of the student population and students from foreign countries make up 13% of the student population.

The following table sets forth the total number of beginning student applications received, applications accepted, percent accepted, and the percent of acceptances for beginning students who enrolled. These numbers are aggregate numbers, combined for all campuses.

Undergraduate Applications and Enrollments ¹				
Fall Semester	Applications Received	Applicants Accepted	Percent Accepted	Percent of Accepted Enrolled
2019 ²	70,873	55,212	77.9	29.3
2020	72,415	58,039	80.1	25.9
2021	70,963	60,378	85.1	25.9
2022	75,476	62,371	82.6	25.5
2023	81,355	65,580	80.6	23.9

Source: Indiana University Institutional Analytics

¹ Figures reflect all beginning students new to the University, regardless of class, excluding transfers. Beginning students are defined by their matriculation in the fall, or the preceding summer session, as degree-seeking students. Students who began taking college level coursework while in high school and are enrolled as a traditional beginning student during the fall or the preceding summer session are also included. This methodology is consistent with external reporting requirements.

² As of fall 2019, applicants to IUPUI may apply electronically via “Apply IU” or the Common Application.

Student Enrollment

Headcount enrollments (“HC”) for Bloomington, IUPUI and Regionals of the University for the fall semester are shown in the following table.

Total Official Headcount Enrollment by Campus ¹				
Fall Semester	Bloomington	IUPUI	Regionals	Total Enrollment IU Campuses
2019	43,260	29,537	20,781	93,578
2020	43,064	29,390	20,082	92,536
2021	45,328	27,690	18,066	91,084
2022	47,005	25,979	17,081	90,065
2023	47,527	25,497	17,120	90,144

Source: Indiana University Institutional Analytics

¹ Figures exclude high school students taking reduced fee dual credit courses while in high school referred to as the Advanced College Program (“ACP”) students.

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Projected headcount enrollments for Bloomington, IUPUI and Regionals of the University for the fall semesters are as shown in the following table.

Projected Headcount Enrollment by Campus ^{1,2}				
Fall Semester	Bloomington	IUPUI	Regionals	Total Enrollment IU Campuses
2024	48,945	21,597	16,639	87,181
2025	49,261	21,543	16,637	87,441
2026	48,971	21,311	16,644	86,926
2027	49,074	21,381	16,614	87,069

Source: Indiana University Institutional Analytics

¹ The projections presented in this table were prepared based on the Fall 2023 Enrollment Study. No representation can be made as to the ability of the University to achieve these projections. The figures shown within the Total Official Headcount Enrollment by Campus table were used as the basis.

² Starting Fall 2024, IUPUI will transition to Indiana University Indianapolis and the Purdue School of Engineering and Technology and Computer Science within the School of Science will no longer be offered through IU Indianapolis or IU Columbus. Due to this, enrollment in these programs will no longer be recorded by IU. See “Vision for Indianapolis Campus” section.

The following table sets forth the total official and projected headcount enrollment of undergraduate and graduate and professional students, combined for all campuses, for the fall semester of the years indicated. The table also includes full-time equivalent enrollment and fiscal year credit hours taken.

Undergraduate and Graduate Headcount Enrollment, Full-Time Equivalent Enrollment and Total Fall Credit Hours Taken					
Fall Semester	Undergraduate Headcount	Graduate & Professional HC	Total HC Enrollment IU Campuses	Full-Time Equivalent	Fall Credit Hours
Actual					
2019	73,128	20,450	93,578	81,430	1,189,828
2020	72,047	20,489	92,536	80,559	1,177,271
2021	69,596	21,488	91,084	79,138	1,153,577
2022	68,682	21,383	90,065	79,145	1,153,042
2023	69,281	20,863	90,144	79,778	1,163,407
Projected ^{1,2}					
2024	66,826	20,355	87,181	78,115	1,124,197
2025	66,948	20,493	87,441	78,320	1,126,962
2026	66,433	20,493	86,926	77,829	1,119,610
2027	66,521	20,548	87,069	77,973	1,121,614

Source: Indiana University Institutional Analytics

¹ The projections presented in this table were prepared based on the Fall 2023 Enrollment Study which projects FTE enrollment by treating all doctoral research, professional (doctoral practice), or master’s seeking students as graduates taking a standard course load of 12 credit hours per term. In contrast, IU’s official term enrollment reports and Indiana Commission for Higher Education reporting efforts treat professional (doctoral practice) graduates as taking a standard course load of 15 credit hours per term and doctoral research graduates and master’s as taking a standard course load of 12 credit hours per term. No representation can be made as to the ability of the University to achieve these projections.

² Starting Fall 2024, IUPUI will transition to Indiana University Indianapolis and the Purdue School of Engineering and Technology and Computer Science within the School of Science will no longer be offered through IU Indianapolis or IU Columbus. Due to this, enrollment in these programs will no longer be recorded by IU. See “Vision for Indianapolis Campus” section.

Students participating in online education are included in the section Student Enrollment presented above for which they are reported under their respective enrolled campuses. The following table shows the online participation over the past five years.

Total Students Enrolled in Distance Education ¹

Fall Semester	Bloomington Headcount	IUPUI Headcount	Regionals Headcount	Total HC Enrollment IU Campuses	Full-Time Equivalent	Fall Credit Hours
2019	8,537	12,209	11,474	32,220	10,861	156,153
2020	40,078	26,072	18,048	84,198	55,517	815,222
2021	22,039	15,171	12,782	49,992	18,103	261,227
2022	19,978	13,962	12,092	46,032	16,283	234,402
2023	20,876	13,979	12,304	47,159	16,902	243,854

Source: Office of Online Education

¹ Distance education includes asynchronous online and synchronous (live video) modalities. Fall 2020 particularly was affected by the COVID-19 Pandemic. See “COVID-19 Pandemic.”

Tuition and Fees

Tuition and Fees were set following the State’s adoption of the biennial budget in the spring prior to the biennium and were approved by the Board of Trustees in June 2023. The University divides the academic year into two academic semesters and an additional summer session. Tuition, fees and other costs of attending the University vary by campus and curriculum. Educational costs charged include instructional fees, fees associated with specific courses and/or academic programs, and room and board (if the student lives on campus). In addition, individual campuses charge other mandatory fees to support certain services. Payments may be made in full by a specified date or students may make partial payments with subsequent installments over the semester or session, depending on the plan offered, for a small service charge.

Regular Instructional Fee Rates The Trustees approve tuition and fee rates for on-campus classes on a biennial basis. The following two tables indicate tuition and fees for undergraduate and graduate & professional students by academic year. Undergraduate students at all campuses taking between 12 and 18 hours are assessed a banded instructional fee. Graduate students are assessed fees on a credit-hour basis, except students in the MBA, Law (J.D.), Medicine, Dentistry, Optometry (O.D.), and Architecture programs which pay higher flat fees. Rates for students in fully online programs vary by campus and are not listed under the Undergraduate Students Tuition and Fees nor the Graduate and Professional Students Tuition and Fees tables. All fully-online student tuition rates are subject to approval of the highest level financial officer of the University, to whom such authority has been delegated by the Trustees in order that rate approval will not be bound by the biennial fee approval schedule for on-campus tuition.

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Undergraduate Tuition and Required Fees per Student

Academic Year ¹	2020	2021	2022	2023	2023
Bloomington					
Resident Tuition & Fees	\$10,948	\$11,221	\$11,333	\$11,447	\$11,790
Non-Resident Tuition & Fees	36,512	37,601	38,353	39,120	40,482
IUPUI					
Resident Tuition & Fees	9,702	9,944	10,044	10,144	10,448
Non-Resident Tuition & Fees	30,711	31,626	32,101	32,582	33,717
Indiana Partner Tuition & Fees ²	-	-	-	-	15,069
Regionals					
Resident Tuition & Fees	7,527	7,715	7,827	7,941	8,179
Non-Resident Tuition & Fees	19,978	20,574	20,934	21,301	22,043
Indiana Partner Tuition & Fees ²	-	-	-	-	11,925

Source: Office of the University Bursar

¹ Only the general on-campus undergraduate rates for fall and spring semesters are listed. Online programs have differing rates and some programs have additional program fees.

² The Midwest Student Exchange Program is a multi-state reciprocity program established by the Midwestern Higher Education Compact. Residents of select states will automatically receive the Indiana Partners rate, which represents a reduction in the out-of-state rate of tuition.

Graduate Tuition and Required Fees per Student²

Academic Year ¹	2020	2021	2022	2023	2024
Bloomington					
Graduate Resident Tuition & Fees	\$10,873	\$11,193	\$11,329	\$11,467	\$11,610
Graduate Non-Resident Tuition & Fees	33,304	33,304	33,353	33,367	33,410
MBA Resident Tuition & Fees	27,865	27,865	28,143	28,425	28,993
MBA Non-Resident Tuition & Fees	51,454	51,454	52,483	53,533	54,603
Law Resident Tuition & Fees	35,275	36,325	36,500	36,750	36,950
Law Non-Resident Tuition & Fees	55,500	57,000	57,500	58,000	58,000
IUPUI					
Graduate Resident Tuition & Fees	9,947	10,239	10,389	10,538	10,856
Graduate Non-Resident Tuition & Fees	25,265	26,013	26,529	27,044	27,992
Graduate Indiana Partner Tuition & Fees ³	-	-	-	-	15,680
Dentistry Resident Tuition & Fees	36,767	38,973	41,744	42,579	42,945
Dentistry Non-Resident Tuition & Fees	81,885	86,798	93,444	95,312	97,047
Medicine Resident Tuition & Fees	35,503	36,036	36,576	37,088	37,553
Medicine Non-Resident Tuition & Fees	60,811	61,419	62,033	62,653	63,700
Regionals					
Graduate Resident Tuition & Fees	7,896	8,130	8,270	8,413	8,665
Graduate Non-Resident Tuition & Fees	17,745	18,274	18,592	18,916	19,574
Graduate Indiana Partner Tuition & Fees ³	-	-	-	-	12,655

Source: Office of the University Bursar

¹ Only general graduate rate and certain professional rates for fall and spring semesters combined, including mandatory fees for full-time students are listed.

² Graduate/professional tuition rates are set by quality, competition, ranking and markets. They vary by program. Only general graduate rate and certain professional rates are listed.

³ Residents of certain states who are admitted to participating IUPUI graduate and professional degree programs for the fall 2022 term (or later) also received the Indiana Partner tuition rate. Participating graduate and professional programs may have a specific GPA requirement for Indiana Partner eligibility.

Student Budget The following Estimated Total Cost of Attendance is being used by the Bloomington campus for financial aid considerations and represents an estimate of standard per student costs for undergraduate on-campus first-year students at the Bloomington campus for the academic year shown.

**Estimated Total Cost of Attendance for the 2023-2024 Academic Year
for an Undergraduate On-campus Full-time First-Year Student ^{1,2}**

Cost of Attendance	Resident	Non-Resident
Tuition and Fees ³	\$11,790	\$40,480
Housing and Food ⁴	13,380	13,380
Total Direct Costs	25,170	53,860
Books	690	690
Transportation	840	840
Personal Expenses	2,200	2,200
Total Indirect Costs	3,730	3,730
Estimated Total Cost of Attendance	\$28,900	\$57,590

Source: Office of Student Financial Assistance, Indiana University Bloomington

¹ The Tuition & Fees portion for students attending other campuses with the same residential status would be less. See “Tuition and Fees”. Actual costs for housing and food, books, transportation, and personal expenses vary by student, based on student choices, travel habits, and academic program.

² Total cost is based on student attendance of fall and spring semesters only.

³ Estimated Total Cost of Attendance may not tie to Undergraduate Tuition and Fees per Student due to rounding.

⁴ Housing allowances for students residing in institutionally owned or operated housing with or without dependents must be based on the average or median amount assessed to such residents for housing charges, whichever is greater. Housing and food shown exceeds standard housing and standard meal rates.

Student Financial Assistance

Approximately 64% of the students at Indiana University receive financial aid that is processed through IU. The following table summarizes the financial aid (including parent loans) provided to IU students who were enrolled at census, or as of an end-of-year snapshot, or who received a degree in the 12-month period between September 1, 2022 and August 30, 2023. All figures include both degree-seeking and non-degree students, including dual credit high school students. A substantial portion of the funds provided are derived from sources outside of Indiana University, including federal, state, and private sources. Historically, federal loans, grants and other programs have provided a large portion of student financial assistance. All programs furnished by the federal and state governments are subject to appropriation and funding by the respective legislatures. There can be no assurance that the current amounts of federal and state financial aid for students will be available in the future at the same levels and under the same terms and conditions as presently apply.

Student Financial Assistance ¹					
(dollars in thousands)					
Award Year	2018-19	2019-20	2020-21	2021-22	2022-23
Gifts and Grants	\$705,772	\$711,462	\$708,072	\$716,983	\$738,212
Loans	513,175	512,007	485,007	496,778	502,701
Work Study	5,143	5,409	3,699	3,718	3,777
Total Financial Assistance	\$1,224,090	\$1,228,878	\$1,196,778	\$1,217,480	\$1,244,690

Source: Indiana University Institutional Analytics

¹ The figures displayed above exclude funds from the federal Higher Education Emergency Relief Funding (“HEERF”) and institutional funds that a) were used to reimburse students for room, board, and tuition charges during the COVID-19 Pandemic, and b) have no effect on students’ estimated cost of attendance and financial aid eligibility, per guidance from the U.S. Department of Education as of November 20, 2020 (see “COVID-19 Pandemic”).

COVID-19 Pandemic

COVID-19 (coronavirus disease 2019 or “COVID-19”) is caused by a virus named SARS-CoV-2. This respiratory disease resulted in a pandemic (the “Pandemic”) by the World Health Organization as of March 11, 2020 to May 5, 2023. Following an initial announcement earlier this year, the U.S. Department of Health and Human Services declared the Public Health Emergency for the United States ended on May 11, 2023. Additionally, on April 10, 2023, the national emergency related to the COVID-19 Pandemic ended.

During the Pandemic, the University took public health measures to try to mitigate the potential impacts of COVID-19 to students, faculty, and staff. The Pandemic had an impact on the University’s financial condition and operating and non-operating revenues and expenses, particularly for auxiliary enterprises (housing/dining, athletics and parking), research, and State appropriations, which is already reflected under the audited annual financial report of the University for fiscal years ended June 30, 2020 through June 30, 2023 (see “Financial Operations of the University - Statement of Revenues, Expenses and Changes in Net Position”). The University makes no further representations regarding the operational impact of the Pandemic on the University or its financial position for fiscal 2024 or beyond.

The University had the following stimulus funding from the federal government:

COVID-19 Stimulus Allocations ^{1,2}					
(dollars in thousands)					
Fiscal Year ended June 30	2020	2021	2022	2023	Total
As Awarded					
University allocation	\$30,879	\$153,697	\$-	\$-	\$184,576
Student aid allocation	30,088	115,948	-	-	\$146,036
Total stimulus awarded	\$60,967	\$269,645	\$-	\$-	\$330,612
As Received					
University	\$19,714	\$82,134	\$42,909	\$39,819	\$184,576
Student aid	29,163	24,302	92,277	294	146,036
Total stimulus received	\$48,877	\$106,436	\$135,186	\$40,113	\$330,612

Source: Office of the University Controller

¹ Figures are approximate amounts.

² Allocations were part of Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) for HEERF I, HEERF II, and HEERF III stimulus grant awards. See “Student Financial Assistance,” which exclude funds from HEERF.

See “Student Quality,” “Student Enrollment,” “Student Financial Assistance,” and “State Appropriations to the University.” The University disclaims any intention or obligation to update or revise any information related to COVID-19 Pandemic, whether as a result of new information, future events or otherwise.

Financial Operations of the University

The University’s fiscal year ends on June 30th. All references herein for the years 2023 and 2022 represent the fiscal year ended June 30, 2023 and 2022, respectively. The University financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (“GASB”). The University reports on a consolidated basis with a comprehensive, entity-wide presentation of the University’s assets and deferred outflows, liabilities and deferred inflows, net position, revenues, expenses, changes in net position, and cash flows. Significant intra-University transactions are eliminated upon consolidation. The University follows all applicable GASB pronouncements. Unless otherwise specified, amounts presented within the notes to financial statements are rounded to the nearest thousands.

The University reports as a special-purpose government entity engaged primarily in business-type activities, as defined by GASB. Accordingly, these financial statements have been presented using the economic resources

measurement focus and the accrual basis of accounting. Business type activities are those that are financed in whole or in part by fees charged to external parties for goods and services.

As a component unit of the State, the University is included as a discrete entity in the State of Indiana's Comprehensive Annual Financial Report.

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

Reporting Entity: The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. GASB Statement No. 14, The Financial Reporting Entity, as amended by GASB Statement No. 80, Blending Requirements for Certain Component Units, as well as additional requirements of GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units, as amended by GASB Statement No. 61, The Financial Reporting Entity: Omnibus, provide criteria for determining whether certain organizations should be reported as component units based on the nature and significance of their relationship with a primary government and classifies reporting requirements for these organizations. Based on these criteria, the financial report includes the university and its blended and discretely presented component units.

The Statement of Revenues, Expenses and Changes in Net Position of the University, in table format for the fiscal years shown, was as follows:

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Statement of Revenues, Expenses and Changes in Net Position ^{5,6}
(dollars in thousands)

Fiscal Year Ended June 30	2019	2020	2021	2022	2023
Operating revenues				(as restated)	
Tuition and fees ¹	\$1,514,263	\$1,547,225	\$1,573,780	\$1,619,207	\$1,685,549
Less scholarship allowance	(310,174)	(313,068)	(328,028)	(332,073)	(349,535)
Tuition and fees (net of scholarship allowance)	1,204,089	1,234,157	1,245,752	1,287,134	1,336,014
Federal grants and contracts	359,055	398,761	395,690	435,419	515,467
State and local grants and contracts	20,875	18,102	21,553	23,743	33,337
Nongovernmental grants and contracts	147,701	169,254	163,654	159,392	188,155
Sales, services of educational units, and other revenue ²	362,946	384,379	353,649	361,905	356,682
Auxiliary enterprises ³	367,810	318,924	251,004	372,499	407,277
Total operating revenues	2,462,476	2,523,577	2,431,302	2,640,092	2,836,932
Operating expenses					
Compensation and benefits	2,148,718	2,244,665	2,142,660	2,205,836	2,377,627
Student financial aid	149,711	180,596	176,192	242,397	157,587
Energy and utilities	76,074	72,106	70,339	80,738	88,975
Travel	61,764	46,632	9,628	30,916	57,208
Supplies and general expense	703,512	762,827	677,586	741,408	806,076
Depreciation and amortization expense	164,697	168,129	188,279	201,968	202,670
Total operating expenses	3,304,476	3,474,955	3,264,684	3,503,263	3,690,143
Total operating loss	(842,000)	(951,378)	(833,382)	(863,171)	(853,211)
Nonoperating revenues (expenses)					
State appropriations	582,403	589,746	563,929	592,635	605,938
Grants and contracts	108,384	155,014	206,950	233,669	141,405
Investment income (loss)	124,744	102,199	368,232	(201,918)	192,816
Gifts	138,492	152,005	133,268	702,680	166,551
Interest income			174	229	271
Interest expense	(33,948)	(30,744)	(26,725)	(37,623)	(35,185)
Net nonoperating revenues	920,075	968,220	1,245,828	1,289,672	1,071,796
Income before other revenues, expenses, gains, or losses	78,075	16,842	412,446	426,501	218,585
Capital appropriations	20,047	20,036	21,288	19,481	17,158
Capital gifts and grants	12,242	154,599	9,860	2,611	6,766
Additions to permanent endowments	53	2,005	6	3,633	349
Total other revenues	32,342	176,640	31,154	25,725	24,273
Increase in net position	110,417	193,482	443,600	452,226	242,858
Net position, beginning of year	3,782,139	3,892,556	4,086,038	4,528,711	4,980,937
Adjustment per change in accounting principle ⁴			(927)		
Net position, beginning of year, as restated			4,085,111		
Net position, end of year	\$3,892,556	\$4,085,111	\$4,528,711	4,980,937	\$5,223,795

Source: Audited IU annual financial reports for the respective fiscal years ended, reflective of subsequent Management's Discussion and Analysis for the years shown

¹ Tuition and fees are reported net of scholarship allowance beginning with the audited IU Annual Financial Report 2021-2022. Tuition and fees are reflected as gross (prior to scholarship allowance) in all years shown.

² The financial reports ended 2022 and later no longer show Other Revenue as a separate line item; the line item Other Revenue is shown within the line item Sales, Services of Educational Units and Other Revenue above.

³ Net of scholarship allowance of \$42,536; \$40,130; \$34,100; \$46,471; and \$50,035 (in thousands) for fiscal years 2019 through 2023, respectively.

⁴ Audited IU Annual Financial Report fiscal year 2022, Note 1 Organization and Summary of Significant Accounting Policies, Accounting Pronouncements Recently Adopted: The University adopted GASB Statement No. 87, Leases, which has been reflected as of July 1, 2020. All prior periods of the financial statements and accompanying notes that were impacted by this Statement have been restated. As a result, the Statement of Net Position now includes a liability for the present value of payments expected to be made and right-to-use assets, and also includes receivables for the present value of payments expected to be received and deferred inflows of resources that will be recognized as revenue over the term of the lease. Lease activity is further described in Note 5, Lease Receivables and Note 10, Lease Obligations. The financial statements for the year ended June 30, 2021, have been restated in order to adopt GASB Statement No. 87. The University reported a \$927,000 decrease to net position as of July 1, 2020.

⁵ Audited IU Annual Financial Report fiscal year 2022, Note 1 Organization and Summary of Significant Accounting Policies, Blended Component Units: In September 2008, the Trustees of Indiana University directed, by resolution, that the Indiana University Building Corporation (IUBC) be formed to serve specific purposes on behalf of the University and designated that certain university administrative officers, by virtue of their titles, serve as directors and officers of IUBC. The sole purpose of IUBC is to assist the University in the financing and development of University facilities by owning and leasing such facilities to the University on a lease-purchase basis. The IUBC is reported as a blended component unit of the University and is consolidated within the University's financial statements.

⁶ Audited IU Annual Financial Report fiscal year 2023, Note 1 Organization and Summary of Significant Accounting Policies, Accounting Pronouncements Recently Adopted: During the fiscal year ending June 30, 2023, the University adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements, with an implementation date of July 1, 2021. As a result, the Statement of Net Position now includes a liability for the present value of payments expected to be made and subscription-based IT assets. Subscription activity is further described in Note 10, Right-to-Use Assets and Obligations. The adoption of GASB 96 resulted in the recognition of subscription-based IT assets and liabilities in the amount of \$17,480,000 as of July 1, 2021. The financial statements for the year ended June 30, 2022, have been restated to reflect the adoption of GASB 96.

The University's net position is classified for financial reporting into three major categories: (1) Net investment in capital assets consists of the University's investment in capital assets, such as equipment, buildings, land, infrastructure, and improvements, net of accumulated depreciation and related debt. (2) Restricted net position consists of amounts subject to externally imposed restrictions governing usage and is divided into two sub-categories: (a) Restricted non-expendable funds are subject to externally imposed stipulations that they be retained in perpetuity. These balances represent the corpus (historical value) of the University's permanent endowment funds. (b) Restricted expendable funds are available for expenditure by the University but must be spent according to restrictions imposed by third parties. (3) Unrestricted net position includes amounts institutionally designated or committed to support specific purposes.

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The composition of net position for the fiscal years shown was as follows:

Total Net Position (dollars in thousands)					
Fiscal Year Ended June 30	2019	2020	2021	2022 (as restated)	2023
Net Investment in Capital Assets	\$2,391,112	\$2,486,736	\$2,542,568	\$2,581,396	\$2,655,593
Restricted	297,086	480,317	505,674	928,679	831,813
Unrestricted ¹	1,204,358	1,118,058	1,480,469	1,470,862	1,736,389
Total Net Position ^{2,3}	\$3,892,556	\$4,085,111	\$4,528,711	\$4,980,937	\$5,223,795
Net Investment in Capital Assets	61.5%	60.9%	56.1%	51.8%	50.8%
Restricted	7.6%	11.7%	11.2%	18.7%	16.0%
Unrestricted	30.9%	27.4%	32.7%	29.5%	33.2%
Total Net Position	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Audited IU annual financial reports for the respective fiscal years ended, reflective of subsequent Management's Discussion and Analysis for the years shown

¹ The University's Unrestricted Net Position is the largest portion of the Available Funds balance. Available Funds are the source of payment for the University's Certificates of Participation, Lease Purchase Obligations, Consolidated Revenue Bonds, and commercial paper (see "Available Funds" and "Indebtedness of the University").

² Audited IU Annual Financial Report fiscal year 2022, Note 1 Organization and Summary of Significant Accounting Policies, Accounting Pronouncements Recently Adopted: The University adopted GASB Statement No. 87, Leases, which has been reflected as of July 1, 2020. All prior periods of the financial statements and accompanying notes that were impacted by this Statement have been restated. As a result, the Statement of Net Position now includes a liability for the present value of payments expected to be made and right-to-use assets, and also includes receivables for the present value of payments expected to be received and deferred inflows of resources that will be recognized as revenue over the term of the lease. Lease activity is further described in Note 5, Lease Receivables and Note 10, Lease Obligations. The financial statements for the year ended June 30, 2021, have been restated in order to adopt GASB Statement No. 87. The University reported a \$927,000 decrease to net position as of July 1, 2020.

³ Audited IU Annual Financial Report fiscal year 2023, Note 1 Organization and Summary of Significant Accounting Policies, Accounting Pronouncements Recently Adopted: During the fiscal year ending June 30, 2023, the University adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements, with an implementation date of July 1, 2021. As a result, the Statement of Net Position now includes a liability for the present value of payments expected to be made and subscription-based IT assets. Subscription activity is further described in Note 10, Right-to-Use Assets and Obligations. The adoption of GASB 96 resulted in the recognition of subscription-based IT assets and liabilities in the amount of \$17,480,000 as of July 1, 2021. The financial statements for the year ended June 30, 2022, have been restated to reflect the adoption of GASB 96.

Discretely Presented Component Units ("Units") The Indiana University Foundation, Inc. (IU Foundation) is organized as a not-for-profit corporation under the laws of the State of Indiana for the exclusive purpose of supporting the university by receiving, holding, investing, and administering property and making expenditures to or for the benefit of the university. As a tax-exempt organization that would be misleading to exclude, the IU Foundation is considered a component unit of the university, which requires discrete presentation. The James Whitcomb Riley Memorial Association, Inc., d/b/a Riley Children's Endowment (Riley) is organized as a not-for-profit corporation under the laws of the State of Indiana to fund and support the Riley Hospital for Children, fund medical research dedicated to the treatment and care of disabled and sick children in conjunction with the Riley Hospital, and securing and maintaining endowment funds to benefit children and other initiatives. The University has the ability to appoint the voting majority of Riley's board of directors and to remove appointed directors of Riley's board at will. The IU Medical Group Foundation, Inc. (IUMG) is organized as a not-for-profit corporation under the laws of the State of Indiana to acquire, manage, and distribute funds for the benefit of the Indiana University School of Medicine and Indiana University Health Care Associates. The University has the ability to appoint the voting majority of IUMG's board of directors, and there is a financial benefit relationship with IUMG. The Regenstrief Institute, Inc. ("Institute") is organized as a not-for-profit corporation under the laws of the State of Indiana to integrate research discovery,

technological advances, and systems improvement into the practice of medicine. The University has the ability to appoint the voting majority of the Institute's board of directors and to remove appointed directors of the Institute's board at will. As a result, these Units are considered component units of the University, which require discrete presentation. The Units are not-for-profit organizations that report under Financial Accounting Standards Board (FASB) standards, including FASB Statement Accounting Standards Codification (ASC) Topic 958, Not-for-Profit Entities. As such, certain asset and revenue recognition criteria and presentation features differ from GASB asset and revenue recognition criteria and presentation features. No modifications have been made to the Units' financial information in the university's financial reporting to adjust for these differences.

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The Statement of Revenues, Expenses and Changes in Net Position of the Discretely Presented Component Units, in table format for the fiscal years shown, was as follows:

Statement of Revenues, Expenses and Changes in Net Position – Discretely Presented Component Units ¹			
(dollars in thousands)			
Fiscal Year Ended June 30	2021	2022	2023
Operating revenues			
Federal grants and contracts	\$-	\$-	\$73
Nongovernmental grants and contracts	\$18,757	\$19,614	20,301
Sales, services of educational units, and other revenue	25,039	26,809	24,607
Total operating revenues	43,796	46,423	44,981
Operating expenses			
Compensation and benefits	47,007	47,023	53,507
Student financial aid	60,003	59,635	60,317
Energy and utilities	321	396	442
Travel	912	2,565	3,257
Supplies and general expense	191,417	359,474	224,119
Depreciation and amortization expense	3,924	3,798	3,711
Total operating expenses	303,584	472,891	345,353
Total operating loss	(259,788)	(426,468)	(300,372)
Nonoperating revenues (expenses)			
Investment income (loss)	978,185	(72,020)	177,928
Gifts	135,177	179,958	194,379
Interest expense	(344)	(349)	(338)
Net nonoperating revenues	1,113,018	107,589	371,969
Income before other revenues, expenses, gains, or losses	853,230	(318,879)	71,597
Additions to permanent endowments	141,802	104,681	87,463
Total other revenues	141,802	104,681	87,463
Increase in net position	995,032	(214,198)	159,060
Net position, beginning of year	3,295,743	4,290,775	4,076,577
Net position, beginning of year, as restated	3,295,743	4,290,775	4,076,577
Net position, end of year	\$4,290,775	\$4,076,577	\$4,235,637

Source: Most recent audited IU annual financial report and/or prior audited IU annual financial reports for the respective fiscal years ended as shown

¹ In this document, only years available are shown. Additional years for a total of five years may be presented as information becomes available.

The composition of net position of the Discretely Presented Component Units for the fiscal years shown was as follows:

Total Net Position - Discretely Presented Component Units ¹ (dollars in thousands)			
Fiscal Year Ended June 30	2021	2022	2023
Net Investment in Capital Assets	\$64,529	\$70,872	\$73,068
Restricted	3,604,827	3,629,176	3,648,677
Unrestricted	621,419	376,529	513,892
Total Net Position	\$4,290,775	\$4,076,577	\$4,235,637
Net Investment in Capital Assets	1.5%	1.8%	1.8%
Restricted	84.0%	89.0%	86.1%
Unrestricted	14.5%	9.2%	12.1%
Total Net Position	100.0%	100.0%	100.0%

Source: Most recent audited IU annual financial report and/or prior audited IU annual financial reports for the respective fiscal years ended as shown

¹ In this document, only years available are shown. Additional years for a total of five years may be presented as information becomes available.

Operating Budget and Related Procedures

The University adopts an operating budget for each fiscal year based on detailed budgets submitted by each of the University's responsibility centers. These budgets are reviewed by the President and senior administrative officers before final approval by the Trustees. In conjunction with its budgeting process, the University submits a biennial appropriation request to the State Budget Agency, the Indiana Commission for Higher Education and the General Assembly. The State appropriation includes various components for operations, fee replacement (a form of reimbursement of debt service from the State for debt associated with certain educational facilities), maintenance, research, public service and other special functions. For more information, see "State Appropriations to the University" below. The Trustees take into consideration the specific amounts of State appropriations authorized by the General Assembly, along with the University's budget requirements and other revenue sources when establishing student fees and other fees for each academic year.

The University has adopted a balanced operating budget for the fiscal year ending June 30, 2024. The total Fiscal 2024 operating budget for all campuses of Indiana University, is approximately \$4.2 billion. Unrestricted funds are used for instruction, research, scholarships and fellowships, student services, and other institutional support. The use of restricted funds is determined by the funding source: federal, state, or local government; private industry; or foundation support. The auxiliary fund groups have been established by the Trustees to carry out activities supporting students and the University's teaching, research and public service missions. These activities include student housing, athletics, parking operations, and student unions, among other activities.

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Summary of Operating Budget Fiscal Year Ending June 30, 2024¹
(dollars in thousands)

Campus	Unrestricted³	Restricted⁴	Auxiliary Enterprises	Total
Bloomington	\$1,376,805	\$255,750	\$372,874	\$2,005,429
IUPUI ²	1,057,389	578,188	95,832	1,731,409
Regionals	234,262	36,612	7,392	278,266
University Administration	70,094	48,803	41,329	160,226
Total	\$2,738,550	\$919,353	\$517,427	\$4,175,330

Source: University Budget Office

¹ Excludes capital projects, investment income not specifically budgeted as general fund support, most gifts, and scholarship allowance.

² Includes Indiana University and Purdue University Columbus and IU Fort Wayne.

³ Unrestricted includes general fund and designated fund including medical practice.

⁴ Restricted includes restricted fund and contracts and grants.

State Appropriations to the University

State appropriations are typically set for the biennium and are expected to be budgeted by the State in the fourth quarter of fiscal year 2023. The University has historically received, and continues to expect to receive, appropriations from the General Assembly. Operating appropriations are disbursed on a monthly basis. Other types of appropriations are generally disbursed on a quarterly or semi-annual basis. These appropriations are applied to the educational and general expenditures and certain capital construction activities of the University. The General Assembly has historically appropriated to the University an amount equal to the annual debt service requirements due on previously approved and outstanding Student Fee Bonds (the “Fee Replacement” appropriations). This appropriation is renewed on a biennial basis because the Constitution of the State prohibits a sitting General Assembly from binding subsequent General Assemblies to the continuation of any funds, including Fee Replacement appropriations. In the 45 plus years of making Fee Replacement appropriations, the State has never failed to fully fund or otherwise provide for a Fee Replacement obligation established by a prior General Assembly. The University expects that the policy of Fee Replacement appropriations will be continued in future years.

The tables below present State appropriations “As Appropriated” to and “As Received” by the University for the fiscal years shown, including the unrestricted general operating and restricted special appropriations, the Fee Replacement appropriations, and the general maintenance, repair and rehabilitation and capital appropriations.

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State Appropriations (dollars in thousands)					
Fiscal Year Ended June 30	2020	2021	2022	2023	2024 (est.)
As Appropriated					
Unrestricted General Operating & Restricted Special ¹	\$541,117	\$510,521	\$550,117	\$563,454	\$596,502
Fee Replacement ²	48,181	53,135	42,097	41,994	36,324
General Maintenance, R&R and Capital Cash ³	14,349	22,449	14,349	22,449	93,636
Total Appropriated	\$603,647	\$586,105	\$606,563	\$627,897	\$726,462
Fiscal Year Ended June 30	2020	2021	2022	2023	2024 (est.)
As Received/ Estimated to be Received					
Unrestricted General Operating & Restricted Special ¹	\$541,117	\$510,521	\$550,117	\$563,454	\$596,502
Fee Replacement ²	48,181	52,963	42,097	41,994	36,324
General Maintenance, R&R and Capital Cash ^{3,4}	20,238	21,288	19,481	17,158	20,472
Total Received/ Estimated to be Received	\$609,536	\$584,772	\$611,695	\$622,606	\$653,298

Source: Office of the Treasurer; University Budget Office

¹ The general operating appropriation and line item appropriations were reduced by the State Budget Committee on June 17, 2020 for fiscal year 2021 to \$510,521,085 as shown under "As Appropriated" Unrestricted General Operating & Restricted Special. This represents a 7.0% reduction from the original "As Appropriated" for fiscal year 2021 due to financial impacts related to the COVID-19 Pandemic on the State. See "COVID-19 Pandemic".

² The variances in "As Appropriated" and "As Received" for Fee Replacement primarily reflects issuance and refunding of student fee bonds.

³ The variances in "As Appropriated" and "As Received" for General Maintenance, R&R and Capital Cash reflects reimbursements after expenditures.

⁴ The State's 2023-25 State Biennium Budget provided capital cash of \$60,000,000 to IU for the Science Instructional and Research Lab Expansion and Renovation on the Indianapolis campus and \$89,500,000 to IU for the Wells Quad and Public Health Renovation on the Bloomington campus. Half of those amounts are reflected in fiscal year 2024 as appropriated. No funds for those projects have been claimed or received yet.

Research

Indiana University has earned a reputation as a world-class research institution driving innovation for over 200 years. In fiscal year 2023, the University received \$772.1 million in public and private funding to support research and other activities, up 6% from \$732.3 million in sponsored funding to support research, instruction, and service in fiscal year 2022. The Fiscal year 2023 awards included \$541.3 million in federal and federal-pass-through grants and contracts, which includes \$326.1 million from the National Institutes of Health, \$58.7 million from the National Science Foundation, and \$80.6 million in sponsored funding from industry. Of fiscal year 2023 research funding awards, \$471.6 million were for the School of Medicine, up from \$469.7 million in fiscal year 2022. Note awards received are based on sponsored program activity over multiple years and are unaudited.

Indiana University Foundation

The Foundation was incorporated in 1936 as a non-profit corporation, organized under the laws of the State, separate and distinct from the University. The Foundation is empowered to perform a wide range of services and conduct a variety of activities that support the University as it carries out its missions of teaching, research and public service. The Foundation conducts general and special purpose fund raising programs, receives and acknowledges gifts for the benefit of the University, administers those gifts to ensure that they are used as specified by the donor, invests

those gifts intended for endowment purposes, serves as trustee for certain types of planned gift arrangements, and provides other services for the benefit of the University as requested from time to time.

The Foundation is governed by a Board of Directors, of which three members must be current members of the Trustees and one member must be the President of the University. The assets and income of the Foundation are held and accounted for separately from the funds of the University and are reported using Financial Accounting Standards Board (FASB) Accounting Standards. As of June 30, 2023, the assets of the Foundation and the assets of the University managed by the Foundation had a fair value of approximately \$4,180,043,000, the majority of which consisted of funds restricted for University purposes.

Assets, net assets, and annual income of the Foundation and the annual distributions to the University for the fiscal years shown are set forth below.

Indiana University Foundation Financial Summary
(dollars in thousands)

Fiscal Year Ended	Assets ¹	Net Assets	Total Support and Other Revenue ²	Total University Grants and Aid ³
June 30				
2019	\$3,215,936	\$2,708,862	\$350,044	\$170,744
2020	3,105,177	2,693,104	197,285	168,606
2021	4,047,054	3,538,279	1,050,182	160,297
2022	4,146,757	3,392,472	221,471	316,587
2023	4,180,043	3,437,451	288,419	182,237

Source: Indiana University Foundation - The Foundation financial statements as of June 30, 2023 may be obtained at: <https://iufoundation.iu.edu/about/financial/index.html>.

¹ Assets that the Foundation held for the University and for University affiliates had corresponding liabilities reported on the Foundation's Statement of Financial Position for each of the fiscal years shown above. The portion of those assets held for the University and for University affiliates, which represent endowment funds managed by the Foundation, total \$282,266,506, \$257,824,210, \$349,122,356, \$339,199,036, and \$337,759,409 for the fiscal years shown, respectively. Additional information with respect to University endowment funds is contained within the Endowments section below. See "University-held Endowments".

² Primary sources of revenue and support are contributions and investment income.

³ Differs from the Grants and aid to the University under the Indiana University Foundation Statement of Activities by amounts used for Foundation programs that benefit the University. In October 2021, the Foundation issued 30-year taxable bonds in the amount of \$150,000,000. The proceeds were used to provide unrestricted support to the University.

Annual Fund Raising The Foundation, for the benefit of the University, conducts ongoing annual fund raising campaigns, as well as major gift and special development programs, to raise funds for endowments, research, student support, scholarships, awards, capital projects and special programs.

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The following table summarizes the annual contributions to the Foundation for each of the fiscal years indicated:

Private Contributions to the Indiana University Foundation		
Fiscal Year Ended June 30	Number of Donors	Receipts (dollars in thousands)
2019	108,505	\$180,624
2020	94,002	195,486
2021	107,302	235,023
2022 ¹	101,060	627,877
2023	96,674	187,015

Source: Indiana University Foundation

¹ Indiana University Foundation processes gifts received by Indiana University and these pass-through gifts are reported by IUF as receipts. The \$416,000,000 gift from Indiana University Health was processed by IUF and received by IU in this manner.

University-held Endowments

Endowments are funds in which donors or other outside agencies have stipulated, as a condition of the gift, that the principal be maintained in perpetuity. Funds functioning as endowments, also referred to as “quasi-endowments,” are resources which the University, rather than the donor, has determined to retain and manage like endowments. Funds that the University sets aside as quasi-endowments may be unrestricted or restricted as to the purpose.

The fair value of endowments and quasi-endowments held by the University are shown below for the fiscal years indicated.

University-held Endowments and Quasi-Endowments ¹ (dollars in thousands)	
Fiscal Year Ended June 30	Fair Value
2019	\$253,501
2020	240,607
2021	316,556
2022	485,445
2023	489,669

Source: Office of the Treasurer (unaudited)

¹ Includes only University-held Endowments and Quasi-Endowments including endowments held for the benefit of Riley Children’s Foundation of approximately \$4 million as of June 30, 2023 and real estate at fair value. The University directs giving to the Foundation and the fair value amounts of the Foundation-held Endowments and Quasi-Endowments are not shown.

Physical Plant

As of June 30, 2023, the various campuses of the University covered a total of 3,703 acres. As of fall 2023, there were 822 buildings on the campuses, encompassing 36.5 million gross square feet, of which 20.9 million square feet is assignable to operating units. Not included in the assignable square feet are service, building and parking garage circulation and construction areas, restrooms, hallways, and wall thicknesses. Academic and administrative activities are assigned 11.1 million square feet; auxiliary enterprise services are assigned 9.8 million square feet. The following table sets forth the University’s net capital assets, for each of the fiscal years shown.

Capital Assets, Net^{1, 2, 3}
(dollars in thousands)

Fiscal Year Ended June 30	Capital Assets, Net
2019	\$3,354,987
2020	3,630,830
2021 ⁴	3,782,215
2022 ⁵	3,811,412
2023	3,810,550

Source: Audited IU annual financial reports for the respective fiscal years ended, reflective of subsequent Management's Discussion and Analysis for the years shown

¹ Net of accumulated depreciation.

² During the fiscal year ending June 30, 2022, the university adopted GASB Statement No. 87, Leases, which has been reflected as of July 1, 2020. All prior periods (fiscal year ended June 30, 2021) of the financial statements and accompanying notes that were impacted by this Statement have been restated. As a result, the Statement of Net Position now includes a liability for the present value of payments expected to be made and right-to-use assets, and also includes receivables for the present value of payments expected to be received and deferred inflows of resources that will be recognized as revenue over the term of the lease. Lease activity is further described in Note 5, Lease Receivables and Note 10, Lease Obligations. The financial statements for the year ended June 30, 2021, have been restated in order to adopt GASB Statement No. 87. The university reported a \$927,000 decrease to net position as of July 1, 2020.

³ During the fiscal year ending June 30, 2023, the university adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements, with an implementation date of July 1, 2021. As a result, the Statement of Net Position now includes a liability for the present value of payments expected to be made and subscription-based IT assets. Subscription activity is further described in Note 10, Right-to-Use Assets and Obligations. The adoption of GASB 96 resulted in the recognition of subscription-based IT assets and liabilities in the amount of \$17,480,000 as of July 1, 2021. The financial statements for the year ended June 30, 2022, have been restated to reflect the adoption of GASB 96.

⁴ Prior to restatement mentioned in footnote 2, the University's capital assets, net as of June 30, 2021 were \$3,668,555.

⁵ Prior to restatement mentioned in footnote 3, the University's capital assets, net as of June 30, 2022 were \$3,783,924.

Capital Financing Plan

The University has an ongoing capital improvement program consisting of new construction and the renovation of existing facilities. Capital improvement projects have historically been funded from a variety of sources, including but not limited to State appropriations, debt financing, gifts, and University funds.

In each biennium, the University prepares and updates its ten-year capital improvement plan. This provides the basis for a capital appropriation request which the University submits each biennium to the State Budget Agency, the Indiana Commission for Higher Education, and the General Assembly. The request identifies the projects and their respective purposes, priorities, amounts and funding sources. The General Assembly will approve or decline the various projects submitted by the University, and may include projects which were not on the initial capital plan request. For projects that receive General Assembly approval, specific funding sources for each project will be stipulated. General Assembly approval is required for projects that are to be financed by student fee bonds and projects that are not otherwise authorized by statute.

The following table and information summarize approved capital projects that are currently included in the University's near-term financing plan. The University retains the right to change the projects and/or amounts considered within its capital financing plan without notice.

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Capital Financing Plan ¹
(dollars in thousands)

Estimated Fiscal Year of Initial Financing ²	Bond Type	Project Name	Campus	Financing Amount
2023	Consolidated Revenue Bonds ^{3,4}	Wright Quad Renovation	Bloomington	\$51,900
2024	Consolidated Revenue Bonds ³	Research Laboratory Renovations	Bloomington	45,000
			Total	\$96,900

Source: Office of the Treasurer

¹ The State’s 2023-25 State Biennium Budget provided capital cash appropriations of \$60,000,000 to IU for the Science Instructional and Research Lab Expansion and Renovation on the Indianapolis campus and \$89,500,000 to IU for the Wells Quad and Public Health Renovation on the Bloomington campus that would be in lieu of bonding authority and fee replacement eligibility for student fee bonds. See “State Appropriations.”

² Any non-fee replaced projects may be interim financed by commercial paper over multiple fiscal years. Projects for which commercial paper is already outstanding for the full financing amount are no longer shown.

³ Payable from certain legally available funds of the University.

⁴ Project has received State Budget Committee approval.

Indebtedness of the University

The University is authorized by various acts of the General Assembly to issue bonds for the purposes of financing the construction of academic and administrative facilities, research facilities, student housing facilities, student union buildings, athletic facilities, and parking facilities. This section refers to debt as bonds (student fee bonds and/or consolidated revenue bonds) or notes (certificates of participation, lease purchase obligations and/or commercial paper). Right-to-use assets and obligations are not reflected herein.

The University has never failed to pay punctually, and in full, all amounts due for principal of and interest on any indebtedness. All long term debt principal outstanding as of December 1, 2023 was fixed-rate debt while commercial paper principal outstanding as of December 1, 2023 was variable-rate debt, with no associated swaps.

A summary of the total outstanding bonded indebtedness (unaudited) as of December 1, 2023 follows.

Facilities Indebtedness as of December 1, 2023 ^{1,2}
(dollars in thousands)

Type of Issuance	Original Principal	Principal Outstanding
Student Fee Bonds ³	\$362,765	\$ 251,845
Consolidated Revenue Bonds ³	513,015	430,620
Obligations ^{4,5}	236,470	201,365
Commercial Paper ⁴	91,935	42,850
Total	\$ 1,204,185	\$ 926,680

Source: Office of the Treasurer

¹ This table does not reflect unamortized bond premium or deferred outflows and reflects bonds with varying Base CUSIP designations.

² Excludes leases.

³ Secured by a pledge of student fees.

⁴ Payable from certain legally available funds of the University.

⁵ Lease Purchase Obligations and Certificates of Participation.

Sources of Payment for Indebtedness (in alphabetical order by type of issuance)

Certificates of Participation and Lease Purchase Obligations, Consolidated Revenue Bonds, and commercial paper are payable from Available Funds. The language used to define Available Funds varies slightly between the applicable documents for Consolidated Revenue Bonds, commercial paper, and Obligations. However, the calculation for the balance of Available Funds set forth below reported as of June 30 of each fiscal year is the same, irrespective of the applicable documents.

Consolidated Revenue Bonds and Commercial Paper Available Funds; Exclusions; Balances. Available Funds are defined in the bond documents for Consolidated Revenue Bonds and commercial paper as (a) the net income of certain facilities, and (b) any and all other funds of the University legally available for transfer to the sinking fund. Available Funds include, but are not limited to, unrestricted operating fund balances, auxiliary fund balances, and certain other fund balances of the University and selected related entities, in each case without any priority among any such fund balances and only to the extent not pledged, restricted, or specifically authorized for other purposes, now or in the future, or otherwise restricted by law. Available Funds do not include (i) student fees pledged for other purposes or otherwise restricted by law; (ii) other specifically identified revenues or funds pledged or otherwise dedicated or restricted for other purposes; or (iii) moneys appropriated by the General Assembly and specifically authorized for other purposes or otherwise restricted by law. No assurance can be provided as to the availability or adequacy of any Available Funds as of any particular date. The University retains the right to use Available Funds for the payment of other obligations of the University and to use any or all Available Funds for other lawful corporate purposes of the University. In particular, Available Funds may be used to pay costs of any facilities, financing expenses, amounts payable under any credit facility, and amounts payable (such as termination payments, etc.) under any derivative agreement.

Lease Purchase Obligations and Certificates of Participation Available Funds; Exclusions; Balances. Available Funds are defined in the Leases as any and all monies of the University which are legally available for the payment of any obligations thereunder, including unrestricted operating fund balances, auxiliary fund balances and certain other fund balances of the University, in each case without any priority among any such fund balances and only to the extent not pledged, restricted or specifically authorized for other purposes, now or in the future, or otherwise restricted by law, but excluding mandatory student fees or state appropriations, except to the extent that such funds are expressly authorized for this purpose by the General Assembly. No assurance can be provided as to the availability or adequacy of any Available Funds as of any date. The University retains the right to use Available Funds for the payment of other obligations of the University and to use any or all Available Funds for other lawful corporate purposes of the University. In particular, Available Funds may be used to pay cost of any facilities, financing expenses, amounts payable under any credit facility and amounts payable (such as termination payments, etc.) under any derivative agreement.

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The following table presents certain Available Funds balances as of the end of the fiscal year for each of the past five years.

Available Funds ¹ (dollars in thousands)					
Fiscal Year Ended June 30	2019	2020	2021 ⁴	2022	2023
Indiana University ^{2,3}	\$1,204,358	\$1,118,058	\$1,480,469	\$1,470,862	\$1,736,389
Indiana University Foundation	380,982	358,780	468,610	503,379	472,291
Available Funds	\$1,585,340	\$1,476,838	\$1,949,079	\$1,974,241	\$2,208,680

Sources: Audited IU annual financial report for the respective fiscal years ended, reflective of subsequent Management's Discussion and Analysis for the years shown; Indiana University Foundation (unaudited)

¹ Amounts include unrestricted net position of the University as of June 30 of each year. Amounts also include certain quasi-endowment funds held by the Foundation designated for general use by specific schools or departments, that could be used to replace other revenues budgeted for such schools or departments, allowing such budgeted revenues to be applied to debt service on outstanding obligations in the event other Available Funds are not sufficient to pay such debt service.

² Audited IU Annual Financial Report fiscal year 2022, Note 1 Organization and Summary of Significant Accounting Policies, Accounting Pronouncements Recently Adopted: The University adopted GASB Statement No. 87, Leases, which has been reflected as of July 1, 2020. All prior periods of the financial statements and accompanying notes that were impacted by this Statement have been restated. As a result, the Statement of Net Position now includes a liability for the present value of payments expected to be made and right-to-use assets, and also includes receivables for the present value of payments expected to be received and deferred inflows of resources that will be recognized as revenue over the term of the lease. Lease activity is further described in Note 5, Lease Receivables and Note 10, Lease Obligations. The financial statements for the year ended June 30, 2021, have been restated in order to adopt GASB Statement No. 87. The University reported a \$927,000 decrease to net position as of July 1, 2020.

³ Unrestricted Net Position is the largest component of Available Funds. See "Financial Operations of the University – Total Net Position".

⁴ Prior to restatement mentioned in footnote 2, the University's unrestricted net position was \$1,480,226 and \$1,117,918 as of June 30, 2021 and 2020, respectively.

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Student Fee Revenues Student fee bonds are payable from student fees. The General Assembly has historically appropriated to the University an amount equal to the annual debt service requirements due on previously approved and outstanding student fee bonds (the “fee replacement” appropriations). See “State Appropriations to the University”. The total amount and composition of student fee revenues of the University, including instructional fees and other fees charged, for each of the last five fiscal years follow.

Student Fee Revenues ¹ (dollars in thousands)					
Fiscal Year Ended June 30	2019	2020	2021	2022	2023
Student Fees Per Student Fee Bonds Indenture	\$1,514,263	\$1,547,225	\$1,573,780	\$1,619,207	\$1,685,549
Student Fees Per Financial Report					
Tuition and Fees	1,514,263	1,547,225	1,573,780	1,619,207	1,685,549
Less Scholarship Allowance	(310,174)	(313,068)	(328,028)	(332,073)	(349,535)
Tuition and Fees Net of Scholarship Allowance	\$1,204,089	\$1,234,157	\$1,245,752	\$1,287,134	\$1,336,014

Source: Audited IU annual financial report for the respective fiscal years ended as shown

¹Tuition and fees are reported net of scholarship allowance beginning with the audited IU Annual Financial Report 2021-2022. Tuition and fees are reflected as gross (prior to scholarship allowance) in all years shown.

Information from Financial Report

The following sections from “Risk Management” to “Subsequent Events” are taken from the accompanying notes and Required Supplementary Information which are part of the audited Indiana University Annual Financial Report 2022-23 with the same titles.

Risk Management

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

The University has three health care plans for full-time appointed active employees, and one plan for under-65 retirees not yet eligible for Medicare. All of the employee plans are self-funded. The University records a liability for incurred but unpaid claims for University-sponsored, self-funded health care plans. This liability is estimated to be no more than 10.0% of the paid self-funded claims during the fiscal year, and totals \$28,656,000 and \$30,482,000 at June 30, 2023 and 2022, respectively. These amounts are reported within accounts payable and accrued liabilities on the Statement of Net Position.

Changes in the balances of accrued insurance liabilities for full-time appointed active employees and under-65 retirees not yet eligible for Medicare were as follows:

(dollars in thousands)

Fiscal Year	Beginning Balance	Claims Incurred and Changes in Estimates	Claims Paid	Ending Balance
2021	\$28,024	\$248,220	\$(248,742)	\$27,502
2022	27,502	276,779	(273,799)	30,482
2023	30,482	301,329	(303,155)	28,656

Source: Indiana University Annual Financial Report 2022-23 (audited)

All organizational units of the University are charged fees based on estimates of the amounts necessary to pay health care coverage costs, including premiums and claims.

The University also provides health care plans for graduate assistants, fellowship recipients, and medical residents. These plans are either fully insured or self-funded with a stop/loss provision. For these groups, the University has recorded a liability for incurred but unpaid claims for University-sponsored, self-funded health care plans in the amount of \$3,374,000 and \$2,148,000 at June 30, 2023 and 2022, respectively.

Changes in the balances of accrued insurance liabilities for graduate assistances, fellowship recipients, and medical residents were as follows:

(dollars in thousands)

Fiscal Year	Beginning Balance	Claims Incurred and Changes in Estimates	Claims Paid	Ending Balance
2021	\$1,623	\$20,581	\$(20,349)	\$1,855
2022	1,855	22,866	(22,573)	2,148
2023	2,148	32,036	(30,450)	3,734

Source: Indiana University Annual Financial Report 2022-23 (audited)

These plans are funded by direct charges to the associated schools and/or departments.

Retirement Plans

The University provided retirement plan coverage to 19,861 and 19,135 active employees as of June 30, 2023 and 2022, respectively, in addition to contributing to the Federal Insurance Contributions Act (“FICA”) as required by law.

Retirement and Savings Plan All support and service employees with at least a 50% full-time equivalent (“FTE”) appointment and temporary with retirement employees scheduled to work at least 900 hours or more in a calendar year hired on or after July 1, 2013, participate in the Retirement and Savings Plan. This is a defined contribution plan under IRC 401(a). The University contributed \$12,741,000 during fiscal year ended June 30, 2023, and \$11,062,000 during fiscal year ended June 30, 2022, to Fidelity Investments for the plan. Under this plan, there were 3,602 and 3,194 active participants as of June 30, 2023 and 2022, respectively.

Academic and Professional Staff Employees Appointed academic and professional staff employees with at least 50% FTE are covered by the IU Retirement Plan. This is a defined contribution plan under IRC 403(b). The University contributed \$120,306,000 during fiscal year ended June 30, 2023, and \$115,377,000 during fiscal year ended June 30, 2022, to Fidelity Investments for the IU Retirement Plan. Under this plan, 14,789 and 14,243 active participants as of June 30, 2023 and 2022, respectively.

In addition to the above, the University provides early retirement benefits to full-time appointed academic and professional staff employees who were in positions Grade 16 and above on or before June 30, 1999. There were 542 and 592 active employees on June 30, 2023 and 2022, respectively, covered by the IU Supplemental Early Retirement Plan (“IUSERP”), a defined contribution plan in compliance with IRC 401(a), with participant accounts at Fidelity Investments. The University contributed \$1,629,000 and \$1,731,000 to IUSERP during fiscal years ended June 30, 2023 and 2022, respectively. The same class of employees covered by the IU Retirement Plan 15% Level of Contributions on or before July 14, 1988, is covered by the IU 18/20 Retirement Plan. The IU 18/20 Retirement Plan allows this group of employees to retire as early as age 64, provided the individual has at least 18 years of participation in the IU Retirement Plan and at least 20 years of continuous University service.

Indiana Public Employees’ Retirement Fund The University contributes to the Indiana Public Employees’ Retirement Fund (PERF), a defined benefit pension plan with an annuity savings account provision. Indiana Public Retirement System (INPRS) administers the cost-sharing, multiple-employer defined benefit plan. PERF was established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees. The University participates in the PERF Hybrid Plan which was established by the Indiana Legislature in 1955 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.2, IC 5-10.3, and Title 35 of the Indiana Administrative Code. There are two aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension. The second portion is the defined contribution component, known as Public Employees’ Hybrid Members Defined Contribution Account. Both components are funded by employer contributions. Support staff and part-time employees who normally work at least 50% FTE appointment hired prior to July 1, 2013, participate in the PERF Hybrid Plan. There were 1,470 and 1,698 active University employees covered by this retirement plan as of June 30, 2023 and 2022, respectively. Per IC 5-10.2-4-4, key elements of the pension formula include years of PERF creditable service multiplied by average annual compensation multiplied by 1.1%, resulting in an annual lifetime benefit. Cost of living adjustments for members in pay status are not guaranteed by statute but may be granted by the Indiana General Assembly on an ad hoc basis. Refunds of employee contributions are included in total benefit payments. Participants must have at least ten years of PERF creditable service to have a vested right to the defined pension benefit. The defined contribution account consists of contributions set by state statute at 3.0% of compensation plus the earnings credited to members’ accounts. Participants are 100% vested from inception in the defined contribution account. INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The financial report and corresponding fiduciary net position is prepared using the accrual basis of accounting in conformity with Generally Accepted Accounting Principles (GAAP). INPRS applies all applicable GASB pronouncements in accounting and reporting for its operations. INPRS investments are measured at fair value within the fair value hierarchy established by GASB Statement No. 72, Fair Value Measurement and Application. The INPRS Annual Comprehensive Financial Report for 2022 may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling 1-844-464-6777, or by reviewing the Annual Report online at www.in.gov/inprs/annualreports.htm.

Required and actual contributions made by the University totaled \$9,896,000 and \$10,837,000 for fiscal years ended June 30, 2023 and 2022, respectively. This represented an 11.2% University pension benefit contribution for fiscal years ended June 30, 2023 and 2022, and a 3.0% University contribution for the defined contribution account provisions each year.

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

Indiana Public Employees' Retirement Fund. At June 30, 2023, the University reported a liability of \$58,029,000 for its proportionate share of the net pension liability, as compared to \$24,801,000 for the year ended June 30, 2022. The June 30, 2023, net pension liability of \$58,029,000 at the measurement date was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, which used update procedures to roll forward the estimated liability to June 30, 2022. The University's proportion of the net pension liability was based on wages reported by the University relative to the collective wages of the plan. This basis measures the proportionate relationship of an employer to all employers and is consistent with the manner in which contributions to the pension plan are determined. At June 30, 2022, the University's proportion was 1.84%, a decrease of 0.04 percentage points from its proportion measured as of June 30, 2021, which was 1.88%. The University's June 30, 2021 proportion decreased 0.05 percentage points from its proportion measured as of June 30, 2020, which was 1.93%. Pension expense of the University as of June 30, 2023 and 2022, was \$7,328,000 and \$(2,017,000), respectively.

At June 30, 2023, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(dollars in thousands)

PERF		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$1,251	\$221
Changes of assumptions	7,860	2,482
Net difference between projected and actual earnings on pension plan investments	7,161	–
Changes in proportion and differences between University contributions and proportionate share of contributions	–	5,341
University contributions subsequent to the measurement date	6,895	–
Total	\$23,167	\$8,044

Source: Indiana University Annual Financial Report 2022-23 (audited)

Deferred outflows of resources in the amount of \$6,895,000 related to pensions resulting from University contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

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At June 30, 2022, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(dollars in thousands)

PERF		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$848	\$495
Changes of assumptions	12,475	5,571
Net difference between projected and actual earnings on pension plan investments	–	32,201
Changes in proportion and differences between University contributions and proportionate share of contributions	46	4,267
University contributions subsequent to the measurement date	8,492	–
Total	\$21,861	\$42,534

Source: Indiana University Annual Financial Report 2022-23 (audited)

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

(dollars in thousands)

Fiscal Year Ended June 30	PERF
2023	\$(104)
2024	2,719
2025	(1,962)
2026	7,575
2027	–
Thereafter	–
Total	\$8,228

Source: Indiana University Annual Financial Report 2022-23 (audited)

Actuarial Assumptions. The total pension liability as of June 30, 2022, and June 30, 2021, based on the results of actuarial valuation dates of June 30, 2021, and June 30, 2020, and rolled forward, respectively, were determined using the following actuarial assumptions, which were applied to all periods included in the measurement:

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PERF		
	Measurement date as of June 30, 2021	Measurement date as of June 30, 2022
Cost of living	FY 2024-2033 – 0.4% FY 2034-2038 – 0.5% FY 2039 and on – 0.6%	FY 2024-2033 – 0.4% FY 2034-2038 – 0.5% FY 2039 and on – 0.6%
Inflation	2.00% average	2.00% average
Future salary increases	2.65% to 8.65%	2.65% to 8.65%
Investment rate of return	6.25%, net of investment expense Based on Pub-2010 Public Retirement Plans Mortality Tables (Amount- Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019	6.25%, net of investment expense Based on Pub-2010 Public Retirement Plans Mortality Tables (Amount- Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019
Mortality rates		

Source: Indiana University Annual Financial Report 2022-23 (audited)

The actuarial assumptions used in the valuations of June 30, 2022, were adopted by the Indiana Public Retirement System Board pursuant to the experience studies which reflected the period from July 1, 2014, through June 30, 2019. Member census data as of June 30, 2021, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2021 and June 30, 2022. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2021 to the June 30, 2022 measurement date.

There were no significant changes to assumptions listed above for the pension plan since the prior measurement date of June 30, 2021.

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

PERF				
	Measurement date as of June 30, 2021		Measurement date as of June 30, 2022	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	20.0%	3.6%	20.0%	3.6%
Private Markets	15.0%	7.3%	15.0%	7.7%
Fixed Income – Ex Inflation-Linked	20.0%	1.5%	20.0%	1.4%
Fixed Income – Inflation-Linked	15.0%	(0.3)%	15.0%	(0.3)%
Commodities	10.0%	0.8%	10.0%	0.9%
Real Estate	10.0%	4.2%	10.0%	3.7%
Absolute Return	5.0%	2.5%	5.0%	2.1%
Risk Parity	20.0%	4.4%	20.0%	3.8%
Cash and Cash Overlay/Leverage Offset ¹	(15.0)%	(1.4)%	(15.0)%	(1.7)%
Total	100.0%		100.0%	

Source: Indiana University Annual Financial Report 2022-23 (audited)

¹ The defined benefit plans target allocation for total exposure is 115%. For the long-term expected rate of return calculation, an additional -15% is allocated to the cash and cash overlay global asset class.

Discount rate. The discount rate used to measure the total pension liability was 6.25% and 6.25% at June 30, 2022 and 2021, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the University’s proportionate share of the PERF net pension liability. The following table presents the University’s proportionate share of the PERF net pension liability using the discount rate of 6.25% and 6.25 for June 30, 2022 and 2021, respectively, as well as what the University’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

(dollars in thousands)

PERF			
Sensitivity of Net Pension Liability	1% Decrease	Current Discount Rate	1% Increase
June 30, 2022 (6.25%)	\$64,864	\$24,801	\$(8,618)
June 30, 2023 (6.25%)	98,032	58,029	24,663

Source: Indiana University Annual Financial Report 2022-23 (audited)

Pension Plan Fiduciary Net Position. Detailed information about the pension plans’ fiduciary net position is available in the separately issued INPRS financial report.

Payable to the Pension Plan The University reported a payable of \$1,207,000 at June 30, 2023, and \$1,716,000 at June 30, 2022, for the outstanding amount of contributions to the pension plans required for the year ended June 30, 2023, and 2022, respectively.

Postemployment Benefits

Plan Description The University provides postemployment benefits for certain retired employees. The IU 18/20 Plan, medical, and life insurance benefits are presented for financial statement purposes as a consolidated plan (the “Plan”).

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

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

Funding Policy The contribution requirements of plan members and the University are established and may be amended by the Trustees. The University contribution to the 18/20 Plan and retiree life insurance is based on pay-as-you-go financing requirements. Plan members do not make contributions.

The medical plans are self-funded and each plan's premiums are updated annually based on actual claims. Retirees receiving medical benefits paid \$1,033,000 and \$1,023,000 in premiums in the fiscal years ended June 30, 2023 and June 30, 2022, respectively. The University contributed \$21,269,000 and \$22,675,000 to the consolidated OPEB Plan in fiscal years ended June 30, 2023 and June 30, 2022, respectively. The University does not maintain a separate legal trust to house assets used to fund postemployment benefits.

As of the June 30, 2022 actuarial valuation date, the number of plan participants consisted of the following:

OPEB			
	18/20 Plan	Retiree Health Insurance	Retiree Life Insurance
Active employees	57	17,174	18,726
Inactive employees receiving benefits	130	186	6,655
Total	187	17,360	25,381

Source: Indiana University Annual Financial Report 2022-23 (audited)

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources At June 30, 2023 and 2022, the University reported \$181,632,000 and \$179,008,000 for its total OPEB liability, respectively. The current portion of the OPEB liability was \$17,632,000 and \$21,269,000 at June 30, 2023 and June 30, 2022, respectively. At June 30, 2023 and June 30, 2022, the University reported \$16,987,000 and \$16,218,000 for its total OPEB expense, respectively. The June 30, 2023 total OPEB liability was measured as of June 30, 2023. Liabilities as of June 30, 2023 are based on an actuarial valuation date of July 1, 2022 projected to June 30, 2023, reflecting actual premiums and contributions. Liabilities as of July 1, 2022 are based on an actuarial valuation date of June 30, 2022 with no adjustments to get to the June 30, 2022 measurement date.

Changes in the total reported liability for postemployment benefits obligations and total OPEB expense for the year ended June 30, 2023, are summarized as follows:

(dollars in thousands)

OPEB				
	18/20 Plan	Retiree Health Insurance	Retiree Life Insurance	Total
Total OPEB liability, beginning of year	\$43,844	\$97,422	\$37,742	\$179,008
Service cost	533	7,396	865	8,794
Interest	1,476	4,225	1,549	7,250
Changes in assumptions	(13)	(385)	(233)	(631)
Differences between expected and actual experience	(1,056)	9,536	–	8,480
Benefit payments	(16,731)	(3,062)	(1,476)	(21,269)
Total OPEB liability, end of year	\$28,053	\$115,132	\$38,447	\$181,632
Current portion of OPEB Liability				\$17,632
OPEB expense	\$450	\$14,635	\$1,902	\$16,987

Source: Indiana University Annual Financial Report 2022-23 (audited)

Changes in the total reported liability for postemployment benefits obligations and total OPEB expense for the year ended June 30, 2022, are summarized as follows:

(dollars in thousands)

OPEB				
	18/20 Plan	Retiree Health Insurance	Retiree Life Insurance	Total
Total OPEB liability, beginning of year	\$61,926	\$95,940	\$51,246	\$209,112
Service cost	1,298	8,652	1,718	11,668
Interest	1,187	2,256	1,144	4,587
Changes in assumptions	(1,082)	(13,978)	(13,570)	(28,630)
Differences between expected and actual experience	(1,378)	7,685	(1,361)	4,946
Benefit payments	(18,107)	(3,133)	(1,435)	(22,675)
Total OPEB liability, end of year	\$43,844	\$97,422	\$37,742	\$179,008
Current portion of OPEB Liability				\$21,269
OPEB expense	\$1,060	\$12,778	\$2,380	\$16,218

Source: Indiana University Annual Financial Report 2022-23 (audited)

The discount rate changed from 4.09% as of June 30, 2022, to 4.13% as of June 30, 2023. The health care trend rates have been reset to an initial rate of 7.0% decreasing by 0.5% annually to an ultimate rate of 4.5%. The University has not had a recent experience study.

At June 30, 2023, the University reported deferred outflows and inflows of resources related to OPEB from the following sources:

(dollars in thousands)

OPEB		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions:		
18/20 Plan	\$1,490	\$1,087
Retiree health insurance	6,594	10,821
Retiree life insurance	5,948	10,685
Differences between expected and actual experience:		
18/20 Plan	–	7,102
Retiree health insurance	33,647	23,608
Retiree life insurance	230	1,021
Total	\$47,909	\$54,324

Source: Indiana University Annual Financial Report 2022-23 (audited)

At June 30, 2022, the University reported deferred outflows and inflows of resources related to OPEB from the following sources:

(dollars in thousands)

OPEB		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions:		
18/20 Plan	\$1,871	\$1,298
Retiree health insurance	8,327	12,231
Retiree life insurance	7,374	12,279
Differences between expected and actual experience:		
18/20 Plan	–	7,761
Retiree health insurance	32,777	29,199
Retiree life insurance	289	1,191
Total	\$50,638	\$63,959

Source: Indiana University Annual Financial Report 2022-23 (audited)

These amounts will be recognized in OPEB expense as follows:

(dollars in thousands)

OPEB				
Fiscal Year Ending June 30	18/20 Plan	Retiree Health Insurance	Retiree Life Insurance	Total
2024	\$(1,559)	\$3,013	\$(511)	\$943
2025	(1,559)	3,013	(511)	943
2026	(1,559)	3,013	(511)	943
2027	(749)	(3,505)	(685)	(4,939)
2028	(697)	(1,224)	(1,385)	(3,306)
Thereafter	(575)	1,501	(1,925)	(999)
Total	\$(6,698)	\$5,811	\$(5,528)	\$(6,415)

Source: Indiana University Annual Financial Report 2022-23 (audited)

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Actuarial Assumptions. Significant actuarial methods and assumptions used to calculate the University's total OPEB liability were:

OPEB			
	Measurement Date as of June 30, 2022		Measurement Date as of June 30, 2023
Payroll growth (medical/life plan)	3.0%		3.0%
Payroll growth (18/20 plan)	2.5%		2.5%
Inflation	2.5%		2.5%
Health care cost trend rates	7.5% for fiscal year 2022 to 4.5% for fiscal year 2028 and later years		7.0% for fiscal year 2023 to 4.5% for fiscal year 2029 and later years
Mortality rates	Based on SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019		Based on SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021
Actuarial cost method	Entry Age Normal Level % of Salary		Entry Age Normal Level % of Salary

Source: Indiana University Annual Financial Report 2022-23 (audited)

Discount rate. The discount rate used in valuing OPEB liabilities as of June 30, 2023, was 4.13% and 4.09% as of June 30, 2022. The discount rate must be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The S&P 20-year municipal bond index was used for the current discount rate.

Sensitivity of total OPEB liability to the discount rate. The following table presents the June 30, 2023, total OPEB liability using the discount rate of 4.13%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

(dollars in thousands)

OPEB June 30, 2023			
Sensitivity of Total OPEB Liability	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
18/20 plan	\$28,381	\$28,053	\$27,719
Retiree health insurance	125,187	115,132	105,934
Retiree life insurance	44,975	38,447	33,269
Total	\$198,543	\$181,632	\$166,922

Source: Indiana University Annual Financial Report 2022-23 (audited)

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Sensitivity of total OPEB liability to the discount rate. The following table presents the June 30, 2022, total OPEB liability using the discount rate of 4.09%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

(dollars in thousands)

OPEB June 30, 2022			
Sensitivity of Total OPEB Liability	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
18/20 plan	\$44,419	\$43,844	\$43,261
Retiree health insurance	106,003	97,422	89,568
Retiree life insurance	44,185	37,742	32,633
Total	\$194,607	\$179,008	\$165,462

Source: Indiana University Annual Financial Report 2022-23 (audited)

Sensitivity of total OPEB liability to the health care trend rate. The following table presents the University's retiree health insurance OPEB liability for both years as well as what the retiree health insurance OPEB liability would be if it were calculated using a health care trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

(dollars in thousands)

OPEB			
Sensitivity of Retiree Health Insurance OPEB Liability ¹	1% Decrease	Current Trend	1% Increase
June 30, 2022 (7.5% decreasing to 4.5%)	\$86,652	\$97,422	\$110,131
June 30, 2023 (7.0% decreasing to 4.5%)	101,676	115,132	131,099

Source: Indiana University Annual Financial Report 2022-23 (audited)

¹ The 18/20 and retiree life insurance plans are not included above as they do not have a health care component.

Required Supplementary Information

GASB Statement No. 68 and GASB Statement No. 75 require disclosure of a 10-year schedule. In this document, only five years will be shown. Additional years are available in the Indiana University Annual Financial Report 2022-23, available at: <https://evpfa.iu.edu/resources/annual-reports.html>.

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Indiana Public Employees' Retirement Fund

Schedule of the University's Proportionate Share of the Net Pension Liability for the Indiana Public Employees' Retirement Fund
(dollars in thousands)

Measurement Date as of	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
University's proportion of the net pension liability	2.02%	1.97%	1.93%	1.88%	1.84%
University's proportionate share of the net pension liability	\$68,576	\$65,254	\$58,280	\$24,801	\$58,029
University's covered-employee payroll	\$124,694	\$101,364	\$94,664	\$84,371	\$79,916
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	55.00%	64.38%	61.56%	29.39%	72.61%
Plan fiduciary net position as a percentage of the total pension liability	78.90%	80.10%	81.40%	92.50%	82.50%

Source: Indiana University Annual Financial Report 2022-23 (audited)
The amounts presented for each fiscal year were determined as of June 30.

Schedule of the University's Contributions for the Indiana Public Employees' Retirement Fund
(dollars in thousands)

Fiscal Year Ended June 30	2019	2020	2021	2022	2023
Contractually required contribution	\$11,170	\$10,583	\$9,154	\$8,824	\$6,409
Contributions in relations to the contractually required contribution	\$(11,170)	\$(10,583)	\$(9,154)	\$(8,824)	\$(6,409)
Contribution deficiency	-	-	-	-	-
University's covered-employee payroll	\$101,364	\$94,664	\$84,371	\$79,916	\$61,283
Contributions as a percentage of covered-employee payroll	11.02%	11.18%	10.85%	11.04%	10.46%

Source: Indiana University Annual Financial Report 2022-23 (audited)

Notes to RSI:

Changes of Benefit Terms: There were no changes of benefit terms for the years presented.

Changes in Assumptions:

FY2023:

None

FY2022:

The Interest Rate / Investment Return and Discount Rate assumption changed from 6.75% to 6.25%.

The inflation assumption changed from 2.25% to 2.00%.

The Future Salary Scale assumption changed from 2.75% - 8.75% to 2.65% - 8.65%.

FY 2021:

The future salary increase assumption changed from an age-based table ranging from 2.50% to 4.25% to a service-based table ranging from 2.75% to 8.75%.

The mortality assumption changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption was updated based on recent experience and was updated from an age- and service-based table to an age-based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30% are now assumed to commence benefits immediately and 70% are assumed to commence benefits at unreduced retirement eligibility. Previously 33% of actives were assumed to commence benefits with early retirement while 67% were assumed to wait for unreduced retirement eligibility.

The termination assumption was updated based on recent experience. For state members, the tables were combined from being split by salary and sex to being one unisex service-based table. For members in political subdivisions earning more than \$20,000, the sex-distinct tables were combined to one unisex service-based table. For members in political subdivisions earning less than \$20,000, the sex-distinct age-based table was maintained, and the rates were updated based on experience.

The disability assumption was updated based on recent experience.

The marital assumption was updated based on recent experience. 80% of male members and 65% of female members are assumed to be married or to have a dependent beneficiary. Previously, 75% of male members and 60% of female members were assumed to be married or to have a dependent beneficiary.

The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

FY 2020:

None

FY 2019:

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

Other Postemployment Benefit Plans

Schedule of the University's Total Liability for Other Postemployment Benefit Plans Under GASB 75
(dollars in thousands)

OPEB Liability Fiscal Year 2023				
	18/20 Plan	Retiree Health Insurance	Retiree Life Insurance	Total
Service Cost	\$533	\$7,396	\$865	\$8,794
Interest	1,476	4,225	1,549	7,250
Changes in assumptions	(13)	(385)	(233)	(631)
Differences between expected and actual experience	(1,056)	9,536	–	8,480
Benefit payments	(16,731)	(3,062)	(1,476)	(21,269)
Net change in total OPEB liability	\$(15,791)	\$17,710	\$705	\$2,624
Total OPEB liability, beginning of year	\$43,844	\$97,422	\$37,742	\$179,008
Total OPEB liability, end of year	\$28,053	\$115,132	\$38,447	\$181,632
Covered employee payroll	\$6,694	\$1,374,581	\$1,374,581	
Total liability as a percentage of covered employee payroll	419.1%	8.4%	2.8%	

Source: Indiana University Annual Financial Report 2022-23 (audited)

Changes of Benefit Terms: There were no changes of benefit terms for the plan year ended June 30, 2023.

Changes in Assumptions: The discount rate increased to 4.13% as of June 30, 2023. The health care trend rates have been reset to an initial rate of 7.0% decreasing by 0.5% annually to an ultimate rate of 4.5%.

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Schedule of the University's Total Liability for Other Postemployment Benefit Plans Under GASB 75
(dollars in thousands)

OPEB Liability Fiscal Year 2022				
	18/20 Plan	Retiree Health Insurance	Retiree Life Insurance	Total
Service Cost	\$1,298	\$8,652	\$1,718	\$11,668
Interest	1,187	2,256	1,144	4,587
Changes in assumptions	(1,082)	(13,978)	(13,570)	(28,630)
Differences between expected and actual experience	(1,378)	7,685	(1,361)	4,946
Benefit payments	(18,107)	(3,133)	(1,435)	(22,675)
Net change in total OPEB liability	\$(18,082)	\$1,482	\$(13,504)	\$(30,104)
Total OPEB liability, beginning of year	\$61,926	\$95,940	\$51,246	\$209,112
Total OPEB liability, end of year	\$43,844	\$97,422	\$37,742	\$179,008
Covered employee payroll	\$8,775	\$1,334,545	\$1,334,545	
Total liability as a percentage of covered employee payroll	499.6%	7.3%	2.8%	

Source: Indiana University Annual Financial Report 2022-23 (audited)

Changes of Benefit Terms: There were no changes of benefit terms for the plan year ended June 30, 2022.

Changes in Assumptions: The discount rate increased to 4.09% as of June 30, 2022. The inflation rate decreased to 2.50% per year as of June 30, 2022. The mortality table has been updated from headcount-weighted, fully generational using Scale MP-2019 to headcount-weighted, fully generational using Scale MP-2021.

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Schedule of the University's Total Liability for Other Postemployment Benefit Plans Under GASB 75

(dollars in thousands)

OPEB Liability Fiscal Year 2021				
	18/20 Plan	Retiree Health Insurance	Retiree Life Insurance	Total
Service Cost	\$1,657	\$9,024	\$1,430	\$12,111
Interest	1,965	2,848	1,240	6,053
Changes in assumptions	381	3,648	4,087	8,116
Differences between expected and actual experience	(2,431)	(16,300)	–	(18,731)
Benefit payments	(23,584)	(2,654)	(1,402)	(27,640)
Net change in total OPEB liability	\$(22,012)	\$(3,434)	\$5,355	\$(20,091)
Total OPEB liability, beginning of year	\$83,938	\$99,374	\$45,891	\$229,203
Total OPEB liability, end of year	\$61,926	\$95,940	\$51,246	\$209,112
Covered employee payroll	\$13,233	\$1,347,071	\$1,347,071	
Total liability as a percentage of covered employee payroll	468.0%	7.1%	3.8%	

Source: Indiana University Annual Financial Report 2022-23 (audited)

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

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

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Schedule of the University's Total Liability for Other Postemployment Benefit Plans Under GASB 75

(dollars in thousands)

OPEB Liability Fiscal Year 2020				
	18/20 Plan	Retiree Health Insurance	Retiree Life Insurance	Total
Service Cost	\$2,442	\$8,746	\$1,118	\$12,306
Interest	3,344	4,052	1,391	8,787
Changes in assumptions	2,014	3,852	5,188	11,054
Differences between expected and actual experience	(2,431)	(22,099)	413	(24,117)
Benefit payments	(28,297)	(3,690)	(1,469)	(33,456)
Net change in total OPEB liability	\$(22,928)	\$(9,139)	\$6,641	\$(25,426)
Total OPEB liability, beginning of year	\$106,866	\$108,513	\$39,250	\$254,629
Total OPEB liability, end of year	\$83,938	\$99,374	\$45,891	\$229,203
Covered employee payroll	\$20,425	\$1,307,836	\$1,307,836	
Total liability as a percentage of covered employee payroll	411.0%	7.6%	3.5%	

Source: Indiana University Annual Financial Report 2022-23 (audited)

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

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

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Schedule of the University's Total Liability for Other Postemployment Benefit Plans Under GASB 75

(dollars in thousands)

OPEB Liability Fiscal Year 2019				
	18/20 Plan	Retiree Health Insurance	Retiree Life Insurance	Total
Service Cost	\$2,209	\$8,427	\$974	\$11,610
Interest	4,571	4,243	1,410	10,224
Changes in assumptions	653	3,257	2,134	6,044
Differences between expected and actual experience	(3,203)	(6,325)	–	(9,528)
Benefit payments	(26,277)	(4,552)	(1,435)	(32,264)
Net change in total OPEB liability	\$(22,047)	\$5,050	\$3,083	\$(13,914)
Total OPEB liability, beginning of year	\$128,913	\$103,463	\$36,167	\$268,543
Total OPEB liability, end of year	\$106,866	\$108,513	\$39,250	\$254,629
Covered employee payroll	\$24,322	\$1,248,265	\$1,248,265	
Total liability as a percentage of covered employee payroll	439.4%	8.7%	3.1%	

Source: Indiana University Annual Financial Report 2022-23 (audited)

Changes of Benefit Terms: There were no changes of benefit terms for the plan year ended June 30, 2019.

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

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Commitments and Loss Contingencies

The University had outstanding commitments for capital construction projects of \$201,471,000 and \$55,342,000 at June 30, 2023 and 2022, respectively.

The University is a party to a number of legal actions. While the final outcome in these legal actions cannot be determined at this time, management is of the opinion that the liability, if any, for these legal actions will not have a significant adverse effect on the University's financial statements.

Subsequent Events

On June 14, 2023, The Board of Trustees from both Indiana University and Purdue University approved a definitive agreement to formalize the separation of Indiana University-Purdue University Indianapolis (IUPUI) that will convert the shared campus into two distinct institutions. Indiana University will continue to own and manage the shared campus, provide certain administrative services for both institutions, and house the college's Division I athletics program.

Beginning July 1, 2024, the IUPUI campus will be known as Indiana University Indianapolis. The Purdue portion of the campus will be known as Purdue University in Indianapolis. All academic programs at IUPUI will transition to become part of IU Indianapolis, with the exception of most programs within the Purdue School of Engineering and Technology and Computer Science within the School of Science, which will become part of Purdue University in Indianapolis.

Exhibit A – Audited Financial Statements for the Fiscal Year Ended June 30, 2023



ANNUAL FINANCIAL REPORT

INDIANA UNIVERSITY

2022-2023



*The Campus River near Ballantine Hall
IU Bloomington Campus*

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MESSAGE
FROM THE
PRESIDENT

Pamela Whitten,
President,
Indiana University



The Honorable Eric J. Holcomb
Governor, State of Indiana
State House, Room 206
200 West Washington Street
Indianapolis, IN 46204

Dear Governor Holcomb:

On behalf of the Trustees of Indiana University, I present the university's 2022-23 Financial Report. I am pleased to report that thanks to our ongoing efforts to reduce costs and increase efficiency through prudent use of state funds and tuition revenues, IU's financial position remains strong.

This fall, across our campuses and through our online programs, we have welcomed more than 90,000 students who comprise one of the most academically accomplished and diverse student bodies in IU history. That these students come to IU from all Indiana counties, every state in the nation, and 170 countries is a testament to the fact that IU continues to offer an affordable, accessible education.

Our commitment to affordability has made IU Bloomington's net in-state tuition the third lowest in the Big Ten. Our regional campuses offer the lowest average net price of all Indiana universities, and our Indianapolis campus is highly affordable compared to its peers. More than half of IU undergraduates leave school debt-free, and we have further strengthened our affordability by simplifying our fee structure, an initiative that will result in savings of \$14.5 million a year for students beginning in 2024.

In April 2023, the IU Board of Trustees endorsed IU 2030, a bold, metric-driven, seven-year vision to advance student success and opportunity, expand the university's research and creative activity, and strengthen IU's unwavering commitment to serving communities in Indiana and across the world.

As we implement IU 2030, we are also preparing for the 2024 launch of IU Indianapolis, and what will become one of the preeminent urban research universities in this country, creating more opportunities for students and positioning our graduates to make an even more significant impact on Indiana. We will increase the number of job-ready graduates with a focus on developing talent in science, bioscience, medicine, and more, building better support for our communities, and fueling economic growth in the capital city and beyond.

Looking to the future, IU's sights are squarely set on reaching new heights as one of the nation's greatest public research universities, defined by students transformed, discoveries made, and communities strengthened.

Sincerely,

A handwritten signature in black ink that reads "Pamela Whitten". The signature is written in a cursive, flowing style.

Pamela Whitten
President



*Auer Hall at the Jacobs School of Music
IU Bloomington Campus*



MESSAGE
FROM THE
EXECUTIVE VICE
PRESIDENT FOR
FINANCE AND
ADMINISTRATION

Dwayne Pinkney,
Executive Vice President for
Finance and Administration,
Indiana University



Dear President Whitten and the Trustees of Indiana University:

I am pleased to present to you the Indiana University Financial Report for the fiscal year ended June 30, 2023. The financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) and Governmental Accounting Standards Board (GASB) principles. The accompanying notes and the Management's Discussion and Analysis are integral parts of the financial statements.

The statements are intended to provide a summary of the flow of the economic resources of the university during the fiscal year covering the period of July 1, 2022, through June 30, 2023. The statements report the university's financial position at June 30, 2023, with comparative data from the previous fiscal year. In addition, financial results of the discretely presented component units are incorporated in the 2022-2023 financial report.

The financial statements have been audited by Plante Moran and their opinion on the financial statements appears after this letter.

The Indiana University Financial Report is a consolidated report incorporating all seven campuses for which Indiana University has fiscal responsibility and also includes all auxiliary operations. The information presented in the Management's Discussion and Analysis section of the financial report includes indicators that assess Indiana University's fiscal health. Overall, these indicators show that Indiana University continues to have a strong balance sheet reflecting sound and careful fiscal management across the institution.

For the fiscal year ending June 30, 2023, the institution had an increase in net position of \$242,858,000, or 5%, over the prior year. This positive financial performance was achieved while focusing on affordability. Resident undergraduate tuition rates increased by approximately 1% across all campuses for the 2022-2023 academic year. Complementing these moderate tuition increases was continued financial support for our students with \$507,122,000 provided in financial aid.

Affordability is also maintained through the continued financial support of donors and the state, combined with the fiscal stewardship of those across the University. This has allowed us to continue to invest in the programs and facilities required to educate and prepare students to contribute to the state, the nation, and the world. In fiscal year 2023, state support for university operations was \$605,938,000, while state support for capital projects was \$17,158,000. Simultaneously, donor support brought into the University was \$166,551,000.

Indiana University is one of seven public universities that hold an Aaa long-term credit rating from Moody's Investor Services, as well as an AAA rating from S&P Global Ratings. These ratings reflect not only IU's strong financial performance and focus on high standards and fiscal management, but also the effective governance of senior leadership and the Board of Trustees. These ratings also reflect the quality of our academic programs, our ability to plan for the future, and our continued focus on efficiency and affordability.

On behalf of all those responsible for the fiscal stewardship of Indiana University's resources, I submit the Indiana University Financial Report for the fiscal year ending June 30, 2023.

A handwritten signature in black ink that reads "Dwayne Pinkney". The signature is written in a cursive, flowing style.

Dwayne Pinkney
Executive Vice President for
Finance and Administration

Independent Auditor's Report

To the Board of Trustees
Indiana University

Report on the Audits of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and aggregate discretely presented component units of Indiana University (the "University"), a component unit of the State of Indiana, as of and for the years ended June 30, 2023 and 2022 and the related notes to the financial statements, which collectively comprise Indiana University's basic financial statements, as listed in the table of contents.

In our opinion, based on our audits and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and aggregate discretely presented component units of Indiana University as of June 30, 2023 and 2022 and the changes in its 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.

We did not audit the financial statements of discretely presented component units, which represents all of the assets, net position, and revenue of the discretely presented component units. Those financial statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the University and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of discretely presented component units were not audited under *Government Auditing Standards*.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the University adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, as of July 1, 2021. Our opinion is not modified with respect to this matter.

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 the University'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.

To the Board of Trustees
Indiana University

Auditor's Responsibilities for the Audits 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 audits conducted in accordance with GAAS and *Government Auditing Standards* 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 audits in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, 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 University'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as identified in the table of contents, 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the accompanying message from the president; message from the vice president and chief financial officer, trustees, and administrative officers of Indiana University; and additional information (as identified in the table of contents), which are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Our opinions on the financial statements do not cover such information, and we do not express an opinion or any form of assurance thereon.



To the Board of Trustees
Indiana University

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 2023 on our consideration of Indiana University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Indiana University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Indiana University's internal control over financial reporting and compliance.

Plante & Moran, PLLC

November 2, 2023



Introduction

The following discussion and analysis provides an overview of the consolidated financial position and activities of Indiana University ("university" or IU) for the fiscal year ended June 30, 2023, with selected comparative information for the fiscal years ended June 30, 2022 and 2021. This discussion has been prepared by management and should be read in conjunction with the consolidated financial statements and accompanying notes to the financial statements included in this Annual Financial Report.

Indiana University was founded in 1820 and is one of the largest state-supported universities in the United States. The university is a major multi-campus public research institution, grounded in the liberal arts and sciences, and a world-class leader in professional, medical, and technological education. IU's mission is to provide broad access to undergraduate and graduate education for students throughout Indiana, the United States, and the world, as well as outstanding academic and cultural programs and student services. The university seeks to create dynamic partnerships with the state and local communities in economic, social, and cultural development and to offer leadership in creative solutions for 21st century problems. The university strives to achieve full diversity and to maintain friendly, collegial, and humane environment with a strong commitment to academic freedom.

The university's Annual Financial Report includes three financial statements: Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows. The university's financial statements, related notes to the financial statements, and required supplementary information, including management's discussion and analysis have been prepared in accordance with Governmental Accounting Standards Board (GASB) principles. GASB required supplementary information is not audited and should be read in conjunction with the financial statements and notes to the financial statements. The university's financial statements also contain the following component units:

The Indiana University Foundation (IU Foundation) is organized as a not-for-profit corporation under the laws of the state of Indiana for the exclusive purpose of supporting the university by receiving, holding, investing, and administering property and making expenditures to or for the benefit of the university. As a tax-exempt organization that would be misleading to exclude, the

IU Foundation is considered a component unit of the university, which requires discrete presentation.

The James Whitcomb Riley Memorial Association, Inc., d/b/a Riley Children's Endowment (Riley) is organized as a not-for-profit corporation under the laws of the state of Indiana to fund and support the Riley Hospital for Children, to fund medical research dedicated to the treatment and care of disabled or sick children in conjunction with the Riley Hospital, and to secure and maintain endowment funds to benefit children and other initiatives. The university has the ability to appoint the voting majority of Riley's board of directors and to remove appointed directors of Riley's board at will. As a result, Riley is considered a component unit of the university, which requires discrete presentation.

The IU Medical Group Foundation, Inc. (IUMG) is organized as a not-for-profit corporation under the laws of the state of Indiana to acquire, manage, and distribute funds for the benefit of the Indiana University School of Medicine and Indiana University Health Care Associates. The university has the ability to appoint the voting majority of IUMG's board of directors, and there is a financial benefit relationship from IUMG. As a result, IUMG is considered a component unit of the university, which requires discrete presentation.

The Regenstrief Institute, Inc. ("Institute") is organized as a not-for-profit corporation under the laws of the state of Indiana to integrate research discovery, technological advances, and systems improvement into the practice of medicine. The university has the ability to appoint the voting majority of the Institute's board of directors and to remove appointed directors of the Institute's board at will. As a result, the Institute is considered a component unit of the university, which requires discrete presentation.

The Indiana University Building Corporation (IUBC) serves specific purposes on behalf of the university and is shown in a blended presentation with the university's financial statements. The sole purpose of IUBC is to assist the university in the financing and development of university facilities by owning and leasing such facilities to the university on a lease-purchase basis.

About the Financial Statements

The **Statement of Net Position** is the university's balance sheet. The statement presents the university's financial position by reporting all assets, deferred outflows of resources, liabilities, deferred inflows

of resources, and net position as of the end of the fiscal year, with comparative information for the prior fiscal year. Net position is the residual value of the university's assets and deferred outflows of resources, after liabilities and deferred inflows of resources are deducted, and is one indicator of the financial condition of the university.

The **Statement of Revenues, Expenses, and Changes in Net Position** is the university's income statement. The statement presents the total revenues recognized and expenses incurred by the university during the fiscal year, along with the increase or decrease in net position with comparative information for the prior fiscal year. This statement depicts the university's revenue streams, along with the categories of expenses supported by that revenue. Changes in net position are an indication of improvement or decline in the university's overall financial condition.

The **Statement of Cash Flows** provides additional information about the university's financial results by presenting detailed information about cash inflows and outflows during the fiscal year, with comparative information for the prior fiscal year. The statement reports the major sources and uses of cash and is useful in the assessment of the university's ability to generate

future net cash flows and to meet obligations as they come due.

The university adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, during fiscal year ending June 30, 2023. The provisions of this Statement are effective for reporting periods beginning after June 15, 2022, and should be applied retroactively by restating financial statements, if practicable, for all prior periods presented. The most recent prior period of the financial statements and accompanying notes of the financial statements that were impacted by this Statement have been restated for the fiscal year ended June 30, 2022. The adoption of GASB 96 resulted in the recognition of subscription-based IT assets and liabilities in the amount of \$17,480,000 as of July 1, 2021. See Note 1, Organization and Summary of Significant Accounting Policies for additional information.

Statement of Net Position

A comparison of the university's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30, 2023, 2022, and 2021, is summarized as follows:

Condensed Statement of Net Position (in thousands of dollars)			
	June 30, 2023	June 30, 2022 (as restated)	June 30, 2021
Current assets	\$ 692,206	\$ 738,844	\$ 602,970
Capital assets, net	3,810,550	3,811,412	3,782,215
Other assets	2,529,888	2,395,138	2,200,171
Total assets	7,032,644	6,945,394	6,585,356
Deferred outflows of resources	77,020	79,869	79,318
Current liabilities	460,537	551,615	505,524
Noncurrent liabilities	1,348,143	1,373,326	1,555,998
Total liabilities	1,808,680	1,924,941	2,061,522
Deferred inflows of resources	77,189	119,385	74,441
Net investment in capital assets	2,655,593	2,581,396	2,542,568
Restricted net position	831,813	928,679	505,674
Unrestricted net position	1,736,389	1,470,862	1,480,469
Total net position	\$ 5,223,795	\$ 4,980,937	\$ 4,528,711



Assets

Current Assets

Current assets include those that are used to support current operations and consist primarily of cash and cash equivalents, current net receivables, and short-term investments. Cash balances support commitments to strategic initiatives, employee benefit and retirement costs, self-liquidity requirements, and ongoing operational needs. The overall fluctuations in current assets are primarily a function of the university's revenue and expense cycles, along with investment activities.

Current assets decreased \$46,638,000, or 6%, and increased \$135,874,000, or 23%, in 2023 and 2022, respectively. The decrease in 2023 was primarily attributable to a decrease in cash and cash equivalents of \$121,100,000. This was partially offset by an increase in short-term investments of \$52,601,000 and an increase in net receivables of \$24,125,000. The decrease in cash and cash equivalents was driven by the timing of investment purchases and sales, as well as operational needs. The increase in short-term investments was driven by the appreciation of equity and fixed income investments. The increase in net receivables was primarily driven by the timing of receivables realization.

The increase in 2022 was primarily attributable to an increase in short-term investments of \$172,983,000. This was partially offset by a decrease in net receivables of \$24,704,000 and a decrease in other current assets of \$6,396,000. The increase in short-term investments was driven by gifts received from IU Health and IU Foundation, as well as changes to the operating fund portfolio mix between short and long-term investments. The decrease in net receivables in 2022 resulted from the timing of receivables realization, specifically related to reduced HEERF funding. The decrease in other current assets was a result of the implementation of GASB 96 (See Note 1, Organization and Summary of Significant Accounting Policies for additional information).

Noncurrent Assets

Major components of noncurrent assets are endowments, operating investments, and capital assets, net of accumulated depreciation. Noncurrent assets increased \$133,888,000, or 2%, and increased \$224,164,000 or 4%, in 2023 and 2022, respectively. The increase in 2023 was primarily attributable to an

increase in long-term investments of \$139,728,000, partially offset by a decrease in restricted cash and cash equivalents, noncurrent, of \$6,660,000. The increase in long-term investments was driven by the appreciation of equity and fixed income investments.

The increase in 2022 was primarily attributable to an increase in both long-term investments of \$233,703,000 and capital assets, net, of \$29,197,000, partially offset by a decrease in restricted cash and cash equivalents, noncurrent, of \$31,367,000. The increase in long-term investments was primarily due to the investment of a \$416,000,000 gift from IU Health to further its mission and work in the community and across the state of Indiana, offset by a decrease in long-term investments market value. The increase in capital assets, net was primarily a result of the implementation of GASB 96 (See Note 1, Organization and Summary of Significant Accounting Policies for additional information).

Capital Assets

The university's investment in capital assets, net of depreciation, which includes land, art and museum objects, infrastructure, equipment, buildings, and right-to-use assets decreased \$862,000 and increased \$29,197,000 in 2023 and 2022, respectively. Additions to capital assets are comprised of new construction and renovations, as well as major investments in equipment and information technology. Funding for capital assets consists of use of capital appropriations, gifts designated for capital purposes, and debt proceeds (See Note 6, Capital Assets).

The university continues to focus on reinvesting in existing facilities through renovations and upgrades as needed to support academic programming and research. Utilization of these facilities provides students, faculty, and staff with new learning and research spaces via fiscally responsible methods that encourage efficient management and reuse of existing space, as well as new construction when appropriate.

Total capitalized costs as of fiscal year 2023, related to significant projects completed, as listed below, were \$104,464,000.

As part of the university's long-term housing plan, the Collins Living-Learning Center in Bloomington, comprised of three student residence buildings with 379 beds and a dining facility, received a full renovation. Smith Hall opened in 1924 as the first dormitory constructed on the current IU campus, with Edmondson

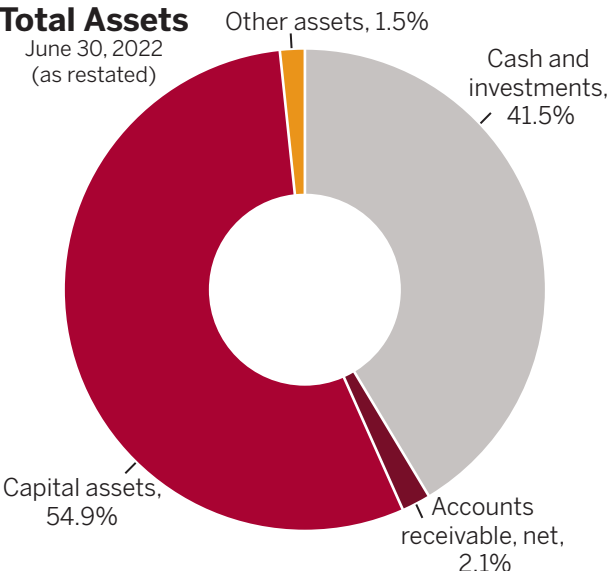
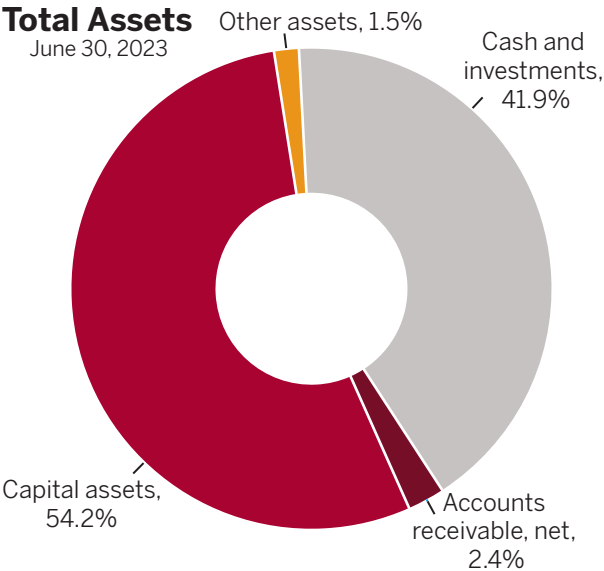
and Cravens following in 1940. Care was taken to maintain the historic significance and charm of these buildings while also bringing building systems up to modern standards. Work included exterior repairs and interior renovations. Collins reopened for fall semester 2022. This project was funded by consolidated revenue bonds.

The Bicentennial Repair & Rehabilitation Plan renovated two buildings on the Bloomington campus (IU Museum of Archaeology and Anthropology, and McCalla) and four buildings on the IUPUI campus (Health Sciences, Dunlap, Bryce, and Ott). Due to their age, these facilities required updated building systems. Exterior repairs and interior renovations improved accessibility, efficiency, and safety. The IU Museum of Archaeology and

Anthropology, formerly known as the Mathers Museum and Glenn A. Black Laboratory, continues to operate as a museum and research facility, with renovations enabling modern exhibit and research technology. McCalla is home to the new University Collections at McCalla; which engages students, faculty, visiting researchers, and public audiences with IU’s world-class collections that span disciplines, time periods, and geography. The four buildings on the IUPUI campus house several campus units, including the IU School of Medicine’s family medicine residency program and a primary care clinic. This project was funded by consolidated revenue bonds.

The following table and charts represent the composition of total assets as of June 30, 2023 and 2022:

Total Assets (in thousands of dollars)				
	<i>June 30, 2023</i>		<i>June 30, 2022</i> (as restated)	
Cash and investments	\$ 2,946,479	41.9%	\$ 2,881,910	41.5%
Accounts receivable, net	171,477	2.4%	147,352	2.1%
Capital assets, net	3,810,550	54.2%	3,811,412	54.9%
Other assets	104,138	1.5%	104,720	1.5%
Total assets	\$ 7,032,644	100.0%	\$ 6,945,394	100.0%



Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of resources applicable to a future reporting period, but do not require a further exchange of goods or services. Deferred outflows represent the consumption of net position applicable to a future reporting period and will not be recognized as expenses or expenditures until then. Certain changes in resources related to the net pension liability (see Note 12, Retirement Plans) and the OPEB liability (see Note 13, Postemployment Benefits) are reported as deferred outflows of resources. The amounts recorded also include accumulated deferred charges on refundings of capital debt.

Deferred outflows decreased \$2,849,000, or 4%, and increased \$551,000, or 1%, in 2023 and 2022, respectively. Changes in deferred inflows are related to the difference between projected and actual earnings on pension plan and OPEB investments, changes in actuarial assumptions (See Note 12, Retirement Plans and 13, Postemployment Benefits), and changes related to the lease receivable under GASB 87.

Liabilities

Current Liabilities

Current liabilities are those expected to become due and are payable over the course of the next fiscal year. Current liabilities consist of accounts payable, accrued compensation, compensated absences, unearned revenue, current portion of long-term debt and other obligations, and current portion of total other postemployment benefits obligations.

Current liabilities decreased \$91,078,000, or 17%, and increased \$46,091,000, or 9%, in 2023 and 2022, respectively. The decrease in 2023 was primarily attributable to decreases in unearned revenue of \$41,101,000, accounts payable and accrued liabilities of \$24,128,000, and the current portion of long-term debt and other obligations of \$22,212,000. The decrease in the current portion of unearned revenue was primarily driven by the activity related to nongovernmental grants and contracts. The decrease in accounts payable and accrued liabilities was primarily driven by a reduction in the short-term portion of the CARES Act Social Security employer tax deferral from the prior year, as the university made the final deferral payment. The decrease in the current portion of long-term debt and other

obligations was primarily driven by principal payments (see Debt and Financing Activity section below for additional information).

The increase in 2022 was primarily attributable to increases in unearned revenue of \$16,129,000 and the current portion of long-term debt and other obligations of \$87,579,000. This was partially offset by a decrease in accounts payable and accrued liabilities of \$54,801,000. The unearned revenue increase was driven by auxiliary activity resuming to normal operations after the pandemic. \$59,088,000 of the increase in the current portion of long-term debt and other obligations and the decrease in accounts payable and accrued liabilities was due to the reclassification of the current portion of compensated absences from accounts payable and accrued liabilities to the current portion of long-term debt and other obligations (see Note 1, Organization and Summary of Significant Accounting Policies). The remaining increase in the current portion of long-term debt and other obligations was primarily due to the restatement of the 2022 balance due to the implementation of GASB 96 (see Note 1, Organization and Summary of Significant Accounting Policies).

Noncurrent Liabilities

Noncurrent liabilities decreased \$25,183,000, or 2%, and decreased \$182,672,000, or 12%, in 2023 and 2022, respectively. The decrease in 2023 was primarily attributable to decreases in long-term debt and other obligations of \$52,986,000 and the noncurrent portion of unearned revenue of \$9,965,000. The decrease in long-term debt and other obligations was primarily due to principal payments (see Debt and Financing Activity section below for additional information). The decrease in the noncurrent portion of unearned revenue was primarily driven by the activity related to nongovernmental grants and contracts. This was partially offset by an increase in net pension liability of \$33,228,000 as a result of low market returns during the applicable reporting period.

The decrease in 2022 was primarily attributable to a decrease in long-term debt and other obligations of \$108,581,000 due to principal payments and a decrease in the long-term portion of the CARES Act Social Security employer tax deferral from the prior year. In addition, net pension liability decreased \$33,479,000 as a result of high market returns during the applicable reporting period. Total other postemployment benefits obligations also decreased by \$27,288,000.

Debt and Financing Activity

Institutional borrowing capacity is a valuable resource that is actively managed in support of the institutional mission. Total bonds, notes, and right-to-use obligations were \$1,171,889,000 and \$1,250,094,000 at June 30, 2023, and 2022, respectively (see Note 8, Other Liabilities).

The university had debt and financing activity related to bonds and notes occur within fiscal years ended June 30, 2023 and June 30, 2022 (see Note 9, Bonds and Notes Payable).

Commercial paper notes are issued by the university to provide for the temporary financing or refinancing of costs related to certain facilities on all the Indiana University campuses, including costs of issuance of the notes. The university has no credit facilities and no lines or letters of credit for repayment of commercial paper. The university has a self-liquidity backed commercial paper program which guarantees the payment of the maturity amount of any commercial paper notes that are not placed to investors. The university will not cause

commercial paper maturities in an aggregate principal amount exceeding \$50,000,000 to mature in any five-business-day period.

On August 4, 2021, Moody's Investors Service, in conjunction with its release of an updated higher education methodology, reaffirmed the university's underlying rating on all student fee bonds, consolidated revenue bonds, lease-purchase obligations, and certificates of participation as 'Aaa'. The university's commercial paper program carries a rating of P-1 from Moody's, which was reaffirmed on January 7, 2020. The university's outlook under Moody's Investors Service is stable. On May 11, 2023, S&P Global Ratings reaffirmed the university's long-term rating and underlying rating on all student fee bonds, consolidated revenue bonds, certificates of participation, and lease-purchase obligations issued by the university as 'AAA' and rated the university's commercial paper program as A-1+. The university's outlook under S&P Global Ratings is stable.

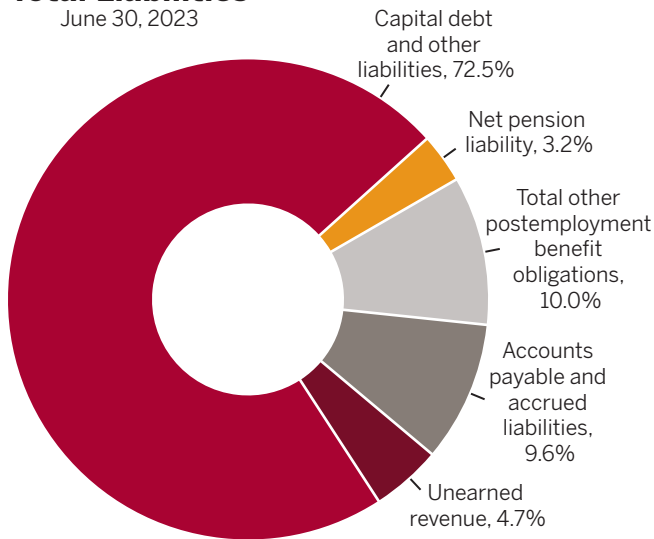
The following table and charts represent the composition of total liabilities as of June 30, 2023 and 2022:

Total Liabilities (in thousands of dollars)					
	<i>June 30, 2023</i>			<i>June 30, 2022</i> (as restated)	
Accounts payable and accrued liabilities	\$	173,236	9.6%	\$	197,364 10.3%
Unearned revenue		84,440	4.7%		135,236 7.0%
Capital debt and other liabilities		1,311,343	72.5%		1,388,532 72.1%
Net pension liability		58,029	3.2%		24,801 1.3%
Total other postemployment benefit obligations		181,632	10.0%		179,008 9.3%
Total liabilities	\$	1,808,680	100.0%	\$	1,924,941 100.0%



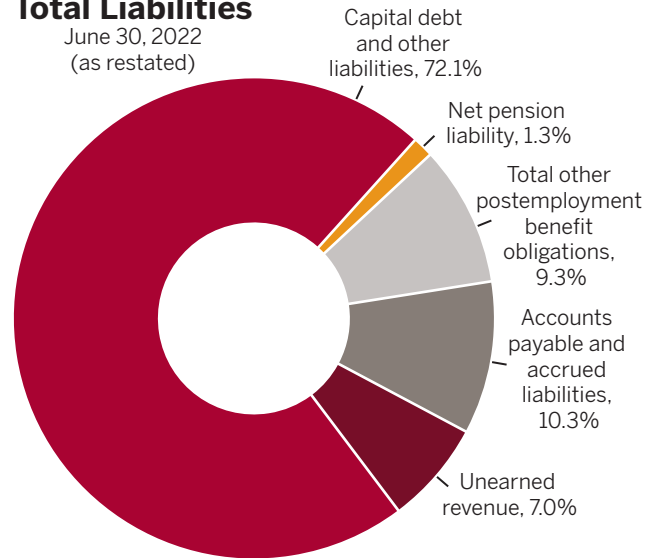
Total Liabilities

June 30, 2023



Total Liabilities

June 30, 2022
(as restated)



Deferred Inflows of Resources

Deferred inflows of resources represent the acquisition of resources applicable to a future reporting period, but do not require a further exchange of goods or services. Deferred inflows represent an acquisition of net position applicable to a future reporting period and will not be recognized as revenue until then. Included in these amounts are lease receivables under GASB 87 (see Note 5, Lease Receivable), the net pension liability (see Note 12, Retirement Plans), and the OPEB liability (see Note 13, Postemployment Benefits).

Deferred inflows decreased \$42,196,000, or 35%, and increased \$44,944,000, or 60%, in 2023 and 2022, respectively. Changes in deferred inflows are related to the difference between projected and actual earnings on pension plan and OPEB investments, changes in actuarial assumptions, and changes related to lease receivable under GASB 87.



*Clock tower in McCullough Plaza
IU Southeast Campus*

Net Position

Net position is the residual of all other elements presented in the Statement of Net Position. Net position is classified into three major categories:

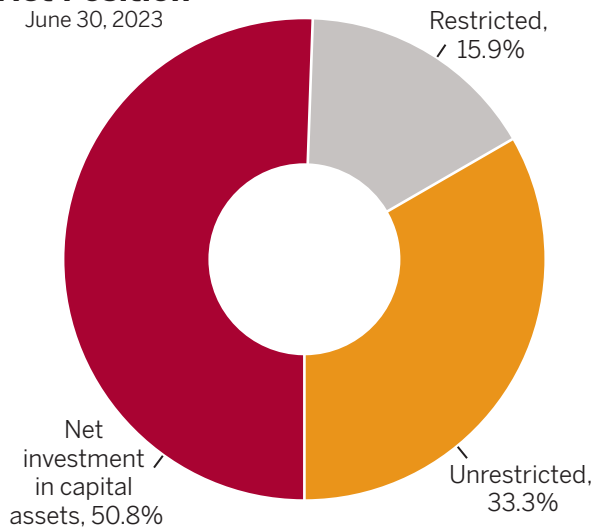
- Net investment in capital assets consists of the university's investment in capital assets, such as equipment, buildings, land, infrastructure, and improvements, net of accumulated depreciation and related debt.
- Restricted net position consists of amounts subject to externally imposed restrictions governing usage and is divided into two sub-categories:
 - Restricted non-expendable funds are subject to externally imposed stipulations that they be retained in perpetuity. These balances represent the corpus (historical value) of the university's permanent endowment funds.
 - Restricted expendable funds are available for expenditure by the university but must be spent according to restrictions imposed by third parties.
- Unrestricted net position includes amounts institutionally designated or committed to support specific purposes.

The following table and charts represent the composition of net position as of June 30, 2023 and 2022:

Net Position (in thousands of dollars)						
	June 30, 2023			June 30, 2022 (as restated)		
Net investment in capital assets	\$	2,655,593	50.8%	\$	2,581,396	51.8%
Restricted		831,813	15.9%		928,679	18.6%
Unrestricted		1,736,389	33.3%		1,470,862	29.6%
Total net position	\$	5,223,795	100.0%	\$	4,980,937	100.0%

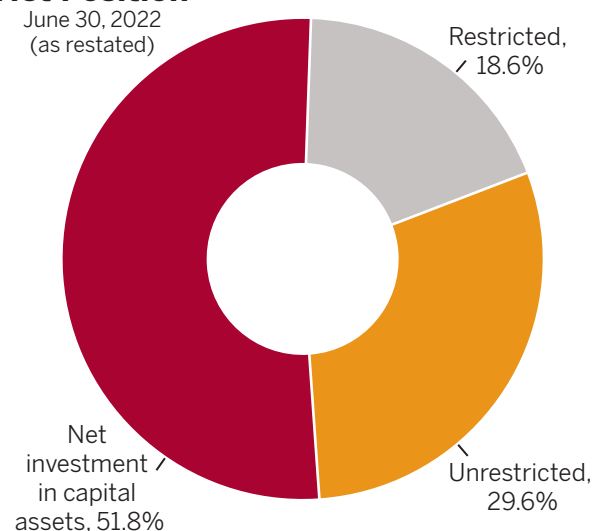
Net Position

June 30, 2023



Net Position

June 30, 2022
(as restated)



The university's net investment in capital assets reflects the institutional capital investment in sustaining and enhancing the university's mission and strategic plans. The net investment in capital assets increased \$74,197,000, or 3%, and \$38,828,000, or 1%, in 2023 and 2022, respectively. Growth in this area is managed according to the university's long-range capital plans.

Restricted net position decreased \$96,866,000, or 10%, and increased \$423,005,000, or 84%, in 2023 and 2022, respectively. The decrease in 2023 was primarily due to a decrease in construction funds and projects. The increase in 2022 was primarily due to increased endowment funds and a \$416,000,000 gift from IU Health.

Unrestricted net position is subject to internal designations and commitments for academic and research initiatives, capital projects, and unrestricted quasi- and term-endowment spending plans.

Unrestricted net position represents resources available for ongoing operational needs and for funding ongoing obligations, as well as providing flexibility to support the university's mission in changing economic environments. Unrestricted net position increased \$265,527,000, or 18%, and decreased \$9,607,000, or 1%, in 2023 and 2022, respectively.

Net position increased \$242,858,000, or 5%, in 2023 and increased \$452,226,000, or 10%, in 2022. Net position at June 30, 2023, was \$5,223,795,000.

Statement of Revenues, Expenses, and Changes in Net Position

Revenues and expenses are classified as either operating or nonoperating in accordance with GASB principles for classification into these categories. Trends in the relationship between operating revenues and expenses are important indicators of financial condition. Generally,

MANAGEMENT'S DISCUSSION AND ANALYSIS

operating revenues are received for providing goods and services and include tuition and fees, grants and contracts, sales and services, and auxiliary revenues. Scholarship discounts and allowances are calculated as the difference between the stated charges for goods and services provided by the university and the amounts paid by students and/or third parties making payments on behalf of students. Nonoperating revenues include state appropriations, revenue from certain grants and contracts, gifts, and net investment income.

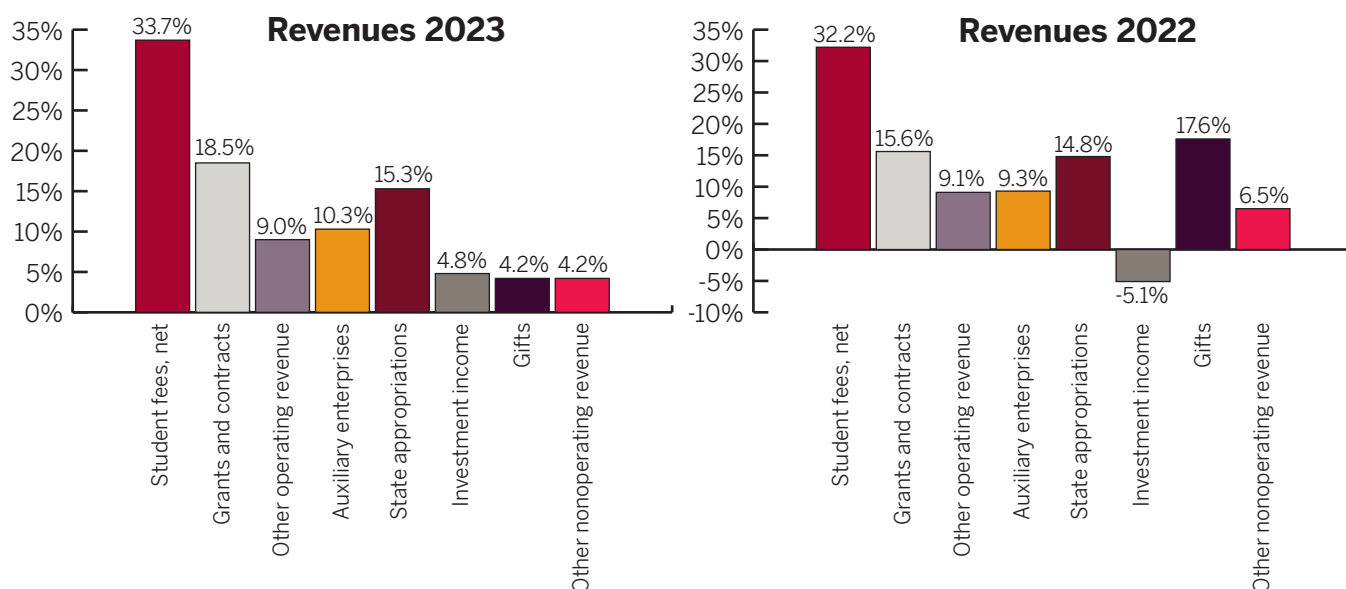
Operating expenses are those incurred to carry out the normal operations of the university. Indiana University, as a public university, is required by GASB standards to report certain revenue sources that are an integral part of operations as nonoperating revenues.

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

Condensed Statement of Revenues, Expenses, and Changes in Net Position (in thousands of dollars)

	Fiscal Year Ended		
	June 30, 2023	June 30, 2022 (as restated)	June 30, 2021
Operating revenues	\$ 2,836,932	\$ 2,640,092	\$ 2,431,302
Operating expenses	(3,690,143)	(3,503,263)	(3,264,684)
Total operating loss	(853,211)	(863,171)	(833,382)
Nonoperating revenues	1,106,981	1,529,213	1,272,553
Nonoperating expenses	(35,185)	(239,541)	(26,725)
Income before other revenues, expenses, gains, or losses	218,585	426,501	412,446
Other revenues	24,273	25,725	31,154
Increase in net position	242,858	452,226	443,600
Net position, beginning of year	4,980,937	4,528,711	4,085,111
Net position, end of year	\$ 5,223,795	\$ 4,980,937	\$ 4,528,711

The following charts represent revenues by major source for fiscal years 2023 and 2022:



Operating revenues increased \$196,840,000 or 7%, and increased \$208,790,000, or 9%, during 2023 and 2022, respectively. The university supports its operations with diverse revenue sources, of which the largest single source is student tuition and fees. Tuition and fees, net of scholarship allowances, increased \$48,880,000 and \$41,382,000 during 2023 and 2022, respectively. Tuition and fee revenue is affected by a combination of changes in tuition rates, enrollment, and the mix of student levels and residency. Resident undergraduate tuition increased by 1.00% for the Bloomington and Indianapolis campuses and 1.45% for the Regional campuses for both the 2022-2023 and 2021-2022 academic years. For the 2023-2024 academic year, resident undergraduate tuition increases by 3% for all campuses. These increases remain below the rate of inflation and further demonstrate Indiana University's commitment to affordability. The revenue from these modest increases will go to further the university's efforts to recruit and retain an excellent faculty and to support student success. Total operating grant and contract revenues increased \$118,405,000, or 19%, and increased \$37,657,000, or 6%, during 2023 and 2022, respectively. Sales and services of education units and other revenue, including hospital and practice plan support for School of Medicine research and other initiatives, decreased \$5,223,000, or 1%, and increased \$8,256,000, or 2%, for 2023 and 2022, respectively. Auxiliary enterprises increased \$34,778,000, or 9%, and increased \$121,495,000, or 48%, in 2023 and 2022, respectively, both primarily due to the increased activity from resuming normal operations after the pandemic.

Operating expenses increased \$186,880,000, or 5%, and increased \$238,579,000, or 7%, in 2023 and 2022, respectively (see Note 14, Functional Expenses). Compensation and benefits, at 64% of total operating expenses in 2023, represents the largest single university expense. Compensation and benefits expense increased \$171,791,000, or 8%, and increased \$63,176,000, or 3%, in 2023 and 2022, respectively. The increase in 2023 was primarily attributable to increases in benefit costs, headcount, and wages. The increase in 2022 was primarily attributable to returning to normal operations after the pandemic. The university experienced temporary declines in both personnel and compensation during 2021 due to the pandemic. University benefit plans play a significant role in attracting and retaining employees and the university has implemented initiatives in recent years to control costs without compromising the competitiveness of the benefit package. The university closely monitors benefit plan costs, trends, and benchmarks and implements



**Bells inside the Arthur Metz Bicentennial Grand Carillon
IU Bloomington Campus**

changes annually to keep plan structures competitive and cost effective. The university's High Deductible Health Plan (HDHP) lowers employer premiums while providing employees with greater control over healthcare spending. Of those enrolled in the health plan, approximately 93% of employees were enrolled in a HDHP in 2023.

The combination of student financial aid expense and scholarship allowances decreased \$67,348,000, or 12%, and increased \$70,250,000, or 14%, and totaled \$507,122,000 and \$574,470,000 in 2023 and 2022, respectively. Travel expenses increased \$26,292,000, or 85%, and increased \$21,288,000, or 221%, in 2023 and 2022, respectively. The increases in both 2023 and 2022 travel expenses were due to increased travel activities, as operations began to normalize post-pandemic, coupled with high inflation rates. Supplies and general expenses increased \$64,668,000, or 9%, and increased \$63,822,000, or 11%, in 2023 and 2022, respectively. In addition to payment timing differences, the fluctuations in 2023 and 2022 were spread primarily across auxiliary enterprise, research, academic instruction, and capital facilities functions.

Net nonoperating revenues decreased \$217,876,000, or 17%, and increased \$43,844,000, or 4%, in 2023 and 2022, respectively. Investment income increased \$394,734,000, or 195%, and decreased \$570,150,000, or 155%, in 2023 and 2022, respectively. In 2023, the allocation to equities contributed to investment

MANAGEMENT'S DISCUSSION AND ANALYSIS

performance, as stocks experienced significant growth worldwide due to easing inflationary pressures and slower interest rate growth. IU's equity investments appreciated 17.3% in fiscal year 2023 after a loss of 15.4% in fiscal year 2022. Interest rates rose in fiscal year 2023, but slower than in fiscal year 2022 as inflation eased. IU's fixed income investments experienced a return of approximately 2.5%. Overall, IU's operating investments increased 7.3% in fiscal year 2023, compared to a decrease of 10.1% in fiscal year 2022. The decrease in fiscal year 2022 net nonoperating revenue was partially offset by gift revenue, which increased by \$569,412,000. This was primarily due to a \$416,000,000 gift from IU Health to further its mission and work in the community and across the state of Indiana and a \$150,000,000 gift from IU Foundation. Grants, contracts, and other awards decreased \$92,264,000, or 39% and increased \$26,719,000, or 13% in 2023 and 2022, respectively. The decrease in 2023 was primarily due to fluctuations in HEERF funding as 2023 experienced a decrease in funding from the prior fiscal year. State operating appropriations are comprised of appropriations to support the primary general educational mission of the university and student fee replacement appropriations for the purpose of reimbursing a portion of the university's debt service for certain academic facilities. The state of Indiana appropriates operating funds to the state's colleges and universities on a performance-based funding model focused on key student success measures. Non-capital state appropriations increased \$13,302,000, or 2%, and increased \$28,706,000, or 5%, in 2023 and 2022,

respectively. The state of Indiana is the university's second largest source of funding.

The university recognized \$17,158,000 and \$19,481,000 in capital appropriations for repairs, renovations, and improvements across all campuses in 2023 and 2022, respectively. Capital appropriations and capital gifts and grants fluctuate according to the availability of capital appropriations and the timing of funding to the university according to the needs of the schools and campuses.

Statement of Cash Flows

The Statement of Cash Flows provides information about the university's financial results by reporting the major sources and uses of cash during the fiscal year. The statement assists in evaluating the university's ability to generate future net cash flows to meet its obligations as they become due and aids in analysis of the need for external financing. The statement is divided into four sections based on major activity: operating, noncapital financing, capital and related financing, and investing. A fifth section reconciles the operating income or loss on the Statement of Revenues, Expenses, and Changes in Net Position to the net cash provided by (used in) operating activities.

A summarized comparison of the university's changes in cash and cash equivalents (including restricted) is presented below:

Condensed Statement of Cash Flows <i>(in thousands of dollars)</i>			
	<i>Fiscal Year Ended</i>		
	<i>June 30, 2023</i>	<i>June 30, 2022 (as restated)</i>	<i>June 30, 2021</i>
Net cash provided by (used in):			
Operating activities	\$ (739,443)	\$ (666,722)	\$ (666,439)
Noncapital financing activities	911,964	1,532,656	907,612
Capital and related financing activities	(356,427)	(292,472)	(382,468)
Investing activities	56,146	(610,506)	(105,848)
Net increase (decrease) in cash and cash equivalents (including restricted)	(127,760)	(37,044)	(247,143)
Beginning cash and cash equivalents (including restricted)	290,885	327,929	575,072
Ending cash and cash equivalents (including restricted)	\$ 163,125	\$ 290,885	\$ 327,929



The university's cash and cash equivalents, including restricted cash, decreased \$127,760,000 and decreased \$37,044,000 in 2023 and 2022, respectively. Net cash flows from operating activities consists primarily of tuition and fees, grants and contracts, and auxiliary enterprise receipts. Payments to employees represent the largest use of cash for operations. Significant sources of nonoperating cash, as defined by GASB, include state appropriations, federal Pell grants, and private noncapital gifts used to fund operating activities. Fluctuations in capital and related financing activities reflect decisions made relative to the university's capital and financing plans. Cash flows from investing activities include the effects of shifts between cash equivalents and longer-term investments.

State Economic Outlook

Continuing the trend from fiscal year 2022, state revenue collections continue to outpace estimates. For fiscal year 2023, revenue did exceed state estimates by \$24,600,000 based on April 2023 projections, however, year over year growth declined by \$132,500,000, a 0.6% reduction in general fund revenue. For fiscal year 2022, the state generated \$1,240,000,000 more in overall revenue than estimated, much higher than state projections in December 2021.

For fiscal year 2023, positive drivers of the excess revenue included individual income tax, which was \$14,600,000 higher than estimates, corporate tax collection which was \$40,900,000 higher than estimates, and interest earnings which was \$57,200,000 higher than estimates. Sales tax revenues missed

estimates by \$65,800,000, and other smaller revenue sources for the state were \$29,900,000 less than estimates (gaming taxes, cigarette taxes, and vehicle use taxes).

Comparing fiscal year 2022 to fiscal year 2023, the \$132,500,000 revenue variance was primarily driven by lower revenues within individual income tax of \$605,400,000 and corporate tax of \$309,000,000. This was partially offset by increases in sales tax revenue of \$473,700,000, gaming revenue of \$39,900,000, and interest earnings of \$253,300,000. Residual impact from the pandemic in Indiana, federal spending, federal stimulus funds and Indiana taxpayer refunds, along with stabilizing revenues back to historic trends account for the majority of the fluctuations in Indiana's general fund revenue.

While the state's general fund surplus ended fiscal year 2022 with \$6,100,000,000 in reserves, fiscal year 2023 reserves ended the year with \$2,900,000,000 in reserve funds. The \$2,900,000,000 represents approximately 13.6% of the net combined reserve balance as a percentage of the fiscal year 2023 operating budget. The significant change in the reserve balance year over year was driven by one-time spending of \$3,100,000,000 in fiscal year 2023, primarily on state capital projects and capital project overruns due to inflation and supply chain issues. The state targets between an 11% to 14% reserve in its general fund, which places the State in a strong financial position. With the recent passage of the fiscal year 2023 through 2025 budget in April 2023, future fiscal years hold reserves at the 13% level, or around \$2,900,000,000 each fiscal year.



The Sample Gates
IU Bloomington Campus

STATEMENT OF NET POSITION

(in thousands of dollars)

	Indiana University		Discretely Presented Component Units	
	June 30, 2023	June 30, 2022 (as restated)	June 30, 2023	June 30, 2022
Assets				
Current assets				
Cash and cash equivalents	\$ 151,903	\$ 273,003	\$ 126,703	\$ 140,302
Collateral under securities lending agreement	–	–	23,214	16,066
Accounts receivable, net	171,477	147,352	59,527	77,707
Current portion of notes receivable	9,147	11,948	–	–
Current portion of lease receivable	2,653	1,906	–	–
Short-term investments	312,507	259,906	–	–
Other assets	44,519	44,729	418	344
Total current assets	692,206	738,844	209,862	234,419
Noncurrent assets				
Restricted cash and cash equivalents	11,222	17,882	–	–
Notes receivable	34,627	34,504	–	–
Accounts receivable, net	–	–	232,143	249,134
Lease receivable	13,192	11,633	–	–
Investments	2,470,847	2,331,119	4,465,458	4,282,959
Capital assets, net	3,810,550	3,811,412	81,994	80,123
Other assets	–	–	39,851	36,474
Total noncurrent assets	6,340,438	6,206,550	4,819,446	4,648,690
Total assets	7,032,644	6,945,394	5,029,308	4,883,109
Deferred outflows of resources	77,020	79,869	–	–
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	173,236	197,364	48,112	70,986
Current portion of unearned revenue	79,078	120,179	–	–
Collateral under securities lending agreement	–	–	23,214	16,066
Current portion of long-term debt and other obligations	190,591	212,803	324	312
Current portion of total other postemployment benefit obligations	17,632	21,269	–	–
Total current liabilities	460,537	551,615	71,650	87,364
Noncurrent liabilities				
Federal loans payable	47,659	49,650	–	–
Unearned revenue	5,362	15,057	–	–
Assets held for the University and Affiliates	–	–	521,606	516,970
Long-term debt and other obligations	1,073,093	1,126,079	158,114	158,410
Net pension liability	58,029	24,801	–	–
Total other postemployment benefit obligations	164,000	157,739	–	–
Other noncurrent liabilities	–	–	42,301	43,788
Total noncurrent liabilities	1,348,143	1,373,326	722,021	719,168
Total liabilities	1,808,680	1,924,941	793,671	806,532
Deferred inflows of resources	77,189	119,385	–	–
Net Position				
Net investment in capital assets	2,655,593	2,581,396	73,068	70,872
Restricted for:				
Nonexpendable - endowments	46,267	45,464	2,377,157	2,369,017
Expendable				
Scholarships, research, instruction, and other	519,369	601,173	1,114,691	1,107,923
Loans	26,256	23,552	–	–
Capital projects	222,923	241,641	156,829	152,236
Debt service	16,998	16,849	–	–
Unrestricted	1,736,389	1,470,862	513,892	376,529
Total net position	\$ 5,223,795	\$ 4,980,937	\$ 4,235,637	\$ 4,076,577

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



STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

(in thousands of dollars)

	Indiana University		Discretely Presented Component Units	
	Fiscal Year Ended		Fiscal Year Ended	
	June 30, 2023	June 30, 2022 (as restated)	June 30, 2023	June 30, 2022
Operating revenues				
Tuition and fees (net of scholarship allowance of \$349,535 in 2023 and \$332,073 in 2022)	\$ 1,336,014	\$ 1,287,134	\$ -	\$ -
Federal grants and contracts	515,467	435,419	73	-
State and local grants and contracts	33,337	23,743	-	-
Nongovernmental grants and contracts	188,155	159,392	20,301	19,614
Sales, services of educational units, and other revenue	356,682	361,905	24,607	26,809
Auxiliary enterprises (net of scholarship allowance of \$50,035 in 2023 and \$46,471 in 2022)	407,277	372,499	-	-
Total operating revenues	2,836,932	2,640,092	44,981	46,423
Operating expenses				
Compensation and benefits	2,377,627	2,205,836	53,507	47,023
Student financial aid	157,587	242,397	60,317	59,635
Energy and utilities	88,975	80,738	442	396
Travel	57,208	30,916	3,257	2,565
Supplies and general expense	806,076	741,408	224,119	359,474
Depreciation and amortization expense	202,670	201,968	3,711	3,798
Total operating expenses	3,690,143	3,503,263	345,353	472,891
Total operating loss	(853,211)	(863,171)	(300,372)	(426,468)
Nonoperating revenues (expenses)				
State appropriations	605,938	592,635	-	-
Grants and contracts	141,405	233,669	-	-
Investment income (loss)	192,816	(201,918)	177,928	(72,020)
Gifts	166,551	702,680	194,379	179,958
Interest income	271	229	-	-
Interest expense	(35,185)	(37,623)	(338)	(349)
Net nonoperating revenues	1,071,796	1,289,672	371,969	107,589
Income (loss) before other revenues, expenses, gains, or losses	218,585	426,501	71,597	(318,879)
Capital appropriations	17,158	19,481	-	-
Capital gifts and grants	6,766	2,611	-	-
Additions to permanent endowments	349	3,633	87,463	104,681
Total other revenues	24,273	25,725	87,463	104,681
Increase (decrease) in net position	242,858	452,226	159,060	(214,198)
Net position, beginning of year	4,980,937	4,528,711	4,076,577	4,290,775
Net position, end of year	\$ 5,223,795	\$ 4,980,937	\$ 4,235,637	\$ 4,076,577

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



STATEMENT OF CASH FLOWS

(in thousands of dollars)

	Fiscal Year Ended	
	June 30, 2023	June 30, 2022 (as restated)
Cash Flows from Operating Activities		
Student fees	\$ 1,327,184	\$ 1,288,116
Grants and contracts	677,084	614,865
Sales and services of educational activities, and other revenue	357,460	388,049
Auxiliary enterprise charges	404,251	379,367
Payments to employees	(2,378,390)	(2,223,284)
Payments to suppliers	(971,118)	(877,855)
Student financial aid	(159,198)	(241,955)
Student loans collected	9,499	10,108
Student loans issued	(6,243)	(3,516)
Direct lending receipts	491,456	480,974
Direct lending payments	(491,428)	(481,591)
Net cash used in operating activities	(739,443)	(666,722)
Cash Flows from Noncapital Financing Activities		
State appropriations	605,938	592,635
Nonoperating grants and contracts	141,405	233,669
Gifts and grants received for other than capital purposes	164,621	706,352
Net cash provided by noncapital financing activities	911,964	1,532,656
Cash Flows from Capital and Related Financing Activities		
Capital appropriations	17,158	19,481
Capital grants and gifts received	8,369	614
Purchase of capital assets	(231,698)	(189,969)
Proceeds from issuance of capital debt, including refunding and other long-term obligations	13,463	24,272
Interest received on lease receivable	271	229
Payments received on lease receivable	2,838	1,614
Principal payments on capital debt	(88,814)	(66,585)
Principal paid on leases and subscriptions	(34,506)	(36,162)
Interest paid on capital debt, leases, and subscriptions	(43,508)	(45,966)
Net cash used in capital and related financing activities	(356,427)	(292,472)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	3,269,711	2,273,498
Investment income	77,925	41,985
Purchases of investments	(3,291,490)	(2,925,989)
Net cash provided by (used in) investing activities	56,146	(610,506)
Net decrease in cash and cash equivalents (including restricted)	(127,760)	(37,044)
Cash and cash equivalents (including restricted), beginning of year	290,885	327,929
Cash and cash equivalents (including restricted), end of year	\$ 163,125	\$ 290,885

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



(continued from previous page)

Reconciliation of cash and cash equivalents to the Statement of Net Position:

(in thousands of dollars)

	Fiscal Year Ended	
	June 30, 2023	June 30, 2022
Cash and cash equivalents in current assets	\$ 151,903	\$ 273,003
Restricted cash and cash equivalents	11,222	17,882
Total cash and cash equivalents	\$ 163,125	\$ 290,885

Reconciliation of operating loss to net cash used in operating activities:

(in thousands of dollars)

	Fiscal Year Ended	
	June 30, 2023	June 30, 2022 (as restated)
Operating loss	\$ (853,211)	\$ (863,171)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Amortization of deferred inflows lease receivable	(3,134)	(1,931)
Depreciation and amortization expense	202,670	201,968
Loss on disposal of capital assets	2,177	1,301
Changes in assets, deferred outflows, liabilities, and deferred inflows:		
Accounts receivable	(20,584)	29,143
Other assets	9,551	6,395
Notes receivable	2,679	6,086
Accounts payable and accrued liabilities	(24,102)	2,300
Unearned revenue	(50,796)	8,238
Federal loans payable	(1,990)	(5,431)
Net pension liability and related deferred outflows and inflows	(2,568)	(12,853)
Postemployment benefits liability and related deferred outflows and inflows	(4,282)	(6,457)
Other noncurrent liabilities	4,147	(32,310)
Net cash used in operating activities	\$ (739,443)	\$ (666,722)

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

Supplemental Noncash Activities Information

The university had significant noncash activities related to right-to-use assets acquired with right-to-use obligations of \$41,357,000 and \$43,086,000 during fiscal years ended June 30, 2023 and 2022, respectively.



Note 1—Organization and Summary of Significant Accounting Policies

ORGANIZATION: Indiana University (the “university”) is a major public research institution with fiscal responsibility for operations on seven campuses. Core campuses are located in Bloomington and Indianapolis (“Indiana University Purdue University at Indianapolis”, or “IUPUI”), and regional campuses are located in Richmond (“IU East”), Kokomo (“IU Kokomo”), Gary (“IU Northwest”), South Bend (“IU South Bend”), and New Albany (“IU Southeast”). The financial statements include the individual schools, colleges, and departments as part of the comprehensive reporting entity. The university was established by state legislative act in 1838, changing the name of its predecessor, Indiana College, to Indiana University. The university’s governing body, the Trustees of Indiana University (the “trustees”), comprises nine members charged by Indiana statutes with policy and decision-making authority to carry out the programs and missions of the university. Six of the members are appointed by the Governor of Indiana, and three are elected by university alumni. The university is a state-sponsored institution and is classified as exempt from federal income tax as an integral part of the State of Indiana. Certain revenues of the university may be subject to federal income tax as unrelated business income under Internal Revenue Code Sections 511 to 514.

BASIS OF PRESENTATION: The university’s fiscal year ends on June 30th. All references herein for the years 2023 and 2022 represent the fiscal year ended June 30, 2023 and 2022, respectively. The university’s financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB). The university reports on a consolidated basis with a comprehensive, entity-wide presentation of the university’s assets and deferred outflows, liabilities and deferred inflows, net position, revenues, expenses, changes in net position, and cash flows. Significant intra-university transactions are eliminated upon consolidation. The university follows all applicable GASB pronouncements. Unless otherwise specified, amounts presented within the notes to financial statements are rounded to the nearest thousands.

The university reports as a special-purpose government entity engaged primarily in business-type activities, as defined by GASB. Accordingly, these financial statements have been presented using the economic

resources measurement focus and the accrual basis of accounting. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods and services.

As a component unit of the State, the university is included as a discrete entity in the State of Indiana’s Annual Comprehensive Financial Report.

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

REPORTING ENTITY: The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 80, *Blending Requirements for Certain Component Units*, as well as additional requirements of GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, as amended by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, provide criteria for determining whether certain organizations should be reported as component units based on the nature and significance of their relationship with a primary government and classifies reporting requirements for these organizations. Based on these criteria, the financial report includes the university and its blended and discretely presented component units.

DISCRETELY PRESENTED COMPONENT UNITS: The Indiana University Foundation, Inc. (IU Foundation) is organized as a not-for-profit corporation under the laws of the State of Indiana for the exclusive purpose of supporting the university by receiving, holding, investing, and administering property and making expenditures to or for the benefit of the university. As a tax-exempt organization that would be misleading to exclude, the IU Foundation is considered a component unit of the university, which requires discrete presentation.

The IU Foundation is a not-for-profit organization that reports under Financial Accounting Standards Board (FASB) standards, including FASB Statement



Accounting Standards Codification (ASC) Topic 958, Not-for-Profit Entities. As such, certain revenue recognition criteria and presentation features differ from GASB revenue recognition criteria and presentation features. No modifications have been made to the IU Foundation's financial information in the university's financial reporting to adjust for these differences. The IU Foundation distributed \$182,236,000 and \$316,587,000 to the university during fiscal years 2023 and 2022, respectively. Complete financial statements for the IU Foundation can be obtained from: Indiana University Foundation, Attn: Controller, 1500 N. State Road 46 Bypass, Bloomington, IN 47408.

The James Whitcomb Riley Memorial Association, Inc., d/b/a Riley Children's Endowment (Riley) is organized as a not-for-profit corporation under the laws of the State of Indiana to fund and support the Riley Hospital for Children, fund medical research dedicated to the treatment and care of disabled and sick children in conjunction with the Riley Hospital, and securing and maintaining endowment funds to benefit children and other initiatives. The university has the ability to appoint the voting majority of Riley's board of directors and to remove appointed directors of Riley's board at will. As a result, Riley is considered a component unit of the university, which requires discrete presentation.

Riley is a not-for-profit organization that reports under Financial Accounting Standards Board (FASB) standards, including FASB Statement Accounting Standards Codification (ASC) Topic 958, Not-for-Profit Entities. As such, certain asset and revenue recognition criteria and presentation features differ from GASB asset and revenue recognition criteria and presentation features. No modifications have been made to the Riley's financial information in the university's financial reporting to adjust for these differences. Complete financial statements for Riley can be obtained from: 500 North Meridian Street, Suite 100, Indianapolis, IN 46204-3509.

The IU Medical Group Foundation, Inc. (IUMG) is organized as a not-for-profit corporation under the laws of the State of Indiana to acquire, manage, and distribute funds for the benefit of the Indiana University School of Medicine and Indiana University Health Care Associates. The university has the ability to appoint the voting majority of IUMG's board of directors, and there is a financial benefit relationship with IUMG. As a result, IUMG is considered a component unit of the university, which requires discrete presentation.

IUMG is a not-for-profit organization that reports under Financial Accounting Standards Board (FASB) standards, including FASB Statement Accounting Standards Codification (ASC) Topic 958, Not-for-Profit Entities. As such, certain asset and revenue recognition criteria and presentation features differ from GASB asset and revenue recognition criteria and presentation features. No modifications have been made to the IUMG's financial information in the university's financial reporting to adjust for these differences. Complete financial statements for IUMG can be obtained from: 340 W 10th St # Fs5100, Indianapolis, IN 46202.

The Regenstrief Institute, Inc. ("Institute") is organized as a not-for-profit corporation under the laws of the State of Indiana to integrate research discovery, technological advances, and systems improvement into the practice of medicine. The university has the ability to appoint the voting majority of the Institute's board of directors and to remove appointed directors of the Institute's board at will. As a result, the Institute is considered a component unit of the university, which requires discrete presentation.

The Institute is a not-for-profit organization that reports under Financial Accounting Standards Board (FASB) standards, including FASB Statement Accounting Standards Codification (ASC) Topic 958, Not-for-Profit Entities. As such, certain asset and revenue recognition criteria and presentation features differ from GASB asset and revenue recognition criteria and presentation features. No modifications have been made to the Institute's financial information in the university's financial reporting to adjust for these differences. Complete financial statements for the Institute can be obtained from: 1101 West 10th Street, Indianapolis, IN 46202.

BLENDED COMPONENT UNITS: In September 2008, the Trustees of Indiana University directed, by resolution, that the Indiana University Building Corporation (IUBC) be formed to serve specific purposes on behalf of the university and designated that certain university administrative officers, by virtue of their titles, serve as directors and officers of IUBC. The sole purpose of IUBC is to assist the university in the financing and development of university facilities by owning and leasing such facilities to the university on a lease-purchase basis. The IUBC is reported as a blended component unit of the university and is consolidated within the university's financial statements.



CASH AND CASH EQUIVALENTS: Cash and cash equivalents includes highly liquid investments with original maturities of 90 days or less that bear little or no market risk.

ACCOUNTS RECEIVABLE: Accounts receivable consists primarily of amounts due from students, grants and contracts, and auxiliary enterprises and are recorded net of estimated uncollectible amounts.

LEASE RECEIVABLES: The university is a lessor for noncancelable leases of tangible property. The university recognizes a lease receivable and a deferred inflow of resources in the financial statements. At the commencement of a lease, the university initially measures the lease receivable at the present value of fixed payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the lease term. The university monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Key estimates and judgments include how the university determines the lease term and the discount rate it uses to discount the expected lease receipts to present value. The lease term includes the noncancelable period of the lease. The university uses the actual rate charged to lessees as the discount rate for leases. When the interest rate is not provided in the agreement, the university generally uses an estimated incremental borrowing rate as the discount rate.

NOTES RECEIVABLE: Notes receivable consists primarily of student loan repayments due to the university.

INVESTMENTS: Investments are stated at fair value, which represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The university values its investments using a hierarchy of valuation inputs based upon the extent to which the inputs are observable in the marketplace.



*Portal for the Agrarian sculpture
IU East Campus*

Realized and unrealized gains and losses are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position.

DONOR RESTRICTED ENDOWMENTS: Under Indiana law set forth in Indiana code 30-2-12, Uniform Prudent Management of Institutional Funds Act (UPMIFA), the Board acts in a fiduciary capacity with respect to its endowment funds. UPMIFA requires that the Board exercise its fiduciary duties prudently and consider both the charitable purposes and needs of the university and the purposes of the specific endowment regarding current expenditures and preservation of the purchasing power of the funds.

The majority of the university endowment and quasi-endowment funds are invested in the IU Foundation's Pooled Long-Term and Short-Term funds. The spending policy of the IU Foundation is to distribute 4.5%, banded for inflation, of the twelve-quarter rolling average of pooled long-term fund share values multiplied by the current number of shares held. For university endowment and quasi-endowment funds not held at IU Foundation, the university uses a spending policy that mirrors the IU Foundation spending policy.

The amounts of net appreciation on investments of donor-restricted endowments that are available for expenditure are \$31,384,000 and \$44,966,000 as of June 30, 2023 and 2022, respectively. These amounts are reported as restricted, expendable for scholarships, research, instruction, and other in net position.

CAPITAL ASSETS: Capital assets are recorded at cost at the date of acquisition or estimated acquisition value at the date of contribution in the case of gifts. Right-to-use assets, which include lease assets and subscription assets are recorded at the present value of the contract payments. The university capitalizes equipment with a cost of \$5,000 or more and a useful life in excess of one year. Capital assets also include land improvements and infrastructure costing in excess of \$75,000. Buildings and building renovations that increase the useful life of the building costing \$75,000 or more are capitalized. Intangible assets with a cost of \$500,000 or more are subject to capitalization. Art and museum objects purchased by or donated to the university are capitalized if the value is \$5,000 or greater. Subscription assets are capitalized if the present value of the contract payments is \$100,000 or more. Interest costs incurred during construction are expensed. Depreciation expense is computed using the straight-line method over the estimated useful lives of the respective assets, generally three to twenty years for equipment, ten years for library books, ten to forty years for infrastructure and land improvements, and fifteen to forty years for buildings and building improvements. Right-to-use assets are amortized over the term of the contract, which is typically between two to forty years. Useful lives for capital assets are established using a combination of the American Hospital Association guidelines, Internal Revenue Service guidelines, and documented university experience. Land and capitalized art and museum collections are not depreciated.

RIGHT-TO-USE ASSETS AND OBLIGATIONS:

The university recognizes right-to-use obligations and intangible right-to-use assets in the financial statements stemming from leases of tangible property and subscriptions of intangible information technology assets. Right-to-use obligations are reported with long-term debt and other obligations on the statement of net position, and right-to-use assets are reported with other capital assets.

At the commencement of a lease, the university initially measures the lease obligation at the present value of payments expected to be made during the lease term composed of fixed payments and purchase option price that the university reasonably expects to exercise. Subsequently, the lease obligation is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease obligation, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized

on a straight-line basis over 1) its remaining useful life if transfer of ownership is expected at the end of the term, or 2) shorter of the contract term or remaining useful life. For nondepreciable assets, such as land, the right-to-use asset is not amortized.

At the commencement of a subscription, the university initially measures the subscription obligation at the present value of fixed payments expected to be made during the subscription term. Subsequently, the subscription obligation is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription obligation, adjusted for subscription payments made at or before the subscription commencement date, plus initial implementation costs. Subsequently, the subscription asset is depreciated on a straight-line basis over the subscription term.

The university monitors changes in circumstances that would require a remeasurement of its right-to-use obligations and will remeasure the right-to-use asset and obligation if certain changes occur that are expected to significantly affect the amount of the obligation.

Key estimates and judgments related to right-to-use obligations include how the university determines the contract term and the discount rate it uses to discount the expected subscription payments to present value. The term includes the noncancelable period of the contract. The university uses the interest rate charged by the lessor or vendor as the discount rate. When the interest rate charged is not provided, the university generally uses an estimated incremental borrowing rate as the discount rate.

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



NOTES TO THE FINANCIAL STATEMENTS

Deferred outflows for the university were as follows:

(dollar amounts presented in thousands)

<i>Deferred Outflows of Resources Related to:</i>	<i>June 30, 2023</i>	<i>June 30, 2022</i>
Accumulated deferred charges on refundings of capital debt	\$ 5,944	\$ 7,370
Net pension liability under GASB No. 68, <i>Accounting and Financial Reporting for Pensions</i> (see Note 12, Retirement Plans)	23,167	21,861
Total OPEB liability under GASB No. 75, <i>Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions</i> (see Note 13, Postemployment Benefits)	47,909	50,638
Total deferred outflows of resources	\$ 77,020	\$ 79,869

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

UNEARNED REVENUE: Unearned revenue is recorded for current cash receipts of student tuition and fees and certain auxiliary goods and services that are received in advance of providing services. Also included are amounts received from contract and grant sponsors that have not yet been earned.

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

(dollar amounts presented in thousands)

<i>Deferred Inflows of Resources Related to:</i>	<i>June 30, 2023</i>	<i>June 30, 2022</i>
Lease receivable under GASB No. 87, <i>Leases</i>	\$ 14,821	\$ 12,892
Net pension liability under GASB No. 68, <i>Accounting and Financial Reporting for Pensions</i> (see Note 12, Retirement Plans)	8,044	42,534
Total OPEB liability under GASB No. 75, <i>Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions</i> (see Note 13, Postemployment Benefits)	54,324	63,959
Total deferred inflows of resources	\$ 77,189	\$ 119,385

NET POSITION: The university's net position is classified for financial reporting in the following categories:

- *Net investment in capital assets:* This component of net position includes capital assets, net of accumulated depreciation and outstanding principal debt balances related to the acquisition, construction, or improvement of those assets.
- *Restricted—nonexpendable:* Assets included in the nonexpendable restricted net position category are subject to externally imposed stipulations that the principal is to be maintained in perpetuity and invested for the purpose of producing present and future income, which may be either expended or added to principal. Such assets include permanent endowment funds.
- *Restricted—expendable:* Resources classified as restricted and expendable are those for which the university is legally obligated to spend in accordance with externally imposed stipulations or those stipulations that expire with the passage of time.
- *Unrestricted:* Unrestricted resources are not subject to externally imposed restrictions and are primarily used for meeting expenses for academic and general operations of the university.



When an expense is incurred for which both restricted and unrestricted resources are available, the university's policy is to apply the most appropriate fund source based on the relevant facts and circumstances.

REVENUES AND EXPENSES: University revenues and expenses are classified as either operating or nonoperating as follows:

- *Operating revenues:* Operating revenues result from exchange transactions, such as student tuition and fees (net of scholarship discounts and allowances), government and other grants and contracts, and sales and services of auxiliary enterprises (net of scholarship discounts and allowances).
- *Operating expenses:* Operating expenses are incurred to support exchange transactions resulting in operating revenue. Examples include compensation and benefits, student financial aid, and supplies and general expense.
- *Nonoperating revenues and expenses:* Nonoperating revenues and expenses include those derived from non-exchange transactions such as gifts, certain federal and state grants, and interest expense. Nonoperating revenues include significant revenue sources that are relied upon for operations, such as state appropriations, federal Pell grants, and investment income.

SCHOLARSHIP DISCOUNTS AND ALLOWANCES:

Student tuition and fees and other student revenues are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are calculated as the difference between the stated charges for goods and services provided by the university and the amounts paid by students and/or third parties making payments on behalf of students.

ACCOUNTING PRONOUNCEMENTS RECENTLY

ADOPTED: During the fiscal year ending June 30, 2023, the university adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, with an implementation date of July 1, 2021. As a result, the Statement of Net Position now includes a liability for the present value of payments expected to be made and subscription-based IT assets. Subscription activity is further described in Note 10, Right-to-Use Assets and Obligations. The adoption of GASB 96 resulted in the recognition of subscription-based IT assets and liabilities in the amount of \$17,480,000 as of July 1, 2021.

The financial statements for the year ended June 30, 2022, have been restated to reflect the adoption of GASB 96.



Science and Engineering Laboratory Building
IUPUI Campus



NOTES TO THE FINANCIAL STATEMENTS

The effect of this new standard on the Statement of Net Position was as follows:

(dollar amounts presented in thousands)

	<i>June 30, 2022 as previously reported</i>	<i>GASB 96 adoption</i>	<i>June 30, 2022 as restated</i>
Other assets	49,400	(4,671)	44,729
Capital assets, net	3,783,924	27,488	3,811,412
Accounts payable and accrued liabilities	197,318	46	197,364
SBITA obligations	–	21,877	21,877
Net position	4,980,043	894	4,980,937

The effect of this new standard on the Statement of Revenues, Expenses, and Changes in Net Position was as follows:

(dollar amounts presented in thousands)

	<i>Fiscal year ended June 30, 2022 as previously reported</i>	<i>GASB 96 adoption</i>	<i>Fiscal year ended June 30, 2022 as restated</i>
Supplies and general expense	754,316	(12,908)	741,408
Depreciation and amortization expense	190,006	11,962	201,968
Interest expense	37,571	52	37,623

Effective for fiscal year ended June 30, 2023, the university adopted GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement establishes standards of accounting and financial reporting for public-private and public-public partnerships and availability payment arrangements for governments. The adoption of this guidance by the university did not have a significant impact on its financial statements.

Effective for fiscal year ended June 30, 2023, the university adopted paragraphs 11 through 25 of GASB Statement No. 99, *Omnibus 2022*. These provisions establish or amend accounting and financial reporting requirements for specific issues related to leases, public-public and public-private partnerships (PPPs), and subscription-based information technology arrangements (SBITAs). The adoption of this guidance by the university did not have a significant impact on its financial statements.

ACCOUNTING PRONOUNCEMENTS NOT YET

ADOPTED: The university will be required to implement GASB Statement No. 100, *Accounting Changes and Error Corrections*, effective for fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable,

relevant, consistent, and comparable information for making decisions or assessing accountability. The university is in the process of determining the full impact of this standard on its financial statements.

In June 2022, the Governmental Accounting Standards Board issued GASB Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the university's financial statements for the year ending June 30, 2025.

RECLASSIFICATIONS: Certain reclassifications have been made to prior year statements for comparative purposes, which includes reclassifying the \$59,088,000 current portion of compensated absences balance from accounts payable and accrued liabilities to current portion of long-term debt and other obligations for fiscal year ending June 30, 2022. This reclassification resulted in the accrual for compensated absences being removed from Note 7, Accounts Payable and Accrued Liabilities.



Compensated Absences are still further described in Note 8, Other Liabilities.

Note 2—Deposits and Investments

DEPOSITS AND INVESTMENTS: The trustees have acknowledged responsibility as a fiduciary body for the invested assets of the university. Indiana Code 30-4-3-3 requires the trustees to “exercise the judgment and care required by Indiana Code 30-4-3.5,” the *Indiana Uniform Prudent Investor Act*. That act requires the trustees to act “as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill, and caution.” The trustees have the responsibility to ensure the assets are prudently invested in a manner consistent with the university’s investment policy. The trustees have delegated the day-to-day responsibilities for overseeing the investment program to the Office of the Treasurer.

At June 30, 2023 and 2022, the university had deposits and investments, including endowment funds, as shown below:

(dollar amounts presented in thousands)

	June 30, 2023	June 30, 2022
Cash and cash equivalents	\$ 151,903	\$ 273,003
Short-term investments	312,507	259,906
Restricted cash and cash equivalents	11,222	17,882
Investments	2,470,847	2,331,119
Total deposits and investments	\$ 2,946,479	\$ 2,881,910

CUSTODIAL CREDIT RISK – DEPOSITS: The combined bank balances of the university’s demand deposits were \$14,363,000 and \$8,526,000 with balances subject to custodial credit risk in the amount of \$10,144,000 and \$4,594,000 at June 30, 2023 and 2022, respectively. Of this amount, \$6,982,000 and \$1,926,000 was uninsured and uncollateralized at June 30, 2023 and 2022, respectively, while \$3,162,000 and \$2,668,000 was uninsured and collateralized with securities held by the pledging financial institution at June 30, 2023 and 2022, respectively. The custodial credit risk for deposits is the risk that, in the event of the

failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The university does not have a formal deposit policy for custodial credit risk, however, the university monitors the credit rating and certain financial performance metrics of its custodial and commercial banks on a quarterly basis.

CUSTODIAL CREDIT RISK – INVESTMENTS: The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The university manages custodial credit risk through the types of investments that are allowed by investment policy. The university also monitors the credit rating and certain financial performance metrics of its custodial and commercial banks. The university had \$720,000 and \$1,110,000 exposed to custodial credit risk at June 30, 2023 and 2022, respectively. The university had \$10,098,000 and \$15,289,000 where custodial credit risk could not be determined at June 30, 2023 and 2022, respectively. The remainder of the university’s investments is not exposed to custodial credit risk and reflects either investment securities registered in the name of the university, investment securities loaned for collateral received, or other types of investments not exposed to custodial credit risk.

INTEREST RATE RISK: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of a deposit or investment. The university’s policy for controlling its exposure to fair value losses arising from increasing interest rates is to constrain average portfolio duration within ranges of a target portfolio duration set for each portfolio of operating fund investments. The portfolios may seek to enhance returns by attempting to time movements of interest rates within the allowable ranges. The university invests in asset-backed securities, collateralized mortgage obligations, mortgage pass-through securities, interest rate swaps, and swaptions that are highly sensitive to interest rate changes.



NOTES TO THE FINANCIAL STATEMENTS

The university had fixed-rate debt securities with the following maturities at June 30, 2023:

(dollar amounts presented in thousands)

Investment Type	Fair Value June 30, 2023	Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Corporate bonds	\$ 449,866	\$ 98,123	\$ 244,739	\$ 71,712	\$ 35,292
Government bonds	351,949	61,301	105,911	64,464	120,273
Asset-backed securities	342,990	6,732	171,608	41,008	123,642
Government issued asset-backed securities	168,628	452	5,474	5,399	157,303
Other fixed income funds	64,200	248	5,468	69	58,415
Total	1,377,633	\$ 166,856	\$ 533,200	\$ 182,652	\$ 494,925
<i>Investments not subject to interest rate risk:</i>					
U.S. equities	621,755				
External investment pools	483,180				
Money market funds	229,522				
International equities	181,548				
All other	52,841				
Total investments	\$ 2,946,479				

The university had fixed-rate debt securities with the following maturities at June 30, 2022:

(dollar amounts presented in thousands)

Investment Type	Fair Value June 30, 2022	Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
Corporate bonds	\$ 551,065	\$ 118,944	\$ 311,609	\$ 78,865	\$ 41,647
Government bonds	376,795	77,173	95,944	69,362	134,316
Asset-backed securities	307,736	18,577	141,976	39,665	107,518
Government issued asset-backed securities	116,358	2,309	3,883	3,996	106,170
Other fixed income funds	77,522	–	8,632	2,224	66,666
Total	1,429,476	\$ 217,003	\$ 562,044	\$ 194,112	\$ 456,317
<i>Investments not subject to interest rate risk:</i>					
U.S. equities	522,711				
External investment pools	478,994				
Money market funds	276,926				
International equities	161,592				
All other	12,211				
Total investments	\$ 2,881,910				

CREDIT RISK: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The weighted average credit quality of each portfolio of university operating funds investments must be at least 'A+/A1' for Defensive Managers, 'A/A2' for Core Plus Managers, or as specified in each manager's guidelines.

The credit ratings for the university's investments subject to credit risk as of June 30, 2023 are shown below:

(dollar amounts presented in thousands)

<i>Investment Type</i>	<i>Fair Value</i>	<i>AAA</i>	<i>AA</i>	<i>A</i>	<i>BBB</i>	<i>BB</i>	<i>Below BB</i>	<i>Not Rated</i>
Corporate bonds	\$ 449,866	\$ 1,460	\$ 20,195	\$ 183,652	\$ 205,450	\$ 30,357	\$ 5,140	\$ 3,612
Government bonds	351,949	43,841	284,943	1,555	16,381	1,541	1,014	2,674
Asset-backed securities	342,990	286,459	15,436	6,393	3,901	618	2,103	28,080
Money market funds	229,522	156,751	–	–	–	–	–	72,771
Government issued asset-backed securities	168,628	7,082	150,244	6,979	4,286	37	–	–
Other fixed income funds	64,200	–	–	–	476	1,572	3,381	58,771
Total	1,607,155	\$495,593	\$470,818	\$198,579	\$230,494	\$ 34,125	\$ 11,638	\$165,908
Percentage subject to credit risk		30.84%	29.30%	12.36%	14.34%	2.12%	0.72%	10.32%
Not subject to credit risk	1,339,324							
Total investments	\$2,946,479							

The credit ratings for the university's investments subject to credit risk as of June 30, 2022 are shown below:

(dollar amounts presented in thousands)

<i>Investment Type</i>	<i>Fair Value</i>	<i>AAA</i>	<i>AA</i>	<i>A</i>	<i>BBB</i>	<i>BB</i>	<i>Below BB</i>	<i>Not Rated</i>
Corporate bonds	\$ 551,065	\$ 8,305	\$ 18,615	\$209,070	\$ 268,240	\$ 39,355	\$ 5,724	\$ 1,756
Government bonds	376,795	62,315	284,269	4,965	19,216	1,925	1,413	2,692
Money market funds	307,736	235,272	12,920	9,729	3,805	1,231	3,121	41,658
Asset-backed securities	276,926	260,306	–	–	–	–	–	16,620
Government issued asset-backed securities	116,358	9,566	95,059	4,203	7,290	–	240	–
Other fixed income funds	77,522	–	–	–	680	4,011	4,939	67,892
Total	1,706,402	\$ 575,764	\$410,863	\$227,967	\$ 299,231	\$ 46,522	\$ 15,437	\$130,618
Percentage subject to credit risk		33.74%	24.08%	13.36%	17.54%	2.73%	0.90%	7.65%
Not subject to credit risk	1,175,508							
Total investments	\$ 2,881,910							





Bryan House, the Tobias Pavilion, and the Conrad Prebys Amphitheater
IU Bloomington Campus

CONCENTRATION OF CREDIT RISK: Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The university’s investment policy requires that investments are to be diversified to the extent that the securities of any single issuer shall be limited to 3.5% of the market value in a particular manager’s portfolio or as specified in each manager’s guidelines. The individual issuer limit does not apply to securities within a broadly-diversified, passively-managed index fund designed to represent a broad market.

FOREIGN CURRENCY RISK: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a government’s deposits and investments. The university’s policy for controlling exposure to foreign currency risk is to constrain deposits and investments in non-U.S. dollar denominated debt to 25% of an individual manager’s portfolio or as specified in each manager’s guidelines. Minimal foreign currency exposure could occur if one of the university’s investment managers purchases non-U.S. dollar

holdings and does not hedge the currency. At June 30, 2023 and 2022, the university had insignificant amounts of deposits and investments exposed to foreign currency risk.

ENDOWMENTS: University endowment funds are managed pursuant to an Investment Agency Agreement between The Trustees of Indiana University and the IU Foundation dated November 14, 2005, which delegates investment management responsibilities to the IU Foundation. University endowment and quasi-endowment funds are invested in the IU Foundation’s Pooled Long-Term and Short-Term Funds which is considered an external investment pool to the university. This external investment pool is not registered with the Securities and Exchange Commission. The Investment Committee of the IU Foundation Board of Directors oversees the pool. At June 30, 2023 and 2022, all university endowment funds held with the IU Foundation were invested in pooled funds. The fair value of the university’s position in the pool is the same as the value of the pooled shares.

Note 3—Fair Value Measurements

The fair value hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant, other observable inputs; Level 3 inputs are significant, unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. Certain money market funds are excluded as they are valued at amortized cost, totaling \$163,125,000 and \$290,885,000 at June 30, 2023 and 2022, respectively. The university had the following recurring fair value measurements as of June 30, 2023:

(dollar amounts presented in thousands)

	June 30, 2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Debt securities				
Collateralized obligations and mortgage-backed securities	\$ 511,683	\$ —	\$ 508,721	\$ 2,962
Corporate bonds	449,866	—	446,966	2,900
Government bonds	414,165	39,262	374,903	—
Commingled funds	58,415	53,346	—	5,069
Notes, deposits and commercial paper	34,974	—	34,974	—
Inflation index-linked notes	7,785	—	7,785	—
Bank loans	5,785	—	5,785	—
Municipal and provincial bonds	3,382	—	3,382	—
Total debt securities	1,486,055	92,608	1,382,516	10,931
Equity securities	803,303	803,303	—	—
Real estate	6,269	—	—	6,269
All other	8,355	—	8,355	—
Total investments by fair value level	2,303,982	\$ 895,911	\$ 1,390,871	\$ 17,200
Investments measured at the net asset value (NAV):				
External investment pool	479,152			
Venture capital	220			
Total investments measured at the NAV	479,372			
Total investments measured at fair value	\$ 2,783,354			



NOTES TO THE FINANCIAL STATEMENTS

The university had the following recurring fair value measurements as of June 30, 2022:

(dollar amounts presented in thousands)

	June 30, 2022	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Debt securities				
Corporate bonds	\$ 551,065	\$ –	\$ 551,065	\$ –
Collateralized obligations and mortgage-backed securities	393,232	–	392,261	971
Government bonds	371,522	60,018	311,504	–
Commingled funds	57,246	4,072	53,174	–
Notes, deposits and commercial paper	11,031	–	11,031	–
Bank loans	10,856	–	10,856	–
Municipal and provincial bonds	8,921	–	8,921	–
Inflation index-linked notes	6,145	–	6,145	–
Total debt securities	1,410,018	64,090	1,344,957	971
Equity securities	684,303	684,303	–	–
Real estate	6,269	–	–	6,269
All other	3,389	–	3,389	–
Total investments by fair value level	2,103,979	\$ 748,393	\$ 1,348,346	\$ 7,240
Investments measured at the net asset value (NAV):				
External investment pool	477,444			
Commingled funds	9,421			
Venture capital	181			
Total investments measured at the NAV	487,046			
Total investments measured at fair value	\$ 2,591,025			

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The university's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. Changes in valuation techniques, if any, from prior year did not have a significant impact.

Debt securities classified in Level 1 at June 30, 2023 and 2022, are valued using unadjusted quoted prices in active markets for those securities.

The fair value of debt securities at June 30, 2023 and 2022, are determined primarily based on Level 2 inputs. The university estimates the fair value of these investments using observable, market-based inputs. Observable inputs are those that market participants would use in pricing the asset based on market data obtained from independent sources such as quoted market prices, reported sales of similar securities, and reference data.





*View from inside the Rose Well House
IU Bloomington Campus*

The fair value of debt securities at Level 3 at June 30, 2023 and 2022, are determined using extrapolated data, proprietary models, indicative quotes, or similar techniques taking into account the characteristics of the asset.

The fair value of equity securities at Level 1 at June 30, 2023 and 2022, are valued using unadjusted quoted prices in active markets for those securities.

The university holds several parcels of real estate for investment purposes. The fair values of these properties are based on appraisals.

The fair value of all other investments at June 30, 2023 and 2022, are determined primarily based on Level 2 inputs. The university estimates the fair value of these investments using observable, market-based inputs.

The university holds shares or interests in commingled funds where the fair value of the investment is measured on a recurring basis using net asset value per share (or its equivalent) of the investment company as a practical expedient. There is no unfunded commitment, and the investments can be redeemed twice a month with a 15-day redemption notice period.

The university holds shares or interests in a venture capital investment company where the fair value of the investment is measured on a recurring basis using net asset value per share (or its equivalent) of the investment company as a practical expedient. The company invests in venture capital firms with the objective that 60% of these are in Indiana and 60% are in the life sciences field. The unfunded commitment was approximately \$4,000 as of June 30, 2023 and 2022. This investment cannot be redeemed until the earlier of December 31, 2024, or one year after the date on which all of the fund's investments have been liquidated.

The fair value of the external investment pool at June 30, 2023 and 2022, is determined using a monthly valuation assigned to the shares of the pool which is a net asset value per share equivalent. There is no unfunded commitment, and the investments can be redeemed daily with no redemption notice period. A significant portion of the investment pool, approximately \$474,714,000 and \$473,479,000 respectively at June 30, 2023 and 2022, was held at the IU Foundation. The fair value hierarchy of the foundation's investments is included in the aggregate discretely presented component unit table below.

NOTES TO THE FINANCIAL STATEMENTS

The aggregate discretely presented component units had the following recurring fair value measurements as of June 30, 2023:

(dollar amounts presented in thousands)

	June 30, 2023	Fair Value Measurements Using			NAV
		Level 1	Level 2	Level 3	
Investments by fair value level:					
Cash equivalents	\$ 35,913	\$ 33,837	\$ 2,076	\$ –	\$ –
Equities:					
Domestic	754,692	670,947	964	–	82,781
International	632,544	164,873	–	–	467,671
Mutual funds	78,146	78,146	–	–	–
Commingled funds	80,512	–	–	–	80,512
Fixed income:					
Domestic	295,193	63,082	150,788	–	81,323
US government	101,994	99,654	2,340	–	–
Corporate bonds	89,863	86,409	3,454	–	–
International	47,822	10,122	34,500	–	3,200
Mutual funds	14,667	14,667	–	–	–
Other fixed income	34,721	4,671	–	–	30,050
Real estate	27,176	9,143	–	18,033	–
Alternative investments:					
Hedged equity funds	116,816	–	–	–	116,816
Absolute return funds	426,658	–	–	5,539	421,119
Venture capital	459,229	–	–	–	459,229
Buyouts	436,119	–	–	–	436,119
Distressed/special situations	96,794	–	–	–	96,794
Real estate/real assets	340,884	–	–	6,527	334,357
Alternative fixed income	157,183	–	–	–	157,183
Natural resources	180,641	–	–	–	180,641
Beneficial interests in trust	50,565	–	–	50,565	–
Total investments	4,458,132	\$ 1,235,551	\$ 194,122	\$ 80,664	\$ 2,947,795
Other assets	35,303				
Total investments and other assets	\$ 4,493,435				



The aggregate discretely presented component units had the following recurring fair value measurements as of June 30, 2022:

(dollar amounts presented in thousands)

	June 30, 2022	Fair Value Measurements Using				NAV
		Level 1	Level 2	Level 3		
Investments by fair value level:						
Cash equivalents	\$ 40,001	\$ 40,001	\$ -	\$ -	\$ -	-
Equities:						
Domestic	635,919	484,926	-	-	-	150,993
International	627,162	281,859	-	-	-	345,303
Mutual funds	49,611	49,611	-	-	-	-
Commingled funds	87,735	-	-	-	-	87,735
Fixed income:						
Domestic	308,386	144,333	104,782	-	-	59,271
US government	82,633	80,294	2,339	-	-	-
Corporate bonds	71,040	68,151	2,889	-	-	-
International	43,856	19,072	22,438	-	-	2,346
Mutual funds	7,909	7,909	-	-	-	-
Other fixed income	33,640	7,753	-	-	-	25,887
Real estate	28,467	9,634	-	18,833	-	-
Alternative investments:						
Hedged equity funds	105,615	-	-	-	-	105,615
Absolute return funds	394,595	-	-	7,493	-	387,102
Venture capital	551,818	-	-	-	-	551,818
Buyouts	415,016	-	-	-	-	415,016
Distressed/special situations	109,903	-	-	-	-	109,903
Real estate/real assets	317,596	-	-	7,097	-	310,499
Alternative fixed income	134,607	-	-	-	-	134,607
Natural resources	185,446	-	-	-	-	185,446
Beneficial interests in trust	49,112	-	-	49,112	-	-
Total investments	4,280,067	\$ 1,193,543	\$ 132,448	\$ 82,535	\$ 2,871,541	
Other assets	32,082					
Total investments and other assets	\$ 4,312,149					



NOTES TO THE FINANCIAL STATEMENTS

Note 4—Accounts Receivable

Accounts receivable consisted of the following at June 30, 2023 and 2022:

(dollar amounts presented in thousands)

	June 30, 2023	June 30, 2022
Student accounts	\$ 70,655	\$ 63,474
Auxiliary enterprises and other operating activities	66,685	58,754
Federal, state, and other grants and contracts	30,369	21,841
Capital appropriations and gifts	2,470	4,073
Other	13,365	8,180
Current accounts receivable, gross	183,544	156,322
Less allowance for uncollectible accounts	(12,067)	(8,970)
Current accounts receivable, net	\$ 171,477	\$ 147,352

Note 5—Lease Receivable

The university leases certain assets to various third parties in the following asset classes: buildings, land improvements, and land. Payments are generally fixed monthly. Variable payments based on the Consumer Price Index are appropriately excluded from the measurement of the lease receivable.

The university also subleases certain assets that it initially leases from a third party. The noncancelable terms of these leasing arrangements mature between 2026 and 2052. The discount rates applicable to these leasing arrangements range from 0.74% to 2.56%. Payments are generally fixed with escalated payments based on percentage increase included in the measurement of the lease receivable.

During the fiscal years ended June 30, 2023 and 2022, the university recognized lease revenue of \$3,134,000 and \$2,389,000 and interest income of \$271,000 and \$229,000 related to its lessor agreements, respectively. In addition, the university recognized insignificant inflows from variable payments that were properly excluded from the initial measurement of the lease receivable in both fiscal years.



*George Taliaferro statue in front of the Memorial Stadium North End Zone facility
IU Bloomington Campus*

Note 6—Capital Assets

Fiscal year ended June 30, 2023

(dollar amounts presented in thousands)

	<i>Balance June 30, 2022 (as restated)</i>	<i>Additions</i>	<i>Transfers</i>	<i>Retirements</i>	<i>Balance June 30, 2023</i>
Assets not being depreciated:					
Land	\$ 92,168	\$ 3,262	\$ –	\$ –	\$ 95,430
Art & museum objects	114,843	4,042	–	–	118,885
Construction in progress	226,460	48,442	(169,510)	48	105,344
Total capital assets not being depreciated	433,471	55,746	(169,510)	48	319,659
Other capital assets:					
Infrastructure	269,820	2,806	1,399	–	274,025
Intangibles	11,766	–	–	2,690	9,076
Land improvements	119,193	4,626	1,979	–	125,798
Equipment	551,613	42,857	5,171	18,666	580,975
Right-to-use assets	189,308	41,357	–	7,392	223,273
Library books	82,637	3,567	–	7,108	79,096
Buildings	5,100,174	56,155	160,961	3,816	5,313,474
Total other capital assets	6,324,511	151,368	169,510	39,672	6,605,717
Less accumulated depreciation for:					
Infrastructure	182,944	6,231	–	–	189,175
Intangibles	11,638	85	–	2,690	9,033
Land improvements	53,565	5,735	–	–	59,300
Equipment	400,123	40,604	–	18,035	422,692
Right-to-use assets	59,394	32,178	–	4,356	87,216
Library books	50,486	7,764	–	7,108	51,142
Buildings	2,188,420	110,073	–	2,225	2,296,268
Total accumulated depreciation, other capital assets	2,946,570	202,670	–	34,414	3,114,826
Capital assets, net	\$ 3,811,412	\$ 4,444	\$ –	\$ 5,306	\$ 3,810,550



NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2022

(dollar amounts presented in thousands)

	Balance June 30, 2021	Additions	Transfers	Retirements	Balance June 30, 2022 (as restated)
Assets not being depreciated:					
Land	\$ 87,563	\$ 4,605	\$ –	\$ –	\$ 92,168
Art & museum objects	112,391	2,452	–	–	114,843
Construction in progress	223,376	89,979	(86,836)	59	226,460
Total capital assets not being depreciated	423,330	97,036	(86,836)	59	433,471
Other capital assets:					
Infrastructure	269,151	4,017	1,758	5,106	269,820
Intangibles	11,766	–	–	–	11,766
Land improvements	111,447	5,622	2,124	–	119,193
Equipment	542,659	38,527	8,341	37,914	551,613
Right-to-use assets	147,814	43,086	–	1,592	189,308
Library books	113,336	3,776	–	34,475	82,637
Buildings	4,995,580	44,066	74,613	14,085	5,100,174
Total other capital assets	6,191,753	139,094	86,836	93,172	6,324,511
Less accumulated depreciation for:					
Infrastructure	181,930	6,120	–	5,106	182,944
Intangibles	11,552	86	–	–	11,638
Land improvements	48,088	5,477	–	–	53,565
Equipment	397,543	39,128	–	36,548	400,123
Right-to-use assets	28,774	31,915	–	1,295	59,394
Library books	75,194	9,766	–	34,474	50,486
Buildings	2,089,787	109,476	–	10,843	2,188,420
Total accumulated depreciation, other capital assets	2,832,868	201,968	–	88,266	2,946,570
Capital assets, net	\$ 3,782,215	\$ 34,162	\$ –	\$ 4,965	\$ 3,811,412

Note 7—Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consisted of the following at June 30, 2023 and 2022:

(dollar amounts presented in thousands)

	June 30, 2023	June 30, 2022 (as restated)
Accrued payroll	\$ 24,198	\$ 21,574
Interest payable	7,140	7,165
Vendor payables	104,834	102,620
Other payables	37,064	66,005
Total accounts payable and accrued liabilities	\$ 173,236	\$ 197,364



Note 8—Other Liabilities

Other liability activity for the fiscal years ended June 30, 2023 and 2022, is summarized as follows:

Fiscal year ended June 30, 2023

(dollar amounts presented in thousands)

	<i>Balance June 30, 2022 (as restated)</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance June 30, 2023</i>	<i>Current</i>
Bonds and notes payable:					
Bonds payable	\$ 833,381	\$ –	\$ 64,421	\$ 768,960	\$ 59,316
Notes payable	288,857	13,463	34,028	268,292	54,136
Total bonds and notes payable	1,122,238	13,463	98,449	1,037,252	113,452
Other liabilities:					
Lease obligations	105,979	28,688	14,394	120,273	10,586
SBITA obligations	21,877	12,669	20,182	14,364	8,672
Compensated absences	88,329	20,817	18,003	91,143	57,755
Other	28,724	414	28,486	652	126
Total other liabilities	\$ 1,367,147	\$ 76,051	\$ 179,514	\$ 1,263,684	\$ 190,591

Fiscal year ended June 30, 2022

(dollar amounts presented in thousands)

	<i>Balance June 30, 2021</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance June 30, 2022 (as restated)</i>	<i>Current</i>
Bonds and notes payable:					
Bonds payable	\$ 897,863	\$ –	\$ 64,482	\$ 833,381	\$ 64,421
Notes payable	278,805	24,272	14,220	288,857	63,415
Total bonds and notes payable	1,176,668	24,272	78,702	1,122,238	127,836
Other liabilities:					
Lease obligations	120,933	3,636	18,590	105,979	10,624
SBITA obligations	–	39,449	17,572	21,877	15,034
Compensated absences	90,423	15,645	17,739	88,329	59,088
Other	56,749	390	28,415	28,724	28,486
Total other liabilities	\$ 1,444,773	\$ 83,392	\$ 161,018	\$ 1,367,147	\$ 241,068

Note 9—Bonds and Notes Payable and Other Obligations

The university is authorized by acts of the Indiana General Assembly to issue bonds, notes, and other forms of indebtedness for the purpose of financing construction of facilities that include academic and administrative facilities, research facilities on the Bloomington and Indianapolis campuses, athletic facilities, parking facilities, student housing, health service facilities, student union buildings, and energy savings projects. At June 30, 2023, and June 30, 2022, the university had serial bonds and term bonds with maturities that extend to June 1, 2060. The university has both tax-exempt and taxable bonds and notes outstanding.

Fee replacement appropriations are a specific state appropriation to the university that the Indiana General Assembly authorizes on a biennial basis, for the purpose of reimbursing a portion of the debt service payments on bonds issued under IC 21-34-6 as student fee bonds for certain academic facilities, such as classrooms, libraries, laboratories, and other academic support facilities as designated by the Indiana General Assembly that are received from the state on a semi-annual basis. Fee replacement appropriations are renewed and supplemented on a biennial basis because state statutes prohibit a sitting General Assembly from binding subsequent General Assemblies with respect to future appropriation of funds. The outstanding principal balances that are eligible for fee replacement appropriations as of June 30, 2023, and 2022, are \$258,755,000 and \$289,210,000, respectively.

Indiana Code 21-35-2 and 21-35-3, as supplemented by 21-35-5 permits the use of debt in the form of revenue bonds. Consolidated revenue bonds are unsecured obligations of the university that carry a promise of repayment that will come first from net income generated from housing facilities, parking facilities, and other auxiliary facilities along with certain research, health service facilities, and athletic revenues; and second, from other legally available funds of the university.

Indiana University Building Corporation (IUBC) is an affiliated single-purpose Indiana not-for-profit entity that was formed by the Trustees of Indiana University

in 2008 with the sole purpose of assisting the university in the financing and development of university facilities by owning and leasing such facilities to the university on a lease-purchase basis under Indiana Code 21-33-3-5 as either Certificates of Participation or Lease-Purchase Obligations (collectively, "Obligations"). The leases are not subject to abatement or reduction. The leases are subject to early termination under certain circumstances, including the exercise of an option by the university to purchase the leased property or the condemnation of the leased property. When the debt obligations are fully repaid, all the leases are terminated and the real estate, facilities, and all subsequent improvements revert to the ownership of the university.

Indiana Code 21-32-2 permits the use of debt in the form of temporary borrowing in anticipation of future long-term borrowing for capital projects, when such long-term borrowing is authorized under other sections of the Indiana Code. As of June 30, 2023, and 2022, the university has commercial paper outstanding. Commercial paper notes are issued by the university to provide for the temporary financing or refinancing of costs related to certain facilities on all the university campuses, including costs of issuance of the notes. The university typically expects that capital projects temporarily financed with commercial paper would be long-term financed through the issuance of consolidated revenue bonds, obligations, or certain student fee bonds that are not eligible for fee replacement. The university's commercial paper program has an approved capacity of \$200,000,000. The university may issue tax-exempt and/or taxable commercial paper. The university has no credit facilities and no lines or letters of credit for repayment of commercial paper. The university has a self-liquidity backed commercial paper program that guarantees the payment of the maturity amount of any commercial paper notes that are not placed to investors. The university will not cause commercial paper maturities in an aggregate principal amount exceeding \$50,000,000 to mature in any five-business-day period. The interest rate and term of the notes are subject to market conditions on the maturity date of the notes. The number of days to maturity may not exceed 270 days, with the final maturity of the notes being May 1, 2038. The commercial paper notes are not subject to redemption prior to their respective maturities or to acceleration of maturities. As of June 30, 2023, the university has no variable rate bonds outstanding.

The types of debt described above have the following associated pledges:

<i>Type of Debt</i>	<i>Pledge</i>	<i>Terminology in Bond Documents</i>
Student Fee Bonds	(Irrevocable) Student fees for principal, premium (if any), and interest	The pledge of student fees for the Student Fee Bonds will constitute a lien on, and security interest in, student fees.
Consolidated Revenue Bonds	No pledge	Not applicable
Lease-Purchase Obligations and Certificates of Participation	Certain financed property	Any real or personal property pledged, mortgaged, or assigned by IUBC to the trustee bank, or in which IUBC grants to the trustee bank a security interest, under any indenture
Commercial Paper	No pledge	Not applicable
Operating Line of Credit	No pledge	Not applicable

The university is not party to any swap agreements. Obligations have terms related to significant events of default with finance-related consequences and subjective acceleration clauses as follows:

Upon the happening and continuance of any event of default, the trustee bank may, in its discretion, declare the principal of and interest accrued on all outstanding Obligations immediately due and payable, and, upon such declaration, such principal and interest shall thereupon become and be immediately due and payable; subject, however, to the rights of the holders of 51% in principal amount of all the outstanding Obligations, by written notice to IUBC and the trustee bank, to annul such declaration if all agreements with respect to which default shall have been made shall be fully performed and all such defaults have been cured, and all arrears of interest on all outstanding Obligations and the reasonable expenses and charges of the trustee bank and all other indebtedness secured by the Indenture (except the principal of and interest on any Obligations not then due by their terms) have been paid or the amount thereof has been paid to the trustee bank for the benefit of those entitled thereto. Events of Default under Obligations are as follows:

- (a) the university’s failure to perform or observe any of its obligations under a lease or the university’s continuing breach of any representation or warranty after 30 days written notice;
- (b) the making by the university of an assignment for the benefit of its creditors;
- (c) an injunction on or against the leased property not released or discharged within 90 days;

- (d) proceedings in a court of competent jurisdiction for the reorganization, liquidation or dissolution of the university, bankruptcy or insolvency, or appointment of a receiver of the property, and under involuntary proceedings, no dismissal and no discharge, within 90 days of any receiver, trustee bank or liquidator appointed;
- (e) the failure of the university to pay an installment of rent within ten days after written notice.

Upon occurrence of an Event of Default under any of the leases, IUBC, at the option of IUBC, has certain rights and remedies, one of which is that IUBC may terminate such lease upon notice to the university.



A mastodon statue outside the Walter E. Helmke Library IU Fort Wayne Campus



NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2023, and 2022, outstanding (“O/S”) indebtedness from bonds, notes, and other obligations follow, none of which are direct borrowings or placements:

(dollar amounts presented in thousands)

<i>Issue Type/Series</i>	<i>Issue Date</i>	<i>Original Issue (\$)</i>	<i>Interest Rate (%)</i>	<i>Final Maturity Date</i>	<i>Principal O/S June 30, 2022</i>	<i>Principal O/S June 30, 2023</i>
Indiana Code 21-34-6 (Bonds: Student Fee Bonds):						
U: Neuroscience, Land Acquisition; Refunding of Series N, O and P	7/26/11	\$ 94,460	–	8/1/22	\$ 5,345	\$ –
V-1: Energy Savings; Refunding of Series P, Q & R	10/26/12	60,265	–	8/1/22	8,845	–
W-1: Franklin, Arts/Sciences	1/14/15	58,960	4.00-5.00	8/1/34	43,940	41,425
W-2: Refunding of Series R and S	1/14/15	62,765	4.00-5.00	8/1/32	49,750	44,965
X: Old Crescent II; Refunding of Series U	8/4/16	71,710	3.00-5.00	8/1/35	53,180	49,760
Y: Ballantine Hall, Geology	10/3/18	69,470	4.00-5.00	8/1/37	62,625	59,975
Z-1: Bicentennial R&R Plan	6/24/20	81,265	3.00-5.00	8/1/29	72,310	66,535
Z-2: Refunding Series T-2 and V-1	6/24/20	18,595	0.63-1.15	8/1/26	17,545	17,045
Subtotal Student Fee Bonds					313,540	279,705
Add unamortized bond premium					38,913	35,030
Total Student Fee Bonds					352,453	314,735
Indiana Code 21-35-3 (Bonds: Consolidated Revenue Bonds):						
2015A: Read Hall II, North Hall; Refunding of Series 2008A and 2009A	4/1/15	146,960	3.00-5.00	6/1/42	100,095	87,155
2016A: Wells Quad; Refunding of Series 2008A, 2009A, and 2011A	4/5/16	93,070	2.75-5.00	6/1/41	87,290	85,655
2020A: Refunding of 2010B and 2011A	3/3/20	51,175	4.00-5.00	6/1/35	46,165	43,475
2020B: Persimmon A & B; Chestnut C & D; McNutt Central; Foster/McNutt; Refunding of Series 2012A	3/3/20	221,810	1.77-3.07	6/1/60	219,920	214,335
Subtotal Consolidated Revenue Bonds					453,470	430,620
Add unamortized bond premium					27,458	23,605
Total Consolidated Revenue Bonds					480,928	454,225
Subtotal bonds					767,010	710,325
Add unamortized bond premium					66,371	58,635
Total bonds					833,381	768,960



(dollar amounts presented in thousands)

Issue Type/Series	Issue Date	Original Issue (\$)	Interest Rate (%)	Final Maturity Date	Principal O/S June 30, 2022	Principal O/S June 30, 2023
Indiana Code 21-33-3-5 Obligations (Notes: Certificates of Participation/Lease Purchase Obligations):						
2012A: Bart Kaufman/Andy Mohr Fields; Refunding of Certificates of Participation Series 2003A						
	2/9/12	23,750	–	12/1/22	630	–
2013A: Global & International Studies						
	3/8/13	22,515	3.00-5.00	6/1/33	14,895	13,825
2014A: University Hall						
	2/13/14	21,045	–	6/1/23	890	–
2015A: Simon Skjodt Assembly Hall						
	5/13/15	31,025	3.13-5.00	6/1/34	23,825	22,300
2017A: Memorial Stadium Excellence Academy/ Stadium Reno; Sidney & Lois Eskenazi Museum of Art						
	3/8/17	74,575	3.00-5.00	6/1/44	67,855	65,935
2020A: Wilkinson/Innovation Halls; The Health Sciences Bldg; Refunding of Certificates of Participation Series 2009B						
	3/10/20	79,545	4.00-5.00	6/1/45	74,575	71,895
2020B: Refunding of Certificates of Participation Series 2012A; Lease-Purchase Obligations Series 2014A						
	3/10/20	28,810	1.74-2.62	6/1/37	28,085	27,410
Subtotal Obligations					210,755	201,365
Add unamortized bond premium					25,976	24,077
Total Obligations					236,731	225,442
Indiana Code 21-32-2 (Notes: Commercial Paper):						
2018A: Luddy Center for AI/Studio Arts Annex/ The Pfau Course at Indiana University/George Thomas Clubhouse						
	6/9/23	12,839	3.50	9/6/23	7,854	6,183
2021A: Luddy Center for AI/Forrest Av. Garage/ Studio Arts Annex/Ferguson International Ctr/ Collins Living-Learning Center						
	6/2/23	44,272	3.55	9/6/23	44,272	23,204
2023A: Ferguson International Ctr./Wright Quad						
	5/18/23	13,463	3.30	9/6/23	–	13,463
Subtotal Commercial Paper					52,126	42,850
Add unamortized bond premium					–	–
Total Commercial Paper					52,126	42,850
Subtotal notes					262,881	244,215
Add unamortized bond premium					25,976	24,077
Total notes					288,857	268,292
Subtotal bonds and notes payable and other obligations					1,029,891	954,540
Add unamortized bond premium					92,347	82,712
Total bonds and notes payable and other obligations					\$1,122,238	\$ 1,037,252



NOTES TO THE FINANCIAL STATEMENTS

The principal and interest requirements to maturity for fixed-rate bonds and notes payable follow:

(dollar amounts presented in thousands)

<i>Fiscal Year Ending June 30</i>	<i>Bond Principal</i>	<i>Note Principal</i>	<i>Total Principal</i>	<i>Bond Interest</i>	<i>Note Interest</i>	<i>Total Interest</i>	<i>Total Debt Service Payments</i>
2024	51,645	9,490	61,135	27,091	8,457	35,548	96,683
2025	52,440	9,895	62,335	25,034	8,046	33,080	95,415
2026	52,555	10,335	62,890	22,918	7,613	30,531	93,421
2027	54,630	10,780	65,410	20,628	7,159	27,787	93,197
2028	47,255	11,265	58,520	18,423	6,680	25,103	83,623
2029 - 2033	176,210	57,805	234,015	67,140	26,479	93,619	327,634
2034 - 2038	102,915	41,475	144,390	37,352	16,296	53,648	198,038
2039 - 2043	16,850	38,570	55,420	25,519	8,192	33,711	89,131
2044 - 2048	–	11,750	11,750	23,896	746	24,642	36,392
2049 - 2053	–	–	–	23,896	–	23,896	23,896
2054 - 2058	–	–	–	23,896	–	23,896	23,896
2059 - 2060	155,825	–	155,825	9,558	–	9,558	165,383
Total	\$ 710,325	\$ 201,365	\$ 911,690	\$ 325,351	\$ 89,668	\$ 415,019	\$ 1,326,709

Of the debt service payments to maturity, \$325,625,000 are from bonds eligible for fee replacement appropriations.

In prior years, the university has redeemed several bond issues by issuing new debt. United States Treasury obligations or federal agency securities have been purchased and deposited in irrevocable trusts using escrow funds in amounts sufficient to pay principal and interest payments when due, through the call dates of the defeased bonds. The redeemed bonds and the related trusts balances are not reflected within principal outstanding, total debt service, or the university's liabilities.

As of June 30, 2023, and 2022, the following amounts of principal have been redeemed:

(dollar amounts presented in thousands)

<i>Bonds Redeemed</i>	<i>Defeased O/S June 30, 2022</i>	<i>Defeased O/S June 30, 2023</i>	<i>Call Date</i>
Lease Purchase Obligations, Series 2014A	\$ 14,870	\$ –	6/1/2023
Student Fee Bonds, Series V-1	16,495	–	8/1/2022
Total bonds	\$ 31,365	\$ –	

Throughout fiscal year ended 2023, the university paid down principal of \$1,671,000 on tax-exempt Indiana University Commercial Paper Notes, Series 2018A and \$21,068,000 on tax-exempt Indiana University Commercial Paper Notes, Series 2021A. On May 18, 2023, the university issued tax-exempt Indiana University Commercial Paper Notes, Series 2023A of \$13,463,000. The total outstanding commercial paper notes at June 30, 2023 are \$42,850,000 at interest rates ranging from 3.30% to 3.55% based upon when issued and maturity, and at June 30, 2022 are \$52,126,000 at interest rates ranging from 1.30% to 1.60%, respectively.



Note 10—Right-to-Use Assets and Obligations

The university has obligations from leases and subscription-based information technology agreements (SBITAs). These contracts convey control of the right to use another party's asset. The university has right-to-use assets in the following asset classes: buildings, land, land improvements, equipment, vehicles, and subscription assets.

The lease liability includes fixed payments that are generally paid monthly. Variable payments based on the Consumer Price Index (CPI) are included in the lease liability and measured using the index in effect at the commencement of the lease term. However, any subsequent changes to the payment resulting from a change in the CPI are recognized as outflows or reductions of outflows of the period. The SBITA liability includes fixed payments that are generally paid annually. Variable payments based on the number of users, amount of data, etc. are appropriately excluded from the measurement of the SBITA liability.

Certain vehicle leases contain residual value guarantees that are excluded from the measurement of the lease liability totaling approximately \$2,917,000 and \$2,539,000 at June 30, 2023 and 2022, respectively. The residual values are based on a designated percentage of the fair market value of the asset given a specific term and vehicle type.

The university also leases certain assets that are subsequently subleased by the university to a third party. The noncancelable term of this leasing arrangement matures in 2043. The discount rate applicable to this leasing arrangement is 4.50%. Payments are fixed and included in the measurement of the lease liability.

Right-to-use asset activity for fiscal year ended June 30, 2023:

(dollar amounts presented in thousands)

	<i>Balance June 30, 2022 (as restated)</i>	<i>Additions</i>	<i>Retirements</i>	<i>Balance June 30, 2023</i>
Right-to-use asset class:				
Buildings	\$ 131,897	\$ 24,661	\$ 5,389	\$ 151,169
Land	–	620	–	620
Land improvements	2,052	–	–	2,052
Equipment	6,322	–	63	6,259
Vehicles	9,587	3,407	1,484	11,510
Subscription assets	39,450	12,669	456	51,663
Total right-to-use asset cost	189,308	41,357	7,392	223,273
Less accumulated amortization for:				
Buildings	40,282	10,305	2,777	47,810
Land improvements	123	79	–	202
Equipment	2,379	1,577	65	3,891
Vehicles	4,648	1,818	1,324	5,142
Subscription assets	11,962	18,399	190	30,171
Total accumulated amortization	59,394	32,178	4,356	87,216
Right-to-use assets, net	\$ 129,914	\$ 9,179	\$ 3,036	\$ 136,057

NOTES TO THE FINANCIAL STATEMENTS

Right-to-use asset activity for fiscal year ended June 30, 2022:

(dollar amounts presented in thousands)

	<i>Balance June 30, 2021</i>	<i>Additions</i>	<i>Retirements</i>	<i>Balance June 30, 2022 (as restated)</i>
Right-to-use asset class:				
Buildings	\$ 130,978	\$ 1,362	\$ 443	\$ 131,897
Land improvements	2,052	–	–	2,052
Equipment	6,190	132	–	6,322
Vehicles	8,594	2,142	1,149	9,587
Subscription assets	–	39,450	–	39,450
Total right-to-use asset cost	147,814	43,086	1,592	189,308
Less accumulated amortization for:				
Buildings	24,257	16,468	443	40,282
Land improvements	44	79	–	123
Equipment	805	1,574	–	2,379
Vehicles	3,668	1,832	852	4,648
Subscription assets	–	11,962	–	11,962
Total accumulated amortization	28,774	31,915	1,295	59,394
Right-to-use assets, net	\$ 119,040	\$ 11,171	\$ 297	\$ 129,914

During the fiscal years ended June 30, 2023 and 2022, the university recognized insignificant outflows from variable payments and residual value guarantees that were properly excluded from the initial measurement of the right-to-use obligations.

Future principal and interest payment requirements related to the university's lease and SBITA obligations at June 30, 2023, are as follows:

(dollar amounts presented in thousands)

	<i>Lease</i>		<i>SBITA</i>		<i>Total Right-to-Use Obligations</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2024	\$ 10,586	\$ 3,780	\$ 8,672	\$ 131	\$ 19,258	\$ 3,911
2025	9,673	3,478	4,974	45	14,647	3,523
2026	8,338	3,186	634	8	8,972	3,194
2027	7,868	2,908	84	2	7,952	2,910
2028	7,651	2,641	–	–	7,651	2,641
2029-2033	34,586	9,587	–	–	34,586	9,587
2034-2038	28,667	3,967	–	–	28,667	3,967
2039-2043	9,151	788	–	–	9,151	788
2044-2048	2,058	92	–	–	2,058	92
2049-2053	1,695	25	–	–	1,695	25
Total	\$ 120,273	\$ 30,452	\$ 14,364	\$ 186	\$ 134,637	\$ 30,638



Note 11—Risk Management

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

The university has three health care plans for full-time appointed active employees and one plan for under-65 retirees not yet eligible for Medicare. All of the employee plans are self-funded. The university records a liability for incurred but unpaid claims for university-sponsored, self-funded health care plans. This liability is estimated to be no more than 10% of the paid self-funded claims during the fiscal year and totaled \$28,656,000 and \$30,482,000 at June 30, 2023 and 2022, respectively. These amounts are reported within accounts payable and accrued liabilities on the Statement of Net Position.

Changes in the balances of accrued insurance liabilities for full-time appointed active employees and under-65 retirees not yet eligible for Medicare were as follows:

(dollar amounts presented in thousands)

<i>Fiscal Year</i>	<i>Beginning Balance</i>	<i>Claims Incurred and Changes in Estimates</i>	<i>Claims Paid</i>	<i>Ending Balance</i>
2023	\$ 30,482	\$301,329	\$303,155	\$ 28,656
2022	27,502	276,779	273,799	30,482
2021	28,024	248,220	248,742	27,502

All organizational units of the university are charged fees based on estimates of the amounts necessary to pay health care coverage costs, including premiums and claims.

The university also provides health care plans for graduate assistants, fellowship recipients, and medical residents. These plans are either fully insured or self-funded with a stop/loss provision. For these groups, the university has recorded a liability for incurred but unpaid claims for university-sponsored, self-funded health care plans in the amount of \$3,374,000 and \$2,148,000 at June 30, 2023 and 2022, respectively.

Changes in the balances of accrued insurance liabilities for graduate assistances, fellowship recipients, and medical residents were as follows:

(dollar amounts presented in thousands)

<i>Fiscal Year</i>	<i>Beginning Balance</i>	<i>Claims Incurred and Changes in Estimates</i>	<i>Claims Paid</i>	<i>Ending Balance</i>
2023	\$ 2,148	\$ 32,036	\$ 30,450	\$ 3,734
2022	1,855	22,866	22,573	2,148
2021	1,623	20,581	20,349	1,855

These plans are funded by direct charges to the associated schools and/or departments.



Note 12—Retirement Plans

The university provided retirement plan coverage to 19,861 and 19,135 active employees as of June 30, 2023 and 2022, respectively, in addition to contributions per Federal Insurance Contributions Act (FICA) as required by law.

RETIREMENT AND SAVINGS PLAN

All support and service employees with at least a 50% full-time equivalent (FTE) appointment and temporary with retirement employees scheduled to work at least 900 hours or more in a calendar year hired on or after July 1, 2013, participate in the Retirement and Savings Plan. This is a defined contribution plan under IRC 401(a). The university contributed \$12,741,000 during fiscal year ended June 30, 2023, and \$11,062,000 during fiscal year ended June 30, 2022, to Fidelity Investments for the plan. Under this plan, there were 3,602 and 3,194 active participants as of June 30, 2023 and 2022, respectively.

ACADEMIC AND PROFESSIONAL STAFF EMPLOYEES

Appointed academic and professional staff employees with at least 50% FTE are covered by the IU Retirement Plan. This is a defined contribution plan under IRC 403(b). The university contributed \$120,306,000 during fiscal year ended June 30, 2023, and \$115,377,000 during fiscal year ended June 30, 2022, to Fidelity Investments for the IU Retirement Plan. Under this plan, there were 14,789 and 14,243 active participants as of June 30, 2023 and 2022, respectively.

In addition to the above, the university provides early retirement benefits to full-time appointed academic and professional staff employees who were in positions Grade 16 and above on or before June 30, 1999. There were 542 and 592 active employees on June 30, 2023 and 2022, respectively, covered by the IU Supplemental Early Retirement Plan (IUSERP), a defined contribution plan in compliance with IRC 401(a), with participant accounts at Fidelity Investments. The university contributed \$1,629,000 and \$1,731,000 to IUSERP during fiscal years ended June 30, 2023 and 2022, respectively. The same class of employees covered by the IU Retirement Plan 15% Level of Contributions on or before July 14, 1988, is covered by the IU 18/20 Retirement Plan. The IU 18/20 Retirement Plan allows this group of employees to retire as early as age 64, provided the individual has at least 18 years of participation in the IU Retirement Plan and at least 20 years of continuous university service.

INDIANA PUBLIC EMPLOYEES’ RETIREMENT FUND

The university contributes to the Indiana Public Employees’ Retirement Fund (PERF), a defined benefit pension plan with an annuity savings account provision. Indiana Public Retirement System (INPRS) administers the cost-sharing, multiple-employer defined benefit plan. PERF was established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees. The university participates in the PERF Hybrid Plan which was established by the Indiana Legislature in 1955 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.2, IC 5-10.3, and Title 35 of the Indiana Administrative Code. There are two aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension. The second portion is the defined contribution component, known as Public Employees’ Hybrid Members Defined Contribution Account. Both components are funded by employer contributions. Support staff and part-time employees who normally work at least 50% FTE appointment hired prior to July 1, 2013, participate in the PERF Hybrid Plan. There were 1,470 and 1,698 active university employees covered by this retirement plan as of June 30, 2023 and 2022, respectively. Per IC 5-10.2-4-4, key elements of the pension formula include years of PERF creditable service multiplied by average annual compensation multiplied by 1.1%, resulting in an annual lifetime benefit. Cost of living adjustments for members in pay status are not guaranteed by statute



*The Crossroads sculpture
IU South Bend Campus*

but may be granted by the Indiana General Assembly on an ad hoc basis. Refunds of employee contributions are included in total benefit payments. Participants must have at least ten years of PERF creditable service to have a vested right to the defined pension benefit. The defined contribution account consists of contributions set by state statute at 3.0% of compensation plus the earnings credited to members' accounts. Participants are 100% vested from inception in the defined contribution account. INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The financial report and corresponding fiduciary net position is prepared using the accrual basis of accounting in conformity with Generally Accepted Accounting Principles (GAAP). INPRS applies all applicable GASB pronouncements in accounting and reporting for its operations. INPRS investments are measured at fair value within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. The INPRS Annual Comprehensive Financial Report for 2022 may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling 1-844-464-6777, or by reviewing the Annual Report online at www.in.gov/inprs/annualreports.htm.

Required and actual contributions made by the university totaled \$9,896,000 and \$10,837,000 for fiscal years ended June 30, 2023 and 2022, respectively. This represented an 11.2% university pension benefit contribution for fiscal years ended June 30, 2023 and 2022, and a 3.0% university contribution for the defined

contribution account provisions each year.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

Indiana Public Employees' Retirement Fund: At June 30, 2023, the university reported a liability of \$58,029,000 for its proportionate share of the net pension liability, as compared to \$24,801,000 for the year ended June 30, 2022. The June 30, 2023, net pension liability of \$58,029,000 at the measurement date was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, which used update procedures to roll forward the estimated liability to June 30, 2022. The university's proportion of the net pension liability was based on wages reported by the university relative to the collective wages of the plan. This basis measures the proportionate relationship of an employer to all employers and is consistent with the manner in which contributions to the pension plan are determined. At June 30, 2022, the university's proportion was 1.84%, a decrease of 0.04 percentage points from its proportion measured as of June 30, 2021, which was 1.88%. The university's June 30, 2021 proportion decreased 0.05 percentage points from its proportion measured as of June 30, 2020, which was 1.93%. Pension expense of the university as of June 30, 2023 and 2022, was \$7,328,000 and \$(2,017,000), respectively.



Virgil and Elizabeth Hunt Hall
IU Kokomo Campus

NOTES TO THE FINANCIAL STATEMENTS

At June 30, 2023, the university reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(dollar amounts presented in thousands)

	PERF	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,251	\$ 221
Changes of assumptions	7,860	2,482
Net difference between projected and actual earnings on pension plan investments	7,161	–
Changes in proportion and differences between university contributions and proportionate share of contributions	–	5,341
University contributions subsequent to the measurement date	6,895	–
Total	\$ 23,167	\$ 8,044



A limestone grotesque atop Maxwell Hall
IU Bloomington Campus



A limestone duck sculpture atop Goodbody Hall
IU Bloomington Campus

Deferred outflows of resources in the amount of \$6,895,000 related to pensions resulting from university contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

At June 30, 2022, the university reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(dollar amounts presented in thousands)

	PERF	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 848	\$ 495
Changes of assumptions	12,475	5,571
Net difference between projected and actual earnings on pension plan investments	–	32,201
Changes in proportion and differences between university contributions and proportionate share of contributions	46	4,267
University contributions subsequent to the measurement date	8,492	–
Total	\$ 21,861	\$ 42,534

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

(dollar amounts presented in thousands)

Fiscal Year Ending June 30	PERF
2023	\$ (104)
2024	2,719
2025	(1,962)
2026	7,575
2027	–
Thereafter	–
Total	\$ 8,228

Actuarial Assumptions. The total pension liability as of June 30, 2022 and 2021, based on the results of actuarial valuation dates of June 30, 2021 and 2020, and rolled forward, respectively, were determined using the following actuarial assumptions, which were applied to all periods included in the measurement:



The Shadows and Echoes Sculpture Garden
IU Northwest Campus

	PERF	
	Measurement Date as of June 30, 2022	Measurement Date as of June 30, 2021
Cost of living	FY 2024-2033 – 0.4% FY 2034-2038 – 0.5% FY 2039 and on – 0.6%	FY 2024-2033 – 0.4% FY 2034-2038 – 0.5% FY 2039 and on – 0.6%
Inflation	2.00%, average	2.00%, average
Future salary increases	2.65% to 8.65%	2.65% to 8.65%
Investment rate of return	6.25%, net of investment expense	6.25%, net of investment expense
Mortality rates	Based on Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019	Based on Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019

The actuarial assumptions used in the valuations of June 30, 2022, were adopted by the Indiana Public Retirement System Board pursuant to the experience studies that reflected the period from July 1, 2014, through June 30, 2019. Member census data as of June 30, 2021, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2021, and June 30, 2022. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2021, to the June 30, 2022 measurement date.

There were no significant changes to the assumptions listed above for the pension plan since the prior measurement date of June 30, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation.

NOTES TO THE FINANCIAL STATEMENTS

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

	<i>PERF</i>			
	<i>Measurement Date as of June 30, 2022</i>		<i>Measurement Date as of June 30, 2021</i>	
	<i>Target Allocation¹</i>	<i>Long-Term Expected Real Rate of Return</i>	<i>Target Allocation</i>	<i>Long-Term Expected Real Rate of Return</i>
Public equity	20.0%	3.6%	20.0%	3.6%
Private markets	15.0%	7.7%	15.0%	7.3%
Fixed income – ex inflation-linked	20.0%	1.4%	20.0%	1.5%
Fixed income – inflation-linked	15.0%	(0.3)%	15.0%	(0.3)%
Commodities	10.0%	0.9%	10.0%	0.8%
Real estate	10.0%	3.7%	10.0%	4.2%
Absolute return	5.0%	2.1%	5.0%	2.5%
Risk parity	20.0%	3.8%	20.0%	4.4%
Cash and Cash Overlay/Leverage Offset	(15.0)%	(1.7)%	(15.0)%	(1.4)%
Total	100.0%		100.0%	

¹ The defined benefit plans target allocation for total exposure is 115%. For the long-term expected rate of return calculation, an additional-15% is allocated to the cash and cash overlay global asset class

Discount rate. The discount rate used to measure the total pension liability was 6.25% and 6.25% at June 30, 2022 and 2021, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the university's proportionate share of the PERF net pension liability. The following table presents the university's proportionate share of the PERF net pension liability using the discount rate of 6.25% and 6.25% at June 30, 2022 and 2021, respectively, as well as what the university's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

(dollar amounts presented in thousands)

<i>Sensitivity of Net Pension Liability</i>	<i>PERF</i>		
	<i>1% Decrease</i>	<i>Current Discount Rate</i>	<i>1% Increase</i>
June 30, 2023 (6.25%)	\$ 98,032	\$ 58,029	\$ 24,663
June 30, 2022 (6.25%)	64,864	24,801	(8,618)

Pension Plan Fiduciary Net Position. Detailed information about the pension plans' fiduciary net position is available in the separately issued INPRS financial report.



PAYABLE TO THE PENSION PLAN

The university reported a payable of \$1,207,000 at June 30, 2023, and \$1,716,000 at June 30, 2022, for the outstanding amount of contributions to the pension plans required for the year ended June 30, 2023 and 2022, respectively.

Note 13—Postemployment Benefits

PLAN DESCRIPTION

The university provides postemployment benefits for certain retired employees. The IU 18/20 Plan, medical, and life insurance benefits are presented for financial statement purposes as a consolidated plan (the “Plan”).

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

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

FUNDING POLICY

The contribution requirements of plan members and the university are established and may be amended by

the trustees. The university contribution to the 18/20 Plan and retiree life insurance is based on pay-as-you-go financing requirements. Plan members do not make contributions.

The medical plans are self-funded and each plan’s premiums are updated annually based on actual claims. Retirees receiving medical benefits paid \$1,033,000 and \$1,023,000 in premiums in the fiscal years ended June 30, 2023 and 2022, respectively. The university contributed \$21,269,000 and \$22,675,000 to the consolidated OPEB Plan in fiscal year ended June 30, 2023 and 2022, respectively. The university does not maintain a separate legal trust to house assets used to fund postemployment benefits.

As of the June 30, 2022 actuarial valuation date, the number of plan participants consisted of the following:

	18/20 Plan	Retiree Health Insurance	Retiree Life Insurance
Active employees	57	17,174	18,726
Inactive employees receiving benefits	130	186	6,665
Total	187	17,360	25,381

OPEB LIABILITY, OPEB EXPENSE, DEFERRED OUTFLOWS OF RESOURCES, AND DEFERRED INFLOWS OF RESOURCES

At June 30, 2023 and 2022, the university reported \$181,632,000 and \$179,008,000 for its total OPEB liability, respectively. The current portion of the OPEB liability was \$17,632,000 and \$21,269,000 at June 30, 2023 and 2022, respectively. At June 30, 2023 and 2022, the university reported \$16,987,000 and \$16,218,000 for its total OPEB expense, respectively. The June 30, 2023 total OPEB liability was measured as of June 30, 2023. Liabilities as of June 30, 2023 are based on an actuarial valuation date of July 1, 2022 projected to June 30, 2023, reflecting actual premiums and contributions. Liabilities as of June 30, 2022 are based on an actuarial valuation date of July 1, 2022 with no adjustments to get to the June 30, 2022 measurement date.



NOTES TO THE FINANCIAL STATEMENTS

Changes in the total reported liability for postemployment benefits obligations and total OPEB expense for the year ended June 30, 2023, are summarized as follows:

(dollar amounts presented in thousands)

	18/20 Plan	Retiree Health Insurance	Retiree Life Insurance	Total
Total OPEB liability, beginning of year	\$ 43,844	\$ 97,422	\$ 37,742	\$ 179,008
Service cost	533	7,396	865	8,794
Interest	1,476	4,225	1,549	7,250
Changes in assumptions	(13)	(385)	(233)	(631)
Differences between expected and actual experience	(1,056)	9,536	–	8,480
Benefit payments	(16,731)	(3,062)	(1,476)	(21,269)
Total OPEB liability, end of year	\$ 28,053	\$ 115,132	\$ 38,447	\$ 181,632
Current portion of OPEB liability				\$ 17,632
OPEB expense	\$ 450	\$ 14,635	\$ 1,902	\$ 16,987

Changes in the total reported liability for postemployment benefits obligations and total OPEB expense for the year ended June 30, 2022, are summarized as follows:

(dollar amounts presented in thousands)

	18/20 Plan	Retiree Health Insurance	Retiree Life Insurance	Total
Total OPEB liability, beginning of year	\$ 61,926	\$ 95,940	\$ 51,246	\$ 209,112
Service cost	1,298	8,652	1,718	11,668
Interest	1,187	2,256	1,144	4,587
Changes in assumptions	(1,082)	(13,978)	(13,570)	(28,630)
Differences between expected and actual experience	(1,378)	7,685	(1,361)	4,946
Benefit payments	(18,107)	(3,133)	(1,435)	(22,675)
Total OPEB liability, end of year	\$ 43,844	\$ 97,422	\$ 37,742	\$ 179,008
Current portion of OPEB liability				\$ 21,269
OPEB expense	\$ 1,060	\$ 12,778	\$ 2,380	\$ 16,218

The discount rate changed from 4.09% as of June 30, 2022, to 4.13% as of June 30, 2023. The health care trend rates have been reset to an initial rate of 7.0% decreasing by 0.5% annually to an ultimate rate of 4.5%. The university has not had a recent experience study.



At June 30, 2023, the university reported deferred outflows and inflows of resources related to OPEB from the following sources:

(dollar amounts presented in thousands)

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Changes in Assumptions:		
18/20 Plan	\$ 1,490	\$ 1,087
Retiree health insurance	6,594	10,821
Retiree life insurance	5,948	10,685
Differences between expected and actual experience:		
18/20 Plan	–	7,102
Retiree health insurance	33,647	23,608
Retiree life insurance	230	1,021
Total	\$ 47,909	\$ 54,324

At June 30, 2022, the university reported deferred outflows and inflows of resources related to OPEB from the following sources:

(dollar amounts presented in thousands)

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Changes in Assumptions:		
18/20 Plan	\$ 1,871	\$ 1,298
Retiree health insurance	8,327	12,231
Retiree life insurance	7,374	12,279
Differences between expected and actual experience:		
18/20 Plan	–	7,761
Retiree health insurance	32,777	29,199
Retiree life insurance	289	1,191
Total	\$ 50,638	\$ 63,959

These amounts will be recognized in OPEB expense as follows:

(dollar amounts presented in thousands)

	<i>18/20 Plan</i>	<i>Retiree Health Insurance</i>	<i>Retiree Life Insurance</i>	<i>Total</i>
2024	\$ (1,559)	\$ 3,013	\$ (511)	\$ 943
2025	(1,559)	3,013	(511)	943
2026	(1,559)	3,013	(511)	943
2027	(749)	(3,505)	(685)	(4,939)
2028	(697)	(1,224)	(1,385)	(3,306)
Thereafter	(575)	1,501	(1,925)	(999)
Total	\$ (6,698)	\$ 5,811	\$ (5,528)	\$ (6,415)



NOTES TO THE FINANCIAL STATEMENTS

Actuarial Assumptions. Significant actuarial methods and assumptions used to calculate the university's total OPEB liability were:

	<i>Measurement Date as of June 30, 2023</i>	<i>Measurement Date as of June 30, 2022</i>
Payroll growth (medical/life plan)	3.0%	3.0%
Payroll growth (18/20 plan)	2.5%	2.5%
Inflation	2.5%	2.5%
Health care cost trend rates	7.0% for fiscal year 2023 to 4.5% for fiscal year 2029 and later years	7.5% for fiscal year 2022 to 4.5% for fiscal year 2028 and later years
Mortality rates	Based on SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021	Based on SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019
Actuarial cost method	Entry Age Normal Level % of Salary	Entry Age Normal Level % of Salary

Discount rate. The discount rate used in valuing OPEB liabilities as of June 30, 2023, was 4.13% and 4.09% as of June 30, 2022. The discount rate must be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The S&P 20-year municipal bond index was used for the current discount rate.

Sensitivity of total OPEB liability to the discount rate. The following table presents the June 30, 2023 total OPEB liability using the discount rate of 4.13% as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

(dollar amounts presented in thousands)

	<i>June 30, 2023</i>		
<i>Sensitivity of Total OPEB Liability</i>	<i>1% Decrease (3.13%)</i>	<i>Current Discount Rate (4.13%)</i>	<i>1% Increase (5.13%)</i>
18/20 plan	\$ 28,381	\$ 28,053	\$ 27,719
Retiree health insurance	125,187	115,132	105,934
Retiree life insurance	44,975	38,447	33,269
Total	\$ 198,543	\$ 181,632	\$ 166,922

Sensitivity of total OPEB liability to the discount rate. The following table presents the June 30, 2022 total OPEB liability using the discount rate of 4.09% as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

(dollar amounts presented in thousands)

	<i>June 30, 2022</i>		
<i>Sensitivity of Total OPEB Liability</i>	<i>1% Decrease (3.09%)</i>	<i>Current Discount Rate (4.09%)</i>	<i>1% Increase (5.09%)</i>
18/20 plan	\$ 44,419	\$ 43,844	\$ 43,261
Retiree health insurance	106,003	97,422	89,568
Retiree life insurance	44,185	37,742	32,633
Total	\$ 194,607	\$ 179,008	\$ 165,462



Sensitivity of total OPEB liability to the health care trend rate. The following table presents the university's retiree health insurance OPEB liability for both years as well as what the retiree health insurance OPEB liability would be if it were calculated using a health care trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

(dollar amounts presented in thousands)

<i>Sensitivity of Retiree Health Insurance OPEB Liability*</i>	<i>1% Decrease</i>	<i>Current Trend</i>	<i>1% Increase</i>
June 30, 2023 (7.0% decreasing to 4.5%)	\$ 101,676	\$ 115,132	\$ 131,099
June 30, 2022 (7.5% decreasing to 4.5%)	86,652	97,422	110,131

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

Note 14—Functional Expenses

The university's operating expenses by functional classification were as follows:

Fiscal year ended June 30, 2023

(dollar amounts presented in thousands)

<i>Functional Classification</i>	<i>Natural Classification</i>				<i>Total</i>
	<i>Compensation & Benefits</i>	<i>Scholarships & Fellowships</i>	<i>Supplies & Expenses</i>	<i>Depreciation</i>	
Instruction	\$ 1,057,302	\$ 20,619	\$ 275,238	\$ –	\$ 1,353,159
Research	234,948	3,047	139,913	–	377,908
Public service	101,999	1,662	52,527	–	156,188
Academic support	394,698	2,864	149,860	–	547,422
Student services	100,342	864	33,704	–	134,910
Institutional support	130,387	308	57,069	–	187,764
Physical plant	99,269	1	75,543	–	174,813
Scholarships & fellowships	19,877	122,965	3,162	–	146,004
Auxiliary enterprises	238,805	5,257	165,243	–	409,305
Depreciation	–	–	–	202,670	202,670
Total operating expenses	\$ 2,377,627	\$ 157,587	\$ 952,259	\$ 202,670	\$ 3,690,143



NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2022 (as restated)

(dollar amounts presented in thousands)

Functional Classification	Natural Classification				Total
	Compensation & Benefits	Scholarships & Fellowships	Supplies & Expenses	Depreciation	
Instruction	\$ 983,491	\$ 28,456	\$ 236,772	\$ –	\$ 1,248,719
Research	223,404	4,061	121,754	–	349,219
Public service	90,005	1,938	40,526	–	132,469
Academic support	360,971	4,260	137,832	–	503,063
Student services	92,687	1,067	28,674	–	122,428
Institutional support	133,581	42	59,656	–	193,279
Physical plant	93,306	8	71,553	–	164,867
Scholarships & fellowships	16,540	195,879	11,820	–	224,239
Auxiliary enterprises	211,851	6,686	144,475	–	363,012
Depreciation	–	–	–	201,968	201,968
Total operating expenses	\$ 2,205,836	\$ 242,397	\$ 853,062	\$ 201,968	\$ 3,503,263

Note 15—Commitments and Loss Contingencies

The university had outstanding commitments for capital construction projects of \$201,471,000 and \$55,342,000 at June 30, 2023 and 2022, respectively.

The university is a party to a number of legal actions. While the final outcome in these legal actions cannot be determined at this time, management is of the opinion that the liability, if any, for these legal actions will not have a significant adverse effect on the university's financial statements.



The exterior of the Paul H. O'Neill Graduate Center at the O'Neill School of Public and Environmental Affairs
IU Bloomington Campus



Note 16—Discretely Presented Component Units

Condensed financial statement information related to the University's component units for the year ended June 30, 2023 is as follows:

(dollar amounts presented in thousands)

	Indiana University Foundation	Riley Children's Endowment	IU Medical Group Foundation	Regenstrief Institute, Inc.	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 114,717	\$ 6,746	\$ 3,419	\$ 1,821	\$ 126,703
Collateral under securities lending agreement	23,214	—	—	—	23,214
Accounts receivable, net	39,518	10,078	1,388	8,543	59,527
Other assets	—	—	—	418	418
Total current assets	177,449	16,824	4,807	10,782	209,862
Noncurrent assets					
Accounts receivable, net	232,143	—	—	—	232,143
Investments	3,701,826	401,225	335,526	26,881	4,465,458
Capital assets, net	68,625	1,317	—	12,052	81,994
Other assets	—	39,851	—	—	39,851
Total noncurrent assets	4,002,594	442,393	335,526	38,933	4,819,446
Total assets	4,180,043	459,217	340,333	49,715	5,029,308
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	10,905	34,374	—	2,833	48,112
Collateral under securities lending agreement	23,214	—	—	—	23,214
Current portion of long-term debt	—	—	—	324	324
Total current liabilities	34,119	34,374	—	3,157	71,650
Noncurrent liabilities					
Long-term debt	149,188	—	—	8,926	158,114
Assets held for the university	476,120	3,633	—	—	479,753
Assets held for university affiliates	41,853	—	—	—	41,853
Other noncurrent liabilities	41,312	989	—	—	42,301
Total noncurrent liabilities	708,473	4,622	—	8,926	722,021
Total liabilities	742,592	38,996	—	12,083	793,671
Net position					
Net investment in capital assets	68,625	1,317	—	3,126	73,068
Restricted for:					
Nonexpendable – endowments	2,245,441	131,716	—	—	2,377,157
Expendable:					
Scholarships, research, instruction, other	1,026,869	61,947	12,917	12,958	1,114,691
Capital projects	147,566	9,263	—	—	156,829
Unrestricted	(51,050)	215,978	327,416	21,548	513,892
Total net position	\$ 3,437,451	\$ 420,221	\$ 340,333	\$ 37,632	\$ 4,235,637



NOTES TO THE FINANCIAL STATEMENTS

(dollar amounts presented in thousands)

	Indiana University Foundation	Riley Children's Endowment	IU Medical Group Foundation	Regenstrief Institute, Inc.	Total
Operating revenues					
Federal grants and contracts	\$ –	\$ 73	\$ –	\$ –	\$ 73
Nongovernmental grants and contracts	–	–	–	20,301	20,301
Sales, services, and other revenue	22,749	28	–	1,830	24,607
Total operating revenues	22,749	101	–	22,131	44,981
Operating expenses					
Compensation and benefits	30,017	7,317	–	16,173	53,507
Student financial aid	60,317	–	–	–	60,317
Energy and utilities	314	16	–	112	442
Travel	2,471	103	–	683	3,257
Supplies and general expense	147,617	40,431	26,318	9,753	224,119
Depreciation and amortization	2,704	180	–	827	3,711
Total operating expenses	243,440	48,047	26,318	27,548	345,353
Nonoperating revenues (expenses)					
Investment income (loss)	114,985	38,449	23,624	870	177,928
Gifts	63,222	38,526	89,131	3,500	194,379
Interest expense	–	–	–	(338)	(338)
Net nonoperating revenues	178,207	76,975	112,755	4,032	371,969
Other					
Additions to permanent endowments	87,463	–	–	–	87,463
Total other	87,463	–	–	–	87,463
Increase (decrease) in net position	44,979	29,029	86,437	(1,385)	159,060
Net position, beginning of year	3,392,472	391,192	253,896	39,017	4,076,577
Net position, end of year	\$ 3,437,451	\$ 420,221	\$ 340,333	\$ 37,632	\$ 4,235,637



Condensed financial statement information related to the University's component units for the year ended June 30, 2022 is as follows:

(dollar amounts presented in thousands)

	Indiana University Foundation	Riley Children's Endowment	IU Medical Group Foundation	Regenstrief Institute, Inc.	Total
Assets					
Current assets					
Cash and cash equivalents	\$ 104,712	\$ 10,070	\$ 21,066	\$ 4,454	\$ 140,302
Collateral under securities lending agreement	16,066	–	–	–	16,066
Accounts receivable, net	45,724	16,810	898	14,275	77,707
Other assets	–	–	–	344	344
Total current assets	166,502	26,880	21,964	19,073	234,419
Noncurrent assets					
Accounts receivable, net	249,134	–	–	–	249,134
Investments	3,665,070	364,223	234,225	19,441	4,282,959
Capital assets, net	66,051	1,453	–	12,619	80,123
Other assets	–	36,474	–	–	36,474
Total noncurrent assets	3,980,255	402,150	234,225	32,060	4,648,690
Total assets	4,146,757	429,030	256,189	51,133	4,883,109
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	31,635	34,505	2,293	2,553	70,986
Collateral under securities lending agreement	16,066	–	–	–	16,066
Current portion of long-term debt	–	–	–	312	312
Total current liabilities	47,701	34,505	2,293	2,865	87,364
Noncurrent liabilities					
Long-term debt	149,159	–	–	9,251	158,410
Assets held for the university	470,864	3,179	–	–	474,043
Assets held for university affiliates	42,927	–	–	–	42,927
Other noncurrent liabilities	43,634	154	–	–	43,788
Total noncurrent liabilities	706,584	3,333	–	9,251	719,168
Total liabilities	754,285	37,838	2,293	12,116	806,532
Net position					
Net investment in capital assets	66,051	1,453	–	3,368	70,872
Restricted for:					
Nonexpendable – endowments	2,241,354	127,663	–	–	2,369,017
Expendable:					
Scholarships, research, instruction, other	1,009,777	61,624	20,034	16,488	1,107,923
Capital projects	144,204	8,032	–	–	152,236
Unrestricted	(68,914)	192,420	233,862	19,161	376,529
Total net position	\$ 3,392,472	\$ 391,192	\$ 253,896	\$ 39,017	\$ 4,076,577



NOTES TO THE FINANCIAL STATEMENTS

(dollar amounts presented in thousands)

	Indiana University Foundation	Riley Children's Endowment	IU Medical Group Foundation	Regenstrief Institute, Inc.	Total
Operating revenues					
Nongovernmental grants and contracts	\$ –	\$ –	\$ –	\$ 19,614	\$ 19,614
Sales, services, and other revenue	24,559	74	–	2,176	26,809
Total operating revenues	24,559	74	–	21,790	46,423
Operating expenses					
Compensation and benefits	25,451	6,504	–	15,068	47,023
Student financial aid	59,635	–	–	–	59,635
Energy and utilities	296	16	–	84	396
Travel	2,328	49	–	188	2,565
Supplies and general expense	276,959	37,903	37,678	6,934	359,474
Depreciation and amortization	2,609	158	–	1,031	3,798
Total operating expenses	367,278	44,630	37,678	23,305	472,891
Nonoperating revenues (expenses)					
Investment income (loss)	7,588	(45,258)	(32,796)	(1,554)	(72,020)
Gifts	84,643	47,565	35,350	12,400	179,958
Interest expense	–	–	–	(349)	(349)
Net nonoperating revenues	92,231	2,307	2,554	10,497	107,589
Other					
Additions to permanent endowments	104,681	–	–	–	104,681
Total other	104,681	–	–	–	104,681
Increase (decrease) in net position	(145,807)	(42,249)	(35,124)	8,982	(214,198)
Net position, beginning of year	3,538,279	433,441	289,020	30,035	4,290,775
Net position, end of year	\$ 3,392,472	\$ 391,192	\$ 253,896	\$ 39,017	\$ 4,076,577

Note 17—Subsequent Events

On June 14, 2023, The Board of Trustees from both Indiana University and Purdue University approved a definitive agreement to formalize the separation of Indiana University-Purdue University Indianapolis that will convert the shared campus into two distinct institutions. Indiana University will continue to own and manage the shared campus, provide certain administrative services for both institutions, and house the college's Division I athletics program.

Beginning July 1, 2024, the IUPUI campus will be known as Indiana University Indianapolis. The Purdue portion of the campus will be known as Purdue University in Indianapolis. All academic programs at IUPUI will transition to become part of IU Indianapolis, with the exception of most programs within the Purdue School of Engineering and Technology and Computer Science within the School of Science, which will become part of Purdue University in Indianapolis.



REQUIRED SUPPLEMENTARY INFORMATION (RSI) INDIANA PUBLIC EMPLOYEES' RETIREMENT FUND

Schedule of the University's Proportionate Share of the Net Pension Liability for the Indiana Public Employees' Retirement Fund (last 10 years¹):

(dollar amounts presented in thousands)

Measurement Date as of:	University's proportion of the net pension liability	University's proportionate share of the net pension liability	University's covered payroll	University's proportionate share of the net liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2022	1.84%	\$58,029	\$79,916	72.61%	82.50%
June 30, 2021	1.88%	\$24,801	\$84,371	29.39%	92.50%
June 30, 2020	1.93%	\$58,280	\$94,664	61.56%	81.40%
June 30, 2019	1.97%	\$65,254	\$101,364	64.38%	80.10%
June 30, 2018	2.02%	\$68,576	\$124,694	55.00%	78.90%
June 30, 2017	2.06%	\$92,066	\$128,504	71.64%	76.60%
June 30, 2016	2.11%	\$95,689	\$139,508	68.59%	75.30%
June 30, 2015	3.30%	\$134,565	\$156,848	85.79%	77.30%
June 30, 2014	3.85%	\$101,229	\$185,019	54.71%	84.30%

The amounts presented for each fiscal year were determined as of June 30.

Schedule of the University's Contributions for the Indiana Public Employees' Retirement Fund (last 10 years¹):

(dollar amounts presented in thousands)

Fiscal Year	Contractually required contribution	Contributions in relations to the contractually required contribution	Contribution deficiency	University's covered payroll	Contributions as a percentage of covered payroll
2023	\$6,409	\$(6,409)	–	\$61,283	10.46%
2022	\$8,824	\$(8,824)	–	\$79,916	11.04%
2021	\$9,154	\$(9,154)	–	\$84,371	10.85%
2020	\$10,583	\$(10,583)	–	\$94,664	11.18%
2019	\$11,170	\$(11,170)	–	\$101,364	11.02%
2018	\$13,978	\$(13,978)	–	\$124,694	11.21%
2017	\$13,980	\$(13,980)	–	\$128,504	10.88%
2016	\$15,637	\$(15,637)	–	\$139,508	11.21%
2015	\$17,484	\$(17,484)	–	\$156,848	11.15%

The amounts presented for each fiscal year were determined as of June 30.

¹ GASB Statement No. 68 requires disclosure of a 10-year schedule. The financial statement information was not available for years prior to those presented. Additional years will be included in future reports as data becomes available.



REQUIRED SUPPLEMENTARY INFORMATION (RSI) INDIANA PUBLIC EMPLOYEES' RETIREMENT FUND

Notes to RSI:

Changes of Benefit Terms: There were no changes of benefit terms for the years presented.

Changes in Assumptions:

FY 2023:

None

FY 2022:

The Interest Rate / Investment Return and Discount Rate assumption changed from 6.75% to 6.25%.

The inflation assumption changed from 2.25% to 2.00%.

The Future Salary Scale assumption changed from 2.75% - 8.75% to 2.65% - 8.65%.

FY 2021:

The future salary increase assumption changed from an age-based table ranging from 2.50% to 4.25% to a service-based table ranging from 2.75% to 8.75%.

The mortality assumption changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption was updated based on recent experience and was updated from an age- and service-based table to an age-based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30% are now assumed to commence benefits immediately and 70% are assumed to commence benefits at unreduced retirement eligibility. Previously 33% of actives were assumed to commence benefits with early retirement while 67% were assumed to wait for unreduced retirement eligibility.

The termination assumption was updated based on recent experience. For state members, the tables were combined from being split by salary and sex to being one unisex service-based table. For members in political subdivisions earning more than \$20,000, the sex-distinct tables were combined to one unisex service-based

table. For members in political subdivisions earning less than \$20,000, the sex-distinct age-based table was maintained, and the rates were updated based on experience.

The disability assumption was updated based on recent experience.

The marital assumption was updated based on recent experience: 80% of male members and 65% of female members are assumed to be married or to have a dependent beneficiary. Previously, 75% of male members and 60% of female members were assumed to be married or to have a dependent beneficiary.

The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

FY 2020:

None

FY 2019:

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

FY 2018:

For the actuarial valuation as of June 30, 2017, an actuarial audit was completed which included updating the following assumptions: adding a load on final average salary of \$400 to reflect unused sick leave accumulated at termination of employment for active and inactive vested members. Additionally, for disabled members, the RP-2014 (with MP-2014 improvement removed) Disability Mortality tables are assumed instead of the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality tables.

FY 2017:

None

FY 2016:

The inflation assumption changed from 3.00% to 2.25% per year.



The future salary increase assumption changed from an age-based table ranging from 3.25% to 4.50% to an age-based table ranging from 2.50% to 4.25%.

The mortality assumption changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report.

The retirement assumption was updated based on recent experience. Additionally, for actives who are eligible for early retirement (reduced benefit), 33% are assumed to commence benefits immediately and 67% are assumed to commence benefits at unreduced retirement eligibility. 100% of actives were assumed to commence benefits immediately upon early retirement eligibility in the prior year.

The termination assumption was updated based on recent experience. For members earning less than \$20,000, the tables were updated from a select and ultimate table to just an ultimate table as there is little correlation with service. For members earning more than \$20,000, the tables were updated from using a 5-year select period to a 10-year select period to correspond with the vesting schedule.

The disability assumption was updated based on recent experience.

The ASA Annuitization assumption was updated from 50% of members assumed to annuitize their ASA balance to 60% of members assumed to annuitize their ASA balance prior to January 1, 2017.

FY 2015:

Assumptions concerning ASA withdrawal and annuitization were added pursuant to the addition of IC 5-10.5-4-2.5 and 2.6 in accordance with the 2014 House Enrolled Act No. 1075.

All other assumptions are the same as the June 30, 2013 valuation.



*Sculpture of former IU president Herman B. Wells
IU Bloomington Campus*

REQUIRED SUPPLEMENTARY INFORMATION (RSI) OTHER POSTEMPLOYMENT BENEFIT PLANS

Schedule of the University's Total Liability for Other Postemployment Benefit Plans (last 10 years¹) Under GASB 75:

(dollar amounts presented in thousands)

	Service Cost	Interest	Changes in Assumptions	Differences Between Expected and Actual Experience	Benefit Payments	Net Change in Total OPEB Liability	Total OPEB Liability, Beginning of Year	Total OPEB Liability, End of Year	Covered Payroll	Total Liability as Percentage of Covered Payroll
FY 2023:										
18/20 Plan	\$ 533	\$ 1,476	\$ (13)	\$ (1,056)	\$ (16,731)	\$ (15,791)	\$ 43,844	\$ 28,053	\$ 6,694	419.1%
Retiree Health Insurance	7,396	4,225	(385)	9,536	(3,062)	17,710	97,422	115,132	1,374,581	8.4%
Retiree Life Insurance	865	1,549	(233)	-	(1,476)	705	37,742	38,447	1,374,581	2.8%
Total	\$ 8,794	\$ 7,250	\$ (631)	\$ 8,480	\$ (21,269)	\$ 2,624	\$ 179,008	\$ 181,632		
FY 2022:										
18/20 Plan	\$ 1,298	\$ 1,187	\$ (1,082)	\$ (1,378)	\$ (18,107)	\$ (18,082)	\$ 61,926	\$ 43,844	\$ 8,775	499.6%
Retiree Health Insurance	8,652	2,256	(13,978)	7,685	(3,133)	1,482	95,940	97,422	1,334,545	7.3%
Retiree Life Insurance	1,718	1,144	(13,570)	(1,361)	(1,435)	(13,504)	51,246	37,742	1,334,545	2.8%
Total	\$ 11,668	\$ 4,587	\$ (28,630)	\$ 4,946	\$ (22,675)	\$(30,104)	\$ 209,112	\$ 179,008		
FY 2021:										
18/20 Plan	\$ 1,657	\$ 1,965	\$ 381	\$ (2,431)	\$ (23,584)	\$ (22,012)	\$ 83,938	\$ 61,926	\$ 13,233	468.0%
Retiree Health Insurance	9,024	2,848	3,648	(16,300)	(2,654)	(3,434)	99,374	95,940	1,347,071	7.1%
Retiree Life Insurance	1,430	1,240	4,087	-	(1,402)	5,355	45,891	51,246	1,347,071	3.8%
Total	\$ 12,111	\$ 6,053	\$ 8,116	\$ (18,731)	\$ (27,640)	\$(20,091)	\$ 229,203	\$ 209,112		
FY 2020:										
18/20 Plan	\$ 2,442	\$ 3,344	\$ 2,014	\$ (2,431)	\$ (28,297)	\$ (22,928)	\$ 106,866	\$ 83,938	\$ 20,425	411.0%
Retiree Health Insurance	8,746	4,052	3,852	(22,099)	(3,690)	(9,139)	108,513	99,374	1,307,836	7.6%
Retiree Life Insurance	1,118	1,391	5,188	413	(1,469)	6,641	39,250	45,891	1,307,836	3.5%
Total	\$ 12,306	\$ 8,787	\$ 11,054	\$ (24,117)	\$ (33,456)	\$(25,426)	\$ 254,629	\$ 229,203		
FY 2019:										
18/20 Plan	\$ 2,209	\$ 4,571	\$ 653	\$ (3,203)	\$ (26,277)	\$ (22,047)	\$ 128,913	\$ 106,866	\$ 24,322	439.4%
Retiree Health Insurance	8,427	4,243	3,257	(6,325)	(4,552)	5,050	103,463	108,513	1,248,265	8.7%
Retiree Life Insurance	974	1,410	2,134	-	(1,435)	3,083	36,167	39,250	1,248,265	3.1%
Total	\$ 11,610	\$ 10,224	\$ 6,044	\$ (9,528)	\$ (32,264)	\$(13,914)	\$ 268,543	\$ 254,629		

continued on next page



(dollar amounts presented in thousands)

	Service Cost	Interest	Changes in Assumptions	Differences Between Expected and Actual Experience	Benefit Payments	Net Change in Total OPEB Liability	Total OPEB Liability, Beginning of Year	Total OPEB Liability, End of Year	Covered Payroll	Total Liability as Percentage of Covered Payroll
FY 2018:										
18/20 Plan	\$ 3,442	\$ 5,169	\$ (790)	\$ (3,625)	\$ (32,188)	\$(27,992)	\$ 156,905	\$ 128,913	\$ 23,729	543.3%
Retiree Health Insurance	3,111	1,494	3,498	58,618	(3,714)	63,007	40,456	103,463	1,211,908	8.5%
Retiree Life Insurance	1,095	1,301	(909)	69	(1,286)	270	35,897	36,167	1,211,908	3.0%
Total	\$ 7,648	\$ 7,964	\$ 1,799	\$ 55,062	\$ (37,188)	\$ 35,285	\$ 233,258	\$ 268,543		

¹GASB Statement No. 75 requires disclosure of a 10-year schedule. The financial statement information was not available for years prior to 2018. Additional years will be included in future reports as data becomes available.

Notes to RSI:

No assets were accumulated in a trust.

FY 2023:

Changes of Benefit Terms: There were no changes of benefit terms for the plan year ended June 30, 2023.

Changes in Assumptions: The discount rate increased to 4.13% as of June 30, 2023. The health care trend rates have been reset to an initial rate of 7.0% decreasing by 0.5% annually to an ultimate rate of 4.5%.

FY 2022:

Changes of Benefit Terms: There were no changes of benefit terms for the plan year ended June 30, 2022.

Changes in Assumptions: The discount rate increased to 4.09% as of June 30, 2022. The inflation rate decreased to 2.50% per year as of June 30, 2022. The mortality table has been updated from headcount-weighted, fully generational using Scale MP-2019 to headcount-weighted, fully generational using Scale MP-2021.

FY 2021:

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

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

FY 2020:

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

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

FY 2019:

Changes of Benefit Terms: There were no changes of benefit terms for the plan year ended June 30, 2019.

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

FY 2018:

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

Changes in Assumptions: The discount rate was 3.87% as of June 30, 2018, and 3.58% as of July 1, 2017. The actuarial cost method was updated from Projected Unit Credit with linear proration to decrement to Entry Age Normal Level % of Salary. The mortality table has been updated from SOA RPH-2015 Total Dataset Mortality Table fully generational using Scale MP-2015 to SOA RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017. The health care trend rates have been reset to an initial rate of 9.0% decreasing by 0.5% annually to an ultimate rate of 5.0%.



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Assistant Secretary

Donald S. Lukes,

Treasurer

Dwayne Pinkney,

Assistant Treasurer

Administrative Officers

As of June 30, 2023

THE PRESIDENTS AND VICE PRESIDENTS

Pamela Whitten,

President of the University

Michael A. McRobbie,

President Emeritus of the University, Chancellor, Indiana University

Adam W. Herbert,

President Emeritus of the University

Thomas Ehrlich,

President Emeritus of the University

Jay L. Hess,

Executive Vice President for University Clinical Affairs, and Dean & Walter J. Daly Professor IU School of Medicine

Carol Anne Murdoch-Kinch,

Interim Executive Vice President and Chancellor, Indiana University-Purdue University Indianapolis

Dwayne Pinkney,

Executive Vice President for Finance and Administration

Rahul Shrivastav,

Executive Vice President and Provost, IU Bloomington

Scott Dolson,

Vice President and Director of Intercollegiate Athletics

Michael Huber,

Vice President for University Relations

Hilary Kahn,

Interim Vice President for International Affairs

Rob Lowden,

Vice President for Information Technology and Chief Information Officer

Thomas A. Morrison,

Vice President for Capital Planning and Facilities

Russel J. Mumper,

Vice President for Research

Nancy E. Paton,

Vice President and Chief Communications and Marketing Officer

Julie Payne-Kirchmeier,

Vice President for Student Success

Anthony Prather,

Vice President and General Counsel

Todd Richardson,

Vice President for Human Resources

Susan Sciame-Giesecke,

Vice President for Regional Campuses and Online Education

James C. Wimbush,

Vice President for Diversity, Equity, and Inclusion

THE CHANCELLORS

Dennis M. Rome,

Chancellor, Indiana University East (Richmond)

Susan Elrod,

Chancellor, Indiana University South Bend

Ken Iwama,

Chancellor, Indiana University Northwest (Gary)

Mark Canada,

Chancellor, Indiana University Kokomo

Deborah Ford,

Chancellor, Indiana University Southeast (New Albany)

OTHER OFFICERS AND SENIOR LEADERS

Brenda Stopher,

President's Chief of Staff

J Thomas Forbes,

President and CEO, IU Foundation

Patricia R. Stumpf,

Chief Executive Officer, IU Alumni Association

Donald S. Lukes,

Treasurer, Indiana University



Additional copies of this report may be obtained from:

Office of the Executive Vice President for Finance and Administration

Bryan Hall 212
107 S. Indiana Avenue
Indiana University Bloomington, IN 47405-7000
<https://evpfa.iu.edu/>

To print a PDF file of this report, go to <https://evpfa.iu.edu/resources/annual-reports.html>

For additional information:

General Information Vice President for Government Relations

201 N. Indiana Avenue
Bloomington, IN 47408
<https://gov.iu.edu>

Financial Reporting Associate Vice President and University Controller

Office of the University Controller
1024 E 3rd St.
Indiana University
Bloomington, IN 47405
<https://controller.iu.edu>

Admissions Vice Provost for Enrollment Management

Office of Admissions
940 E. Seventh Street
Indiana University
Bloomington, IN 47405-7108
<https://oem.indiana.edu>

Gifts Indiana University Foundation

Showalter House
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Bloomington, IN 47408
<https://iufoundation.iu.edu/>

Grants Vice President for Research

Bryan Hall 300
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Bloomington, IN 47405
<https://research.iu.edu>

Athletics Athletics Media Relations

Simon Skjodt Assembly Hall
1001 E. 17th Street
Indiana University
Bloomington, IN 47408-1590
<https://iuhoosiers.com/>

Alumni Alumni Association

Virgil T. DeVault Alumni Center
1000 E. 17th Street
Bloomington, IN 47408-1521
<http://alumni.iu.edu>



*Pedestrian bridge across the St. Joseph River
IU South Bend Campus*

IU BLOOMINGTON

IU EAST

IUPUI INDIANAPOLIS

IU KOKOMO

IU NORTHWEST

IU SOUTH BEND

IU SOUTHEAST



INDIANA UNIVERSITY

EXHIBIT B

CERTIFICATE RE: AUDITED FINANCIAL STATEMENTS

The undersigned, on behalf of The Trustees of Indiana University, as Obligor under the Second Amended and Restated Continuing Disclosure Undertaking Agreement, dated February 1, 2020 (the "Second Restated Undertaking") hereby certifies that the enclosed herewith are the audited financial statements which are required to be provided pursuant to Section 5(a)(1) of the Second Restated Undertaking.

Dated: December 14, 2023

THE TRUSTEES OF INDIANA UNIVERSITY,
as Obligor

By: 

Name: Donald S. Lukes

Title: Treasurer

EXHIBIT C

CERTIFICATE RE: ANNUAL FINANCIAL INFORMATION DISCLOSURE

The undersigned, on behalf of The Trustees of Indiana University, as Obligor under the Second Amended and Restated Continuing Disclosure Undertaking Agreement, dated February 1, 2020 (the "Second Restated Undertaking") hereby certifies that the information enclosed herewith constitutes the Annual Information (as defined in the Second Restated Undertaking) which is required to be provided pursuant to Section 5(a)(2) of the Second Restated Undertaking.

Dated: December 14, 2023

THE TRUSTEES OF INDIANA UNIVERSITY,
as Obligor

By:



Name:

Donald S. Lukes

Title:

Treasurer

Schedule I to Exhibits B and C

THE TRUSTEES of INDIANA UNIVERSITY (“INDIANA UNIVERSITY”)

This filing relates to the following bonds outstanding as of June 30, 2023 for the issues occurring in the month and year specified:

Indiana University Student Fee Bonds, Series W-1 & W-2: January 2015
Indiana University Student Fee Bonds, Series X: August 2016
Indiana University Student Fee Bonds, Series Y: October 2018
Indiana University Student Fee Bonds, Series Z-1 & Z-2: June 2020

Indiana University Consolidated Revenue Bonds, Series 2015A: April 2015
Indiana University Consolidated Revenue Bonds, Series 2016A: April 2016
Indiana University Consolidated Revenue Bonds, Series 2020A & 2020B: March 2020

Indiana University Certificates of Participation, Series 2013A: March 2013

Indiana University Lease Purchase Obligations, Series 2015A: May 2015
Indiana University Lease Purchase Obligations, Series 2017A: March 2017
Indiana University Lease Purchase Obligations, Series 2020A & 2020B: March 2020

Indiana University Commercial Paper, Series 2018A: May 2018
Indiana University Commercial Paper, Series 2021A: April 2021
Indiana University Commercial Paper, Series 2023A: May 2023