



Annual Financial Report

INDIANA UNIVERSITY

2023 - 2024





*McKinney Fountain in front of the Bess Meshulam Simon Music Library and Recital Center
IU Bloomington Campus*

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As of June 30, 2024

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Deborah Ford, Chancellor, Indiana University Southeast (New Albany)

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Deborah Ford, Chancellor, Indiana University Southeast (New Albany)

Other Officers and Senior Leaders

J Thomas Forbes, President and CEO, IU Foundation

Patricia R. Stumpf, Chief Executive Officer, IU Alumni Association

Donald S. Lukes, Treasurer, Indiana University



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 Indiana University Board of Trustees, I present the university's 2023-24 Financial Report. I am pleased to report that, through our continued efforts to judiciously manage state funds and tuition revenues, IU's financial position remains robust.

This fall, across our campuses and through our online programs, we have welcomed nearly 90,000 students who comprise one of the most academically accomplished and diverse student bodies in IU history. Our continued strong enrollment shows the value and impact of an IU degree in the eyes of students and employers.

We are proud of our commitment to affordability. More than half of IU undergraduates leave the commencement stage with no student loan debt. We have further strengthened our affordability by implementing a simplified fee structure that is saving students \$14.5 million a year.

We have seen tremendous early progress toward achieving the goals of IU 2030, our bold seven-year strategic plan to advance student success and opportunity, foster transformative research, and strengthen IU's unwavering commitment to serving our state. To cite just a few examples:

- The successful Groups Scholars Program recently expanded to all IU campuses to support greater numbers of first-generation and underrepresented students.
- IU Indianapolis has launched two new institutes that will drive transformative research in health, medicine, life sciences, and technology.
- IU Innovates, our new university-wide initiative that expands support for students and faculty in creating and growing startup ventures, is leading the charge in fostering a more vibrant culture of entrepreneurship across the university.

As we look to the future, we remain dedicated to building on these successes, continually enhancing the quality and accessibility of an IU education. With the state's continued support, we are confident that Indiana University will drive innovation and prosperity across Indiana and beyond, making a lasting impact on our students and our community.

Sincerely

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

Pamela Whitten
President, Indiana University



Campus River
IU Bloomington Campus

MESSAGE
FROM THE
INTERIM VICE
PRESIDENT FOR
FINANCE AND
CHIEF FINANCIAL
OFFICER

Jason D. Dudich,
Interim Vice President for
Finance and Chief
Financial Officer,
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, 2024. 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, 2023, through June 30, 2024. The statements report the university's financial position at June 30, 2024, with comparative data from the previous fiscal year. In addition, financial results of the discretely presented component units are incorporated in the 2023-2024 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, 2024, the institution had an increase in net position of \$225,108,000, or 4%, over the prior year. This positive financial performance was primarily driven by a focus on affordability in conjunction with strong investment returns. Resident undergraduate tuition increased by 3% for all campuses for the 2023-2024 academic year. Complementing these moderate tuition increases was continued financial support for our students with \$567,747,000 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 alignment with IU's 2030 strategic plan. In fiscal year 2024, state support for university operations was \$633,274,000, while state support for capital projects was \$19,098,000. Simultaneously, donor support brought into the University was \$183,546,000.

Indiana University is one of seven public universities that hold an Aaa long-term credit rating from Moody's Investors Service, 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, 2024.

A handwritten signature in black ink, appearing to read 'J. D. Dudich', written in a cursive style.

Jason D. Dudich
Interim Vice President for Finance and Chief
Financial Officer, Indiana University



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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, 2024 and 2023 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 audit 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, 2024 and 2023 and the changes in its financial position and, where applicable, its 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 the discretely presented component units, which represent all of the assets, net position, and revenues 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 discretely presented component units were not audited under *Government Auditing Standards*.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the 2023 basic financial statements have been restated to correct a material misstatement. Our opinions are 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Additional 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 October 29, 2024 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.

Alante & Morse, PLLC

October 29, 2024



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, 2024, with selected comparative information for the fiscal years ended June 30, 2023 and 2022. 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 to contribute to economic prosperity in Indiana and beyond. The university offers leadership in creative solutions for 21st century problems and strives to achieve full diversity and to maintain a 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 university reported an \$894,000 increase in net position as of July 1, 2022, as a result of the implementation of GASB 96.



MANAGEMENT'S DISCUSSION AND ANALYSIS

During the fiscal year ended June 30, 2024, the university recorded an adjustment to correct an error related to pending investment sales and pending investment purchases which were previously netted within Cash and Cash Equivalents. The adjustment impacted Cash and Cash Equivalents, Accounts Receivable, and Accounts Payable and Accrued Liabilities. All prior periods presented in the financial statements and accompanying notes to the financial statement that were impacted by this error have been adjusted. The impact to the earliest period presented in the Management's Discussion & Analysis is July 1, 2021, in which there was no impact to net position. See Note 1, Organization and Summary of Significant Accounting Policies for additional information.



Campus Center
IU Indianapolis

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, 2024, 2023, and 2022, is summarized as follows:

Condensed Statement of Net Position (In thousands of dollars)

	June 30, 2024	June 30, 2023	June 30, 2022
Current assets	\$ 790,331	\$ 894,865	\$ 825,074
Capital assets, net	3,938,163	3,810,550	3,811,412
Other assets	2,786,765	2,529,888	2,395,138
Total assets	7,515,259	7,235,303	7,031,624
Deferred outflows of resources	72,335	77,020	79,869
Current liabilities	653,998	663,196	637,845
Noncurrent liabilities	1,404,100	1,348,143	1,373,326
Total liabilities	2,058,098	2,011,339	2,011,171
Deferred inflows of resources	80,593	77,189	119,385
Net investment in capital assets	2,776,782	2,655,593	2,581,396
Restricted net position	691,290	831,813	928,679
Unrestricted net position	1,980,831	1,736,389	1,470,862
Total net position	\$ 5,448,903	\$ 5,223,795	\$ 4,980,937

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 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.



The increase in 2023 was primarily attributable to an increase in net receivables of \$99,961,000 as well as an increase in short-term investments of \$52,601,000. This was partially offset by a decrease in cash and cash equivalents of \$80,507,000. The increase in net receivables was primarily driven by pending investment sales and the timing of receivables realization. The increase in short-term investments was driven by the appreciation of equity and fixed income investments. The decrease in cash and cash equivalents was driven by the timing of investment purchases and sales, as well as operational needs.

Noncurrent Assets

Major components of noncurrent assets are endowments, operating investments, and capital assets, net of accumulated depreciation. Noncurrent assets increased \$384,490,000, or 6%, and increased \$133,888,000, or 2%, in 2024 and 2023, respectively. The increase in 2024 was primarily attributable to an increase in long-term investments of \$225,706,000 as well as an increase in capital assets of \$127,613,000. The increase in long-term investments was driven by the appreciation of equity and fixed income investments. The increase in capital assets was primarily attributable to capitalized costs related to the construction of IU School of Medicine Medical Education building and the Wright Quad renovation (See Note 6, Capital Assets).

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 of \$6,660,000. The increase in long-term investments was driven by the appreciation of equity and fixed income investments.

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 increased \$127,613,000 and decreased \$862,000 in 2024 and 2023, 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).

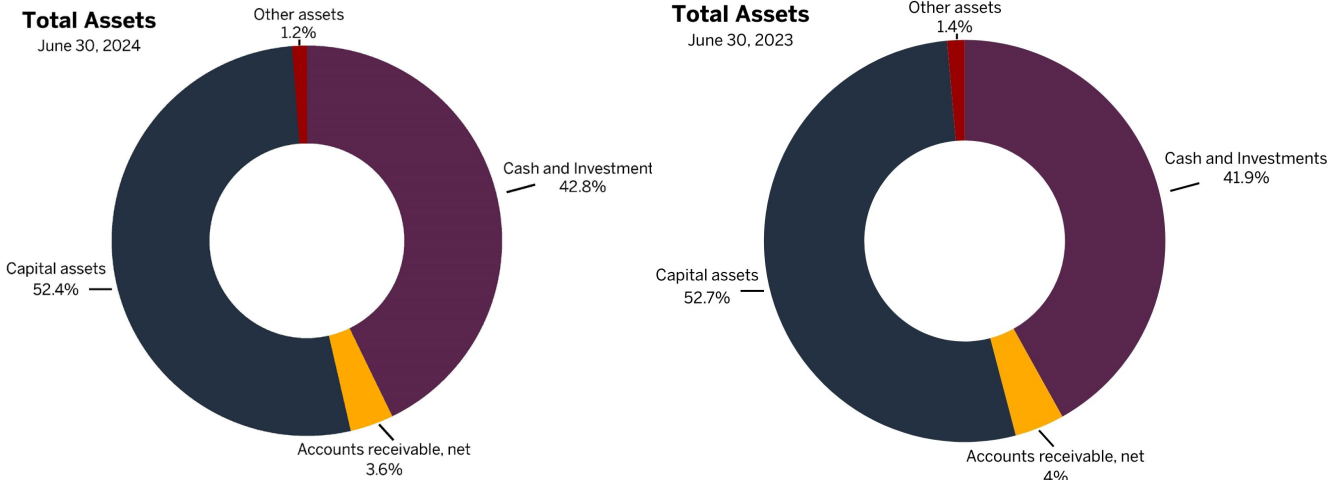
The university continues to focus on reinvesting in existing facilities through renovations and upgrades as needed to support academic programming and research. Utilization of these facilities provides students, faculty, and staff with new learning and research spaces via fiscally responsible methods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

The increase to capital assets, net of depreciation, in 2024 was primarily attributable to capitalized construction in progress (CIP) costs of \$131,461,000 (see Note 6, Capital Assets). These costs included, but were not limited to, two major projects at the university. The first being the IU School of Medicine Medical Education and Research building in Indianapolis which will create a new primary site for medical education programs, including classrooms, high-tech teaching labs and simulation rooms, and offices and support areas as well as research activities. This project incurred \$78,000,000 in 2024. The second major project was the Wright Quad renovation on the Bloomington campus to upgrade existing systems and improve accessibility. This project incurred \$49,000,000 in 2024.

Significant completed projects in 2024 also contributed to the increase in capitalized costs. These included the renovation of the Nursing Skills and Simulation Laboratory on the Indianapolis campus and the renovation of Parkside Hall on the South Bend campus. Both of these completed projects totaled \$11,116,000 in capitalized costs for 2024.

The following table and charts represent the composition of total assets as of June 30, 2024 and 2023:

Total Assets					
<i>(In thousands of dollars)</i>					
	<i>June 30, 2024</i>			<i>June 30, 2023</i>	
Cash and investments	\$	3,213,513	42.8%	\$	3,028,288 41.9%
Accounts receivable, net		270,574	3.6%		292,327 4.0%
Capital assets, net		3,938,163	52.4%		3,810,550 52.7%
Other assets		93,009	1.2%		104,138 1.4%
Total assets	\$	7,515,259	100.0%	\$	7,235,303 100.0%



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 \$4,685,000, or 6%, and decreased \$2,849,000, or 4%, in 2024 and 2023, respectively. Changes in deferred outflows are related primarily to the difference between projected and actual earnings on pension plan and OPEB investments, changes in lease receivables, and changes in actuarial assumptions (See Notes 12, Retirement Plans and 13, Postemployment Benefits).

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 \$9,198,000, or 1%, and increased \$25,351,000, or 4%, in 2024 and 2023, respectively. The decrease in 2024 was primarily attributable to a decrease in the current portion of long-term debt and other obligations of \$16,511,000. This was offset by an increase in unearned revenue of \$7,892,000 and accounts payable and accrued liabilities of \$4,084,000. 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 unearned revenue was primarily driven by an increase to student fee revenues deferred to future academic terms. The increase to accounts payable and accrued liabilities was primarily driven by the timing of receipt of invoices.

The increase in 2023 was primarily attributable to increases in accounts payable and accrued liabilities of \$92,301,000. This was partially offset by decreases in unearned revenue of \$41,101,000 and the current portion of long-term debt and other obligations of \$22,212,000. The increase in accounts payable and accrued liabilities was primarily driven by pending investment purchases at year end. The decrease in unearned revenue was primarily driven by a decrease in the current portion of unearned revenue associated with nongovernmental grants and contracts. 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).

Noncurrent Liabilities

Noncurrent liabilities increased \$55,957,000, or 4%, and decreased \$25,183,000, or 2%, in 2024 and 2023, respectively. The increase in 2024 was primarily attributable to increases in long-term debt and other obligations of \$63,627,000 and net pension liability of \$5,326,000. This was partially offset by a decrease to federal loans payable of \$3,364,000. The increase in long-term debt and other obligations was primarily due to the issuance of the Series 2024A revenue bonds in June 2024 (see Debt and Financing Activity section below for additional information). The increase in net pension liability was primarily due to low market returns as of the measurement date on June 30, 2023 (see Note 12, Retirement Plans). The decrease in federal loans payable was primarily driven by continued repayment of federal government loan obligations.

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 a decrease in the noncurrent portion of unearned revenue associated with 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.

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 \$1,213,857,000 and \$1,171,889,000 at June 30, 2024, and 2023, 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, 2024 and June 30, 2023 (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 May 10, 2024, both Moody's Investors Service and S&P Global Ratings reaffirmed their ratings for the university's student fee bonds, consolidated revenue bonds, lease-purchase obligations, certificates of participation, and the commercial paper program. The university's outlook is stable under both rating agencies.

Debt ratings	S&P	Moody's
Student fee bonds	AAA	Aaa
Consolidated revenue bonds	AAA	Aaa
Lease-purchase obligations	AAA	Aaa
Certificates of participation	AAA	Aaa
Commercial paper	A-1+	P-1
Outlook	Stable	Stable

On June 13, 2024, the university issued fixed rate Consolidated Revenue Bonds, Series 2024A ("CRB 2024A") with a par amount of \$102,245,000 which included a current refunding of commercial paper notes. The CRB 2024A proceeds financed the construction of the Research Laboratory Renovations and partially financed the construction of Wright Quadrangle Renovation on the Bloomington campus and were used to defease certain Commercial Paper Notes Series 2021A and certain Commercial Paper Notes Series 2023A. The CRB 2024A proceeds were also used to pay costs to issue the bonds, including underwriters' discount.



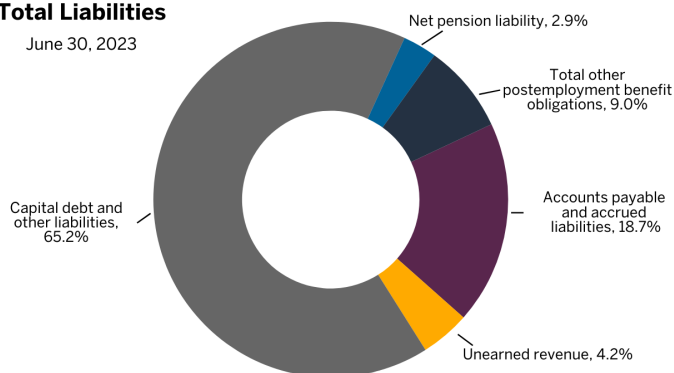
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table and charts represent the composition of total liabilities as of June 30, 2024 and 2023:

Total Liabilities (In thousands of dollars)				
	<i>June 30, 2024</i>		<i>June 30, 2023</i>	
Accounts payable and accrued liabilities	\$ 379,979	18.5%	\$ 375,895	18.7%
Unearned revenue	92,191	4.5%	84,440	4.2%
Capital debt and other liabilities	1,355,095	65.8%	1,311,343	65.2%
Net pension liability	63,355	3.1%	58,029	2.9%
Total other postemployment benefit obligations	167,478	8.1%	181,632	9.0%
Total liabilities	\$ 2,058,098	100.0%	\$ 2,011,339	100.0%

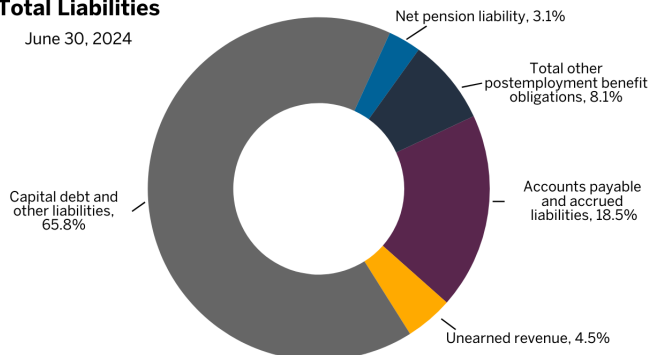
Total Liabilities

June 30, 2023



Total Liabilities

June 30, 2024



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 increased \$3,404,000, or 4%, and decreased \$42,196,000, or 35%, in 2024 and 2023, 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 receivables.

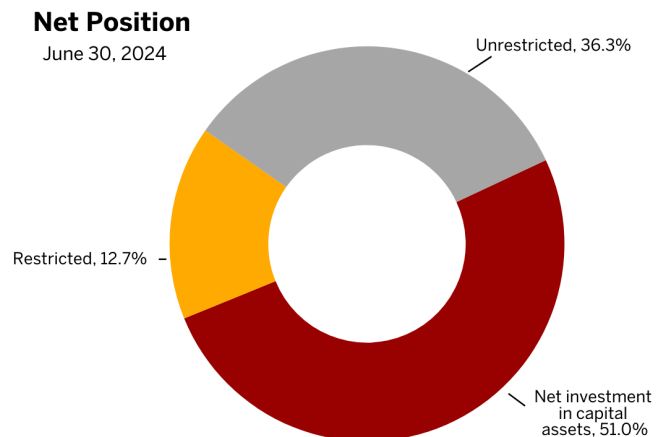
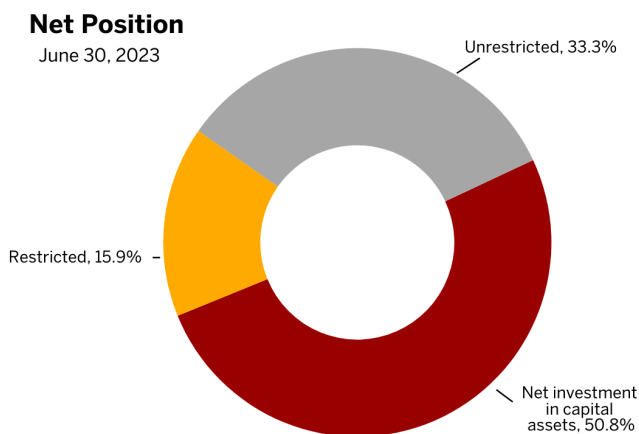
Net Position

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 chart represent the composition of net position as of June 30, 2024 and 2023:

Total Net Position					
<i>(In thousands of dollars)</i>					
	<i>June 30, 2024</i>			<i>June 30, 2023</i>	
Net investment in capital assets	\$	2,776,782	51.0%	\$	2,655,593 50.8%
Restricted		691,290	12.7%		831,813 15.9%
Unrestricted		1,980,831	36.3%		1,736,389 33.3%
Total net position	\$	5,448,903	100.0%	\$	5,223,795 100.0%



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 \$121,189,000, or 5%, and \$74,197,000, or 3%, in 2024 and 2023, respectively. Growth in this area is managed according to the university's long-range capital plans.

Restricted net position decreased \$140,523,000, or 17%, and decreased \$96,866,000, or 10%, in 2024 and 2023, respectively. The decrease in both 2024 and 2023 was primarily due to the timing of spending restricted gifts.

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 \$244,442,000, or 14%, and increased \$265,527,000, or 18%, in 2024 and 2023, respectively.

Net position increased \$225,108,000, or 4%, in 2024 and increased \$242,858,000, or 5%, in 2023.

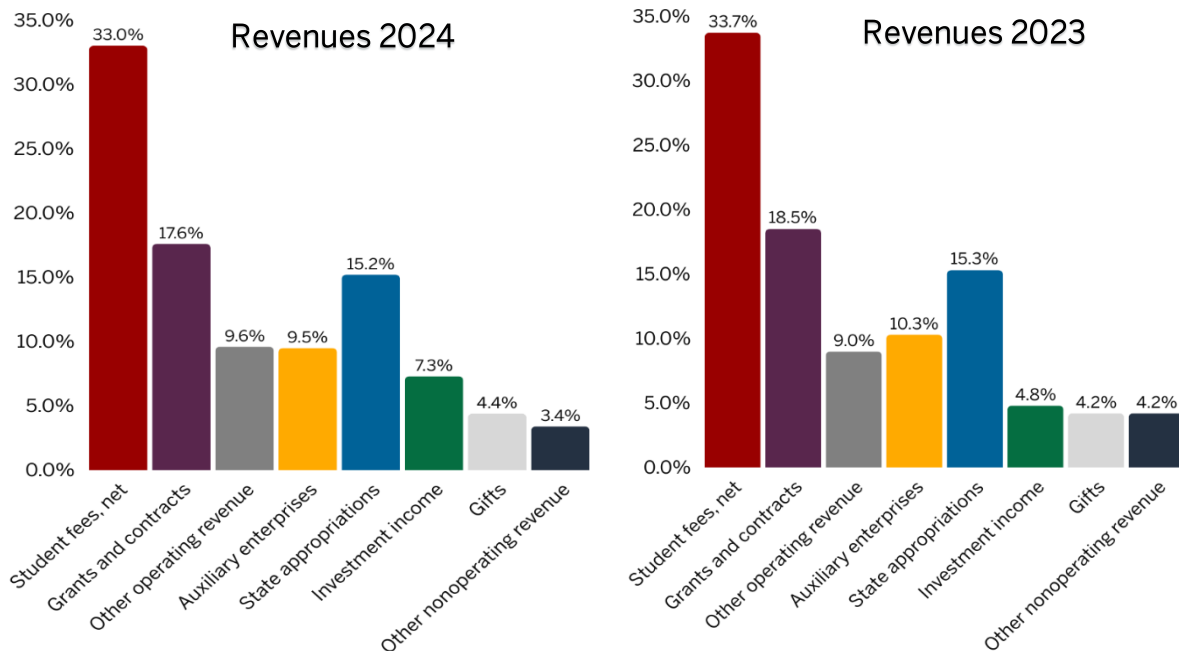
Statement of Revenues, Expenses, and Changes in Net Position

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, 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 conduct 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			
<i>(In thousands of dollars)</i>			
	<i>Fiscal Year Ended</i>		
	<i>June 30, 2024</i>	<i>June 30, 2023</i>	<i>June 30, 2022</i>
Operating revenues	\$ 2,896,576	\$ 2,836,932	\$ 2,640,092
Operating expenses	(3,897,149)	(3,690,143)	(3,503,263)
Total operating loss	(1,000,573)	(853,211)	(863,171)
Nonoperating revenues	1,233,388	1,106,981	1,529,213
Nonoperating expenses	(36,297)	(35,185)	(239,541)
Income before other revenues, expenses, gains, or losses	196,518	218,585	426,501
Other revenues	28,590	24,273	25,725
Increase in net position	225,108	242,858	452,226
Net position, beginning of year	5,223,795	4,980,937	4,528,711
Net position, end of year	\$ 5,448,903	\$ 5,223,795	\$ 4,980,937

The following charts represent revenues by major source for fiscal years 2024 and 2023:



MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating revenues increased \$59,644,000 or 2%, and increased \$196,840,000 or 7%, during 2024 and 2023, 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 \$35,508,000 and \$48,880,000 during 2024 and 2023, 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 3% in 2024 and 2025 for all campuses. For the 2022-2023 academic year, resident undergraduate tuition rates increased by approximately 1% across 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 IU's efforts to recruit and retain an excellent faculty and to support student success. Total operating grant and contract revenues decreased \$8,430,000, or 1%, and increased \$118,405,000, or 19%, during 2024 and 2023, respectively. The increase in 2023 was primarily attributable to increased federal, state, and nongovernmental operating grant and contract activity. Sales and services of education units and other revenue, including hospital and practice plan support for School of Medicine research and other initiatives, increased \$44,600,000, or 13%, and decreased \$5,223,000, or 1%, for 2024 and 2023, respectively. The increase in 2024 was primarily attributable to increased clinical activity at IU School of Medicine. Auxiliary enterprises decreased \$12,034,000, or 3%, and increased \$34,778,000, or 9%, in 2024 and 2023, respectively. The decrease in 2024 was primarily attributable to changes in the meal plan structure. The increase in 2023 was primarily attributable to the increased activity from resuming normal operations after the pandemic.

Operating expenses increased \$207,006,000, or 6%, and increased \$186,880,000, or 5%, in 2024 and 2023, respectively (see Note 14, Functional Expenses). Compensation and benefits, at 64% of total operating expenses in 2024, represents the largest single university expense. Compensation and benefits expense increased \$129,874,000, or 5%, and \$171,791,000, or 8%, in 2024 and 2023, respectively. The increase in both 2024 and 2023 was primarily attributable to increased benefit costs, headcount, and wages. 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 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 92% of employees were enrolled in a HDHP in 2024.

The combination of student financial aid expense and scholarship allowances increased \$10,590,000, or 2%, and decreased \$67,348,000, or 12%, and totaled \$567,747,000 and \$557,157,000 in 2024 and 2023, respectively. The increase in 2024 was due to a general increase in total institutional resources provided as financial aid. The decrease in 2023 was due to the reduction of Higher Education Emergency Relief Funding (HEERF) compared to prior year. Supplies and general expenses increased \$55,885,000, or 7%, and increased \$64,668,000, or 9%, in 2024 and 2023, respectively. In addition to payment timing differences, the fluctuations in 2024 and 2023 were spread primarily across auxiliary enterprise, research, academic instruction, and capital facilities functions. Travel expenses increased \$8,934,000, or 16%, and increased \$26,292,000, or 85%, in 2024 and 2023, respectively. The increase in 2024 was due to high inflation rates and increased travel associated with athletics. The increase in 2023 was primarily attributed to increased travel activities, as operations began to normalize post-pandemic, coupled with high inflation rates.



Net nonoperating revenues increased \$125,295,000, or 12%, and decreased \$217,876,000, or 17%, in 2024 and 2023, respectively. Investment income increased \$111,975,000, or 58%, and increased \$394,734,000, or 195%, in 2024 and 2023, respectively. In 2024, the allocation to equities contributed to investment performance, as stocks experienced significant growth worldwide due to easing inflationary pressures and slower interest rate growth. IU's equity investments appreciated 20.4% in fiscal year 2024 and appreciated 17.3% in fiscal year 2023. Interest rates rose in fiscal year 2024, but slower than in fiscal year 2023 as inflation eased. IU's fixed income investments experienced a return of approximately 4.5%. Overall, IU's operating investments increased 10.2% in fiscal year 2024, compared to an increase of 7.3% in fiscal year 2023. Grants, contracts, and other awards decreased \$29,911,000, or 21% and decreased \$92,264,000, or 39% in 2024 and 2023, respectively. The decreases in 2024 and 2023 were primarily due to the exhaustion of HEERF funding as 2024 and 2023 experienced decreases in funding from the prior fiscal years. 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 \$27,336,000, or 5%, and increased \$13,302,000, or 2%, in 2024 and 2023, respectively.

The university recognized \$19,098,000 and \$17,158,000 in capital appropriations for repairs, renovations, and improvements across all campuses in 2024 and 2023, 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.



MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2024</i>	<i>June 30, 2023</i>	<i>June 30, 2022</i>
Net cash provided by (used in)			
Operating activities	\$ (760,468)	\$ (739,443)	\$ (666,722)
Noncapital financing activities	927,261	911,964	1,532,656
Capital and related financing activities	(347,168)	(356,427)	(292,472)
Investing activities	287,786	96,739	(579,338)
Net increase (decrease) in cash and cash equivalents (including restricted)	107,411	(87,167)	(5,876)
Beginning cash and cash equivalents (including restricted)	244,934	332,101	337,977
Ending cash and cash equivalents (including restricted)	\$ 352,345	\$ 244,934	\$ 332,101

The university's cash and cash equivalents, including restricted cash, increased \$107,411,000 and decreased \$87,167,000 in 2024 and 2023, 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

For fiscal year 2023, state revenue collections were slightly below estimates, by only 0.1%. For fiscal year 2024, revenue missed state estimates by \$14,600,000 based on December 2023 projections; however, year-over-year growth increased substantially by \$426,400,000, a 2.0% increase in general fund revenue.

For fiscal year 2024, positive drivers of revenue included individual income tax, which was \$84,200,000 higher than estimates, and interest earnings which was \$178,800,000 higher than estimates. Sales tax revenues missed estimates by \$85,400,000, corporate tax collections were lower by \$181,500,000 and other smaller revenue sources for the state were \$10,780,000 less than estimates (gaming taxes, cigarette taxes, and vehicle use taxes).

Comparing fiscal year 2023 to fiscal year 2024, the \$426,400,000 revenue variance was primarily driven by higher individual income tax of \$520,400,000 and interest earnings of \$285,100,000. This was offset by declines in sales tax revenue of \$94,800,000, corporate taxes of \$265,500,000, and gaming revenue of \$38,800,000. Sales tax revenues were impacted year-over-year by no longer being distributed to the General Fund, while the corporate tax decline is attributed to the repeal of the utility receipts tax and utility services tax, as well as other factors such as timing of payments and refunds, along with additional changes in state law.

While the state's general fund surplus ended fiscal year 2023 with \$2,926,200,000 in reserves, fiscal year 2024 reserves ended the year with \$2,551,300,000 in reserve funds. The \$2,551,300,000 represents approximately 11.9% of the net combined reserve balance as a percentage of the fiscal year 2024 operating budget. The change in the reserve balance year-over-year was driven by impacts from legislative changes in revenue sources and additional expenses related to state health care programs. The state targets between an 11% to 14% reserve in its general fund, which places the State in a strong financial position. Recent projections by the state indicate the 2025 budget is projected to end with \$2,344,300,000, or 10.4% in reserves.



Franklin Hall
IU Bloomington



Hunt Hall
IU Kokomo



STATEMENT OF NET POSITION

(in thousands of dollars)

	Indiana University		Discretely Presented Component Units	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Assets				
Current assets				
Cash and cash equivalents	\$ 304,298	\$ 233,712	\$ 176,105	\$ 126,703
Collateral under securities lending agreement	-	-	-	23,214
Accounts receivable, net	270,574	292,327	71,126	59,527
Current portion of notes receivable	11,306	9,147	-	-
Current portion of lease receivable	2,336	2,653	-	-
Short-term investments	164,615	312,507	-	-
Other assets	37,202	44,519	226	418
Total current assets	790,331	894,865	247,457	209,862
Noncurrent assets				
Restricted cash and cash equivalents	48,047	11,222	-	-
Notes receivable	30,320	34,627	-	-
Accounts receivable, net	-	-	204,251	232,143
Lease receivable	11,845	13,192	-	-
Investments	2,696,553	2,470,847	4,779,971	4,465,458
Capital assets, net	3,938,163	3,810,550	87,242	81,994
Other assets	-	-	43,044	39,851
Total noncurrent assets	6,724,928	6,340,438	5,114,508	4,819,446
Total assets	7,515,259	7,235,303	5,361,965	5,029,308
Deferred outflows of resources	72,335	77,020	-	-
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	379,979	375,895	61,711	48,112
Current portion of unearned revenue	86,970	79,078	-	-
Collateral under securities lending agreement	-	-	-	23,214
Current portion of long-term debt and other obligations	174,080	190,591	8,927	324
Current portion of total other postemployment benefit obligations	12,969	17,632	-	-
Total current liabilities	653,998	663,196	70,638	71,650
Noncurrent liabilities				
Federal loans payable	44,295	47,659	-	-
Unearned revenue	5,221	5,362	-	-
Assets held for the University and Affiliates	-	-	565,429	521,606
Long-term debt and other obligations	1,136,720	1,073,093	149,216	158,114
Net pension liability	63,355	58,029	-	-
Total other postemployment benefit obligations	154,509	164,000	-	-
Other noncurrent liabilities	-	-	43,710	42,301
Total noncurrent liabilities	1,404,100	1,348,143	758,355	722,021
Total liabilities	2,058,098	2,011,339	828,993	793,671
Deferred inflows of resources	80,593	77,189	-	-
Net Position				
Net investment in capital assets	2,776,782	2,655,593	87,242	73,068
Restricted for:				
Nonexpendable - endowments	45,988	46,267	2,507,742	2,377,157
Expendable:				
Scholarships, research, instruction, and other	442,900	519,369	1,185,916	1,114,691
Loans	30,832	26,256	-	-
Capital projects	106,574	222,923	155,965	156,829
Debt service	64,996	16,998	-	-
Unrestricted	1,980,831	1,736,389	596,107	513,892
Total net position	\$ 5,448,903	\$ 5,223,795	\$ 4,532,972	\$ 4,235,637

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, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Operating revenues				
Tuition and fees (net of scholarship allowance of \$341,829 in 2024 and \$349,535 in 2023)	\$ 1,371,522	\$ 1,336,014	\$ –	\$ –
Federal grants and contracts	536,115	515,467	774	73
State and local grants and contracts	30,462	33,337	–	–
Nongovernmental grants and contracts	161,952	188,155	20,743	20,301
Sales, services of educational units, and other revenue	401,282	356,682	26,482	24,607
Auxiliary enterprises (net of scholarship allowance of \$58,504 in 2024 and \$50,035 in 2023)	395,243	407,277	–	–
Total operating revenues	2,896,576	2,836,932	47,999	44,981
Operating expenses				
Compensation and benefits	2,507,501	2,377,627	62,719	53,507
Student financial aid	167,414	157,587	67,312	60,317
Energy and utilities	84,121	88,975	330	442
Travel	66,142	57,208	3,902	3,291
Supplies and general expense	861,961	806,076	207,555	224,085
Depreciation and amortization expense	210,010	202,670	3,978	3,711
Total operating expenses	3,897,149	3,690,143	345,796	345,353
Total operating loss	(1,000,573)	(853,211)	(297,797)	(300,372)
Nonoperating revenues (expenses)				
State appropriations	633,274	605,938	–	–
Grants and contracts	111,494	141,405	–	–
Investment income (loss)	304,791	192,816	364,243	177,928
Gifts	183,546	166,551	94,348	194,379
Interest income	283	271	–	–
Interest expense	(36,297)	(35,185)	(328)	(338)
Net nonoperating revenues	1,197,091	1,071,796	458,263	371,969
Income (loss) before other revenues, expenses, gains, or losses	196,518	218,585	160,466	71,597
Capital appropriations	19,098	17,158	–	–
Capital gifts and grants	9,463	6,766	–	–
Additions to permanent endowments	29	349	136,869	87,463
Total other revenues	28,590	24,273	136,869	87,463
Increase (decrease) in net position	225,108	242,858	297,335	159,060
Net position, beginning of year	5,223,795	4,980,937	4,235,637	4,076,577
Net position, end of year	\$ 5,448,903	\$ 5,223,795	\$ 4,532,972	\$ 4,235,637

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, 2024	June 30, 2023
Cash Flows from Operating Activities		
Student fees	\$ 1,380,618	\$ 1,327,184
Grants and contracts	733,240	677,084
Sales and services of educational activities, and other revenue	371,899	357,460
Auxiliary enterprise charges	398,673	404,251
Payments to employees	(2,501,900)	(2,378,390)
Payments to suppliers	(978,935)	(971,118)
Student financial aid	(166,910)	(159,198)
Student loans collected	5,628	9,499
Student loans issued	(2,808)	(6,243)
Direct lending receipts	493,510	491,456
Direct lending payments	(493,483)	(491,428)
Net cash used in operating activities	(760,468)	(739,443)
Cash Flows from Noncapital Financing Activities		
State appropriations	633,274	605,938
Nonoperating grants and contracts	111,494	141,405
Gifts and grants received for other than capital purposes	182,493	164,621
Net cash provided by noncapital financing activities	927,261	911,964
Cash Flows from Capital and Related Financing Activities		
Capital appropriations	19,098	17,158
Capital grants and gifts received	4,681	8,369
Purchase of capital assets	(313,293)	(231,698)
Proceeds from issuance of capital debt, including refunding and other long-term obligations	143,711	13,463
Interest received on lease receivable	283	271
Payments received on lease receivable	2,849	2,838
Principal payments on capital debt	(119,119)	(88,814)
Principal paid on leases and subscriptions	(42,915)	(34,506)
Interest paid on capital debt, leases, and subscriptions	(42,463)	(43,508)
Net cash used in capital and related financing activities	(347,168)	(356,427)
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	3,321,638	3,193,876
Investment income	137,579	77,925
Purchases of investments	(3,171,431)	(3,175,062)
Net cash provided by (used in) investing activities	287,786	96,739
Net decrease in cash and cash equivalents (including restricted)	107,411	(87,167)
Cash and cash equivalents (including restricted), beginning of year	244,934	332,101
Cash and cash equivalents (including restricted), end of year	\$ 352,345	\$ 244,934

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



STATEMENT OF CASH FLOWS

(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, 2024	June 30, 2023
Cash and cash equivalents in current assets	\$ 304,298	\$ 233,712
Restricted cash and cash equivalents	48,047	11,222
Total cash and cash equivalents	\$ 352,345	\$ 244,934

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

(in thousands of dollars)

	Fiscal Year Ended	
	June 30, 2024	June 30, 2023
Operating loss	\$ (1,000,573)	\$ (853,211)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Amortization of deferred inflows lease receivable	(1,980)	(3,134)
Depreciation and amortization expense	210,010	202,670
Loss on disposal of capital assets	3,567	2,177
Changes in assets, deferred outflows, liabilities, and deferred inflows:		
Accounts receivable	(15,083)	(20,584)
Other assets	7,317	9,551
Notes receivable	2,146	2,679
Accounts payable and accrued liabilities	24,381	(24,102)
Unearned revenue	7,750	(50,796)
Federal loans payable	(3,365)	(1,990)
Net pension liability and related deferred outflows and inflows	1,278	(2,568)
Postemployment benefits liability and related deferred outflows and inflows	(1,451)	(4,282)
Other noncurrent liabilities	5,535	4,147
Net cash used in operating activities	\$ (760,468)	\$ (739,443)

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 \$69,173,000 and \$41,357,000 during fiscal years ended June 30, 2024 and 2023, 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 (“IU Indianapolis”), 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 2024 and 2023 represent the fiscal year ended June 30, 2024 and 2023, 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 assets 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 \$190,228,000 and \$182,236,000 to the university during fiscal years 2024 and 2023, 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.



NOTES TO THE FINANCIAL STATEMENTS

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. IUBC activity is not material to 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. Restricted cash contains proceeds received from debt issues for the purpose of financing major capital projects.

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.

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 fund. 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 \$53,398,000 and \$51,102,000 as of June 30, 2024 and 2023, 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

Deferred outflows for the university were as follows:

(dollar amounts presented in thousands)

<i>Deferred Outflows of Resources Related to:</i>	<i>June 30, 2024</i>	<i>June 30, 2023</i>
Accumulated deferred charges on refundings of capital debt	\$ 4,529	\$ 5,944
Net pension liability under GASB No. 68, <i>Accounting and Financial Reporting for Pensions</i> (see Note 12, Retirement Plans)	25,870	23,167
Total OPEB liability under GASB No. 75, <i>Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions</i> (see Note 13, Postemployment Benefits)	41,936	47,909
Total deferred outflows of resources	\$ 72,335	\$ 77,020

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, 2024</i>	<i>June 30, 2023</i>
Lease receivable under GASB No. 87, Leases	\$ 12,841	\$ 14,821
Net pension liability under GASB No. 68, <i>Accounting and Financial Reporting for Pensions</i> (see Note 12, Retirement Plans)	6,699	8,044
Total OPEB liability under GASB No. 75, <i>Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions</i> (see Note 13, Postemployment Benefits)	61,053	5,4324
Total deferred inflows of resources	\$ 80,593	\$ 77,189

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)..



NOTES TO THE FINANCIAL STATEMENTS

- **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: in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are calculated Student tuition and fees and other student revenues are reported net of scholarship discounts and allowances 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.

RESTATEMENT: During the fiscal year ended June 30, 2024, the university recorded an adjustment to correct an error related to pending investment sales and pending investment purchases which were previously netted within Cash and Cash Equivalents. The reclassification impacted Cash and Cash Equivalents, Accounts Receivable, and Accounts Payable and Accrued Liabilities for all periods presented. Pending investment purchases are classified as payables and pending investment sales are classified as receivables (gross) under trade date accounting. The amount reclassified from Cash to Accounts Receivable was \$120,850,000 for the fiscal year June 30, 2023. The amount reclassified from Cash to Accounts Payable was \$202,659,000 for the fiscal year ended June 30, 2023. There was no impact to net position for the fiscal year ended June 30, 2023.

ACCOUNTING PRONOUNCEMENTS RECENTLY ADOPTED: During the fiscal year ending June 30, 2024, the university adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. 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 had a reclassification in the financial statements which is further described within Note 1, Organization and Summary of Significant Accounting Policies. Effective for fiscal year ended June 30, 2024, the university adopted paragraphs 4 through 10 of GASB Statement No. 99, *Omnibus 2022*. These provisions establish or amend accounting and financial reporting requirements for specific issues related to financial guarantees and derivative instruments. The adoption of this guidance by the university did not have a significant impact on its financial statements.



ACCOUNTING PRONOUNCEMENTS NOT YET ADOPTED: In April 2024, the Governmental Accounting Standards Board issued GASB Statement No. 103, *Financial Reporting Model Improvements*, which improves the financial reporting model to enhance its effectiveness in providing information for decision making and assessing accountability and addresses certain application issues. The provisions of this statement are effective for the university's financial statements for the year ending June 30, 2026. The university is in the process of determining the full impact of this standard on its financial statements.

In December 2023, the Governmental Accounting Standards Board issued GASB Statement No. 102, *Certain Risk Disclosures*. This statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. The provisions of this statement are effective for the university's financial statements for the year ending June 30, 2025. 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. The university is in the process of determining the full impact of this standard on its financial statements.

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.



NOTES TO THE FINANCIAL STATEMENTS

At June 30, 2024 and 2023, the university had deposits and investments, including endowment funds, as shown below:

(dollar amounts presented in thousands)

	June 30, 2024	June 30, 2023
Cash and cash equivalents	\$ 304,298	\$ 233,712
Short-term investments	164,615	312,507
Restricted cash and cash equivalents	48,047	11,222
Investments	2,696,553	2,470,847
Total deposits and investments	\$ 3,213,513	\$ 3,028,288

At June 30, 2024, pending purchases consisted of \$181,922,000 in payables and receivables of \$82,616,000 related to unsettled trades. At June 30, 2023, pending purchases consisted of \$202,659,000 in payables and receivables of \$120,850,000 related to unsettled trades.

CUSTODIAL CREDIT RISK – DEPOSITS: The combined bank balances of the university's demand deposits were \$8,644,000 and \$14,363,000 with balances subject to custodial credit risk in the amount of \$4,548,000 and \$10,144,000 at June 30, 2024 and 2023, respectively. Of this amount, \$873,000 and \$6,982,000 was uninsured and uncollateralized at June 30, 2024 and 2023, respectively, while \$3,675,000 and \$3,162,000 was uninsured and collateralized with securities held by the pledging financial institution at June 30, 2024 and 2023, 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 \$722,000 and \$720,000 exposed to custodial credit risk at June 30, 2024 and 2023, respectively. The university had \$6,370,000 and \$10,098,000 where custodial credit risk could not be determined at June 30, 2024 and 2023, 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.

The university had fixed-rate debt securities with the following maturities at June 30, 2024:

(dollar amounts presented in thousands)

Investment Type	Fair Value	Maturities (in years)			
	June 30, 2024	Less than 1	1-5	6-10	More than 10
Corporate bonds	\$ 404,796	\$ 79,949	\$ 233,841	\$ 61,431	\$ 29,575
Government bonds	257,871	36,659	86,611	55,496	79,105
Asset-backed securities	380,957	4,178	213,795	32,123	130,861
Government issued asset-backed securities	202,972	2,518	10,737	9,422	180,295
Other fixed income funds	77,212	–	3,415	1,957	71,840
Total	1,323,808	\$ 123,304	\$ 548,399	\$ 160,429	\$ 491,676
Investments not subject to interest rate risk:					
U.S. equities	766,068				
External investment pools	525,889				
Money market funds	323,365				
International equities	201,528				
All other	72,855				
Total investments	\$ 3,213,513				



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	Maturities (in years)			
	June 30, 2023	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
Investments not subject to interest rate risk:					
U.S. equities	621,755				
External investment pools	483,180				
Money market funds	229,522				
International equities	181,548				
All other	134,650				
Total investments	\$ 3,028,288				

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, 2024 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	\$ 404,796	\$ 4,776	\$ 5,633	\$ 147,438	\$ 207,925	\$ 29,619	\$ 9,040	\$ 365
Government bonds	257,871	10,605	227,534	591	13,380	1,834	927	3,000
Asset-backed securities	380,957	330,801	7,356	4,964	2,511	676	1,444	33,205
Money market funds	323,365	257,946	–	–	–	–	–	65,419
Government issued asset-backed securities	202,972	158	181,995	14,038	6,677	104	–	–
Other fixed income funds	77,212	–	–	369	63	1,621	2,880	72,279
Total	1,647,173	\$ 604,286	\$ 422,518	\$ 167,400	\$ 230,556	\$ 33,854	\$ 14,291	\$174,268
Percentage subject to credit risk		36.69%	25.65%	10.16%	14.00%	2.06%	0.86%	10.58%
Not subject to credit risk	1,566,340							
Total deposits and investments	\$3,213,513							



NOTES TO THE FINANCIAL STATEMENTS

The credit ratings for the university's deposits and 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	1,421,133							
Total deposits and investments	\$ 3,028,288							

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 managers purchases non-U.S. dollar holdings and does not hedge the currency. At June 30, 2024 and 2023, 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, 2024 and 2023, 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 \$253,039,000 and \$163,125,000 at June 30, 2024 and 2023, respectively.



Cream and Crimson Tulips
IU Bloomington Campus

NOTES TO THE FINANCIAL STATEMENTS

The university had the following recurring fair value measurements as of June 30, 2024

(dollar amounts presented in thousands)

	June 30, 2024	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	\$ 574,790	\$ -	\$ 572,513	\$ 2,277
Corporate bonds	403,613	-	403,613	-
Government bonds	271,879	4,717	267,040	122
Commingled funds	65,095	56,564	-	8,531
Notes, deposits and commercial paper	6,952	-	6,952	-
Inflation index-linked notes	20,585	-	20,585	-
Bank loans	5,104	-	5,104	-
Municipal and provincial bonds	1,091	-	1,091	-
Total debt securities	1,349,109	61,281	1,276,898	10,930
Equity securities	967,597	967,597	-	-
Real estate	11,735	-	-	11,735
All other	8,308	-	8,308	-
Total investments by fair value level	2,336,749	\$ 1,028,878	\$ 1,285,206	\$ 22,665
Investments measured at the net asset value (NAV):				
External investment pool	524,228			
Venture capital	191			
Total investments measured at the NAV	524,419			
Total investments measured at fair value	\$ 2,861,168			



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				
Corporate bonds	\$ 449,866	\$ –	\$ 446,966	\$ 2,900
Collateralized obligations and mortgage- backed securities	511,683	–	508,721	2,962
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	–
Bank loans	5,785	–	5,785	–
Municipal and provincial bonds	3,382	–	3,382	–
Inflation index-linked notes	7,785	–	7,785	–
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			

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



NOTES TO THE FINANCIAL STATEMENTS

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, 2024 and 2023, are valued using unadjusted quoted prices in active markets for those securities.

The fair value of debt securities at June 30, 2024 and 2023, 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.

The fair value of debt securities at Level 3 at June 30, 2024 and 2023, 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, 2024 and 2023, 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, 2024 and 2023, 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, 2024 and 2023. 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, 2024 and 2023, 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 \$521,197,000 and \$474,714,000 respectively at June 30, 2024 and 2023, 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.



Langland Sculpture
IU South Bend



NOTES TO THE FINANCIAL STATEMENTS

The aggregate discretely presented component units had the following recurring fair value measurements as of June 30, 2024:

(dollar amounts presented in thousands)

	June 30, 2024	Fair Value Measurements Using			NAV
		Level 1	Level 2	Level 3	
Investments by fair value level:					
Cash equivalents	\$ 51,351	\$ 48,802	\$ 2,549	\$ -	\$ -
Equities:					
Public equities	1,457,456	879,867	1,027	-	576,562
Mutual funds	71,014	71,014	-	-	-
Commingled funds	100,004	-	-	-	100,004
Fixed income:					
US government	105,982	104,991	991	-	-
Corporate bonds	87,607	84,681	2,926	-	-
Mutual funds	10,533	10,533	-	-	-
Other fixed income	598,534	142,532	199,736	-	256,266
Real estate	12,722	9,143	-	12,722	-
Alternative investments:					
Hedged equity funds	105,378	-	-	-	105,378
Absolute return funds	593,776	-	-	4,014	589,762
Venture capital	477,463	-	-	-	477,463
Private equities	542,548	-	-	-	542,548
Real estate/real assets	513,208	10,487	-	3,188	499,533
Beneficial interests in trust	55,236	-	-	55,236	-
Total investments	4,782,812	\$ 1,352,907	\$ 207,229	\$ 75,160	\$ 3,147,516
Other assets	35,303				
Total investments and other assets	\$ 4,818,115				



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:					
Public equities	1,387,236	835,820	964	-	550,452
Mutual funds	78,146	78,146	-	-	-
Commingled funds	80,512	-	-	-	80,512
Fixed income:					
US government	101,994	99,654	2,340	-	-
Corporate bonds	89,863	86,409	3,454	-	-
Mutual funds	14,667	14,667	-	-	-
Other fixed income	488,019	77,875	185,288	-	224,856
Real estate	17,187	-	-	-	-
Alternative investments:					
Hedged equity funds	109,286	-	-	-	109,286
Absolute return funds	541,037	-	-	5,539	535,498
Venture capital	460,173	-	-	-	460,173
Private equities	478,955	-	-	-	478,955
Real estate/real assets	524,579	9,143	-	7,373	508,063
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				

Note 4—Accounts Receivable

Accounts receivable consisted of the following at June 30, 2024 and 2023:

(dollar amounts presented in thousands)

	June 30, 2024	June 30, 2023
Student accounts	\$ 76,945	\$ 70,655
Auxiliary enterprises and other operating activities	85,245	66,685
Federal, state, and other grants and contracts	22,893	30,369
Capital appropriations and gifts	–	2,470
Receivables for investment sales	82,616	120,850
Other	17,019	13,365
Current accounts receivable, gross	284,718	304,394
Less allowance for uncollectible accounts	(14,144)	(12,067)
Current accounts receivable, net	\$ 270,574	\$ 292,327

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 1.81% 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, 2024 and 2023, the university recognized lease revenue of \$3,102,000 and \$3,134,000 and interest income of \$283,000 and \$271,000 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.

Note 6—Capital Assets

Fiscal year ended June 30, 2024

(dollar amounts presented in thousands)

	<i>Balance</i> <i>June 30, 2023</i>	<i>Additions</i>	<i>Transfers</i>	<i>Retirements</i>	<i>Balance</i> <i>June 30, 2024</i>
Assets not being depreciated:					
Land	\$ 95,430	\$ 1,622	\$ –	\$ –	\$ 97,052
Art & museum objects	118,885	8046	–	40	126,891
Construction in progress	105,344	175,315	(43,678)	176	236,805
Total capital assets not being depreciated	319,659	184,983	(43,678)	216	460,748
Other capital assets:					
Infrastructure	274,025	3,633	862	–	278,520
Intangibles	9,076	–	–	–	9,076
Land improvements	125,798	7,631	465	–	133,894
Equipment	580,975	306,606	8,475	37,343	582,713
Right-to-use assets	223,273	69,173	–	34,786	257,660
Library books	79,096	3,719	–	15,548	67,267
Buildings	5,313,474	45,924	33,876	3,520	5,389,754
Total other capital assets	6,605,717	160,686	43,678	91,197	6,718,884
Less accumulated depreciation for:					
Infrastructure	189,175	6,356	–	–	195,531
Intangibles	9,033	43	–	–	9,076
Land improvements	59,300	6,092	–	–	65,392
Equipment	422,692	42,646	–	35,142	430,196
Right-to-use assets	87,216	35,129	–	30,080	92,265
Library books	51,142	7,310	–	15,548	42,904
Buildings	2,296,268	112,434	–	2,597	2,406,105
Total accumulated depreciation, other capital assets	3,114,826	210,010	–	83,367	3,241,469
Capital assets, net	\$ 3,810,550	\$ 135,659	\$ –	\$ 8,046	\$ 3,938,163

NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2023

(dollar amounts presented in thousands)

	<i>Balance</i> <i>June 30, 2022</i>	<i>Additions</i>	<i>Transfers</i>	<i>Retirements</i>	<i>Balance</i> <i>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



Note 7—Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consisted of the following at June 30, 2024 and 2023:

(dollar amounts presented in thousands)

	June 30, 2024	June 30, 2023
Accrued payroll	\$ 23,567	\$ 24,198
Interest payable	7,579	7,140
Vendor payables	128,751	104,834
Investment purchases payable	181,922	202,659
Other payables	38,160	37,064
Total accounts payable and accrued liabilities	\$ 379,979	\$ 375,895

Note 8—Other Liabilities

Other liability activity for the fiscal years ended June 30, 2024 and 2023, is summarized as follows:

Fiscal year ended June 30, 2024

(dollar amounts presented in thousands)

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Current
Bonds and notes payable:					
Bonds payable	\$ 768,960	\$ 118,711	\$ 59,395	\$ 828,276	\$ 61,605
Notes payable	268,292	25,000	69,270	224,022	21,557
Total bonds and notes payable	1,037,252	143,711	128,665	1,052,298	83,162
Other liabilities:					
Lease obligations	120,273	21,557	15,189	126,641	12,308
SBITA obligations	14,364	48,295	27,741	34,918	17,303
Compensated absences	91,143	24,142	18,607	96,678	61,208
Other	652	—	387	265	99
Total other liabilities	\$ 1,263,684	\$ 237,705	\$ 190,589	\$ 1,310,800	\$ 174,080

NOTES TO THE FINANCIAL STATEMENTS

Fiscal year ended June 30, 2023

(dollar amounts presented in thousands)

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Current
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

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, 2024, and June 30, 2023, 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, 2024, and 2023, are \$232,860,000 and \$258,755,000, 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, 2024, and 2023, 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, 2024, the university has no variable rate bonds outstanding.

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



NOTES TO THE FINANCIAL STATEMENTS

<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

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.

As of June 30, 2024, and 2023, outstanding ("O/S") indebtedness from bonds, notes, and other obligations follow, none of which are direct borrowings or placements:



(dollar amounts presented in thousands)

Issue Type/Series	Issue Date	Original Issue (\$)	Interest Rate (%)	Final Maturity Date	Principal O/S June 30, 2023	Principal O/S June 30, 2024
Indiana Code 21-34-6 (Bonds: Student Fee Bonds):						
W-1: Franklin, Arts/Sciences	1/14/15	58,960	4.00-5.00	8/1/34	41,425	38,780
W-2: Refunding of Series R and S	1/14/15	62,765	4.00-5.00	8/1/32	44,965	37,255
X: Old Crescent II; Refunding of Series U	8/4/16	71,710	3.00-5.00	8/1/35	49,760	46,205
Y: Ballantine Hall, Geology	10/3/18	69,470	4.00-5.00	8/1/37	59,975	57,190
Z-1: Bicentennial R&R Plan	6/24/20	81,265	3.00-5.00	8/1/29	66,535	60,590
Z-2: Refunding Series T-2 and V-1	6/24/20	18,595	0.63-1.15	8/1/26	17,045	11,825
Subtotal Student Fee Bonds					279,705	251,845
Add unamortized bond premium					35,030	31,148
Total Student Fee Bonds					314,735	282,993
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	87,155	73,570
2016A: Wells Quad; Refunding of Series 2008A, 2009A, and 2011A	4/5/16	93,070	2.75-5.00	6/1/41	85,655	83,960
2020A: Refunding of 2010B and 2011A	3/3/20	51,175	4.00-5.00	6/1/35	43,475	40,650
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	214,335	208,655
2024A: Collins Living-Learning Center; Wright Quad Reno., Research Lab Reno.	6/13/24	102,245	5.00	6/1/34	–	102,245
Subtotal Consolidated Revenue Bonds					430,620	509,080
Add unamortized bond premium					23,605	36,203
Total Consolidated Revenue Bonds					454,225	545,283
Subtotal bonds					710,325	760,925
Add unamortized bond premium					58,635	67,351
Total bonds					768,960	828,276
Indiana Code 21-33-3-5 Obligations (Notes: Certificates of Participation/Lease Purchase Obligations):						
2013A: Global & International Studies	3/8/13	22,515	3.00-5.00	6/1/33	13,825	12,700
2015A: Simon Skjodt Assembly Hall	5/13/15	31,025	3.13-5.00	6/1/34	22,300	20,700
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	66,935	93,915
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	71,895	69,085
2020B: Refunding of Certificates of Participation Series 2012A; Lease-	3/10/20	28,810	1.74-2.62	6/1/37	27,410	25,475



NOTES TO THE FINANCIAL STATEMENTS

Purchase Obligations Series 2014A

Subtotal Obligations						201,365	191,875
Add unamortized bond premium						24,077	22,281
Total Obligations						225,442	214,156
Indiana Code 21-32-2 (Notes: Commercial Paper):							
2018A: Studio Arts Annex/The Pfau Course at Indiana University/George Thomas Clubhouse	6/5/24	11,769	3.65	8/29/24	6,183	5,683	
2021A: Studio Arts Annex/Ferguson International Ctr/ Collins Living-Learning Center/Wright Quad	6/5/24	23,720	3.65	8/29/24	23,204	720	
2023A: Ferguson International Ctr./Wright Quad	6/5/24	13,463	3.65	8/29/24	13,463	3,463	
Subtotal Commercial Paper						42,850	9,866
Add unamortized bond premium						-	-
Total Commercial Paper						42,850	9,866
Subtotal notes						244,215	201,741
Add unamortized bond premium						24,077	22,281
Total notes						268,292	224,022
Subtotal bonds and notes payable and other obligations						954,540	962,666
Add unamortized bond premium						82,712	89,632
Total bonds and notes payable and other obligations						\$ 1,037,252	\$ 1,052,298

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

(dollar amounts presented in thousands)

Fiscal Year Ending June 30	Bond Principal	Note Principal	Total Principal	Bond Interest	Note Interest	Total Interest	Total Debt Service Payments
2025	\$ 52,440	\$ 9,895	\$ 62,335	\$ 29,976	\$ 8,045	\$ 38,021	\$ 100,356
2026	52,555	10,335	62,890	28,030	7,614	35,644	98,534
2027	54,630	10,780	65,410	25,741	7,158	32,899	98,309
2028	47,255	11,265	58,520	23,535	6,680	30,215	88,735
2029	42,860	11,745	54,605	21,469	6,185	27,654	82,259
2030 - 2034	263,870	56,945	320,815	85,782	24,265	110,047	430,862
2035 - 2039	79,570	37,960	117,530	33,416	14,675	48,091	165,621
2040 - 2044	11,920	38,535	50,455	24,797	6,387	31,184	81,639
2045 - 2049	-	4,415	4,415	23,896	199	24,095	28,510
2050 - 2054	-	-	-	23,896	-	23,896	23,896
2055 - 2059	-	-	-	23,896	-	23,896	23,896
2060	155,825	-	155,825	4,779	-	4,779	160,604
Total	\$ 760,925	\$ 191,875	\$ 952,800	\$ 349,213	\$ 81,208	\$ 430,421	\$ 1,383,221



Of the debt service payments to maturity, \$289,301,000 are from bonds eligible for fee replacement appropriations.

In prior years, the university has redeemed several bond and note 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 and notes. The bonds or notes redeemed and the related trusts balances are not reflected within principal outstanding, total debt service, or the university's liabilities.

As of June 30, 2024, and 2023, the following amounts of principal have been redeemed:

(dollar amounts presented in thousands)

Bonds or Notes Redeemed	Defeased O/S June 30, 2023	Defeased O/S June 30, 2024	Call Date(s)
Commercial Paper, Series 2021A	\$ -	\$ 21,945	9/9/2024
Commercial Paper, Series 2023A	-	35,000	8/29/2024;9/9/2024
Total bonds and notes redeemed	\$ -	\$ 56,945	

Commercial paper activity for the year ended June 30, 2024 is summarized as follows:

(dollar amounts presented in thousands)

Tax Exempt Commercial Paper (CP)	Balance June 30, 2023	Principal Payments Year Ended June 30, 2024	CP Issued Year Ended June 30, 2024	CP Defeased Year Ended June 30, 2024	Balance June 30, 2024
Series 2018A	\$ 6,183	\$ (500)	\$ -	\$ -	\$ 5,683
Series 2021A	23,204	(539)	-	(21,945)	720
Series 2023A	13,463	-	25,000	(35,000)	3,463
Total	\$ 42,850	\$ (1,039)	\$ 25,000	\$ (56,945)	\$ 9,866

The total outstanding commercial paper notes at June 30, 2024 are \$9,866,000 at an interest rate of 3.65%, and at June 30, 2023 are \$42,850,000 at interest rates ranging from 3.30% to 3.55% based upon when issued and by maturity, respectively.

On June 13, 2024, the university issued fixed rate Consolidated Revenue Bonds, Series 2024A ("CRB 2024A") with a par amount of \$102,245,000 as new money which included a current refunding of commercial paper notes which is also considered new money. The CRB 2024A new money proceeds financed the construction of the Research Laboratory Renovations and partially financed the construction of Wright Quadrangle Renovation on the Bloomington campus and were used to legally defease certain Commercial Paper Notes Series 2021A and certain Commercial Paper Notes Series 2023A which financed the construction of the Collins Living Learning Center and partially financed the construction of the Wright Quadrangle Renovation on the Bloomington campus. The CRB



2024A proceeds were also used to pay costs to issue the bonds, including the underwriters' discount. The all-in true interest cost for CRB 2024A was 3.18%. CRB 2024A new money bonds are at a ten-year term. The increase in debt service payments as a result of this defeasement is \$16,460,000 over the life of the bonds through 2034. The economic gain as a result of this transaction was \$300,000. Commercial paper was used as interim financing for the Wright Quadrangle and Collins Living Learning Center projects. The CRB2024A bonds were used to convert the financing of these projects to a fixed rate.

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 \$3,400,000 and \$2,917,000 at June 30, 2024 and 2023, 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 these leasing arrangements matures between 2042 and 2062. The discount rate applicable to these leasing arrangements range from 0.65% to 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, 2024:

(dollar amounts presented in thousands)

	<i>Balance</i> <i>June 30, 2023</i>	<i>Additions</i>	<i>Retirements</i>	<i>Balance</i> <i>June 30, 2024</i>
Right-to-use asset class:				
Buildings	\$ 151,169	\$ 4,922	\$ 21,722	\$ 134,369
Land	620	621	–	1,241
Land improvements	2,052	632	–	2,684
Equipment	6,259	11,953	657	17,555
Vehicles	11,510	3,385	1,400	13,495
Subscription assets	51,663	47,660	11,007	88,316
Total right-to-use asset cost	223,273	69,173	34,786	257,660
Less accumulated amortization for:				
Buildings	47,810	9,230	17,972	39,068
Land improvements	202	81	–	283
Equipment	3,891	1,583	642	4,832
Vehicles	5,142	1,918	1,309	5,751
Subscription assets	30,171	22,317	10,157	42,331
Total accumulated amortization	87,216	35,129	30,080	92,265
Right-to-use assets, net	\$ 136,057	\$ 34,044	\$ 4,706	\$ 165,395



NOTES TO THE FINANCIAL STATEMENTS

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

(dollar amounts presented in thousands)

	<i>Balance</i> <i>June 30, 2022</i>	<i>Additions</i>	<i>Retirements</i>	<i>Balance</i> <i>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

During the fiscal years ended June 30, 2024 and 2023, 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, 2024, are as follows:

(dollar amounts presented in thousands)

	Lease		SBITA		Total Right-to-Use Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 12,309	\$ 3,983	\$ 17,303	\$ 568	\$ 29,612	\$ 4,551
2026	11,014	3,588	8,648	311	19,662	3,899
2027	10,211	3,215	5,159	141	15,370	3,356
2028	10,102	2,848	2,768	59	12,870	2,907
2029	9,723	2,485	412	18	10,135	2,503
2030-2034	35,375	8,395	628	15	36,003	8,410
2035-2039	23,604	3,187	–	–	23,604	3,187
2040-2044	7,011	657	–	–	7,011	657
2045-2049	1,941	209	–	–	1,941	209
2050-2054	2,005	145	–	–	2,005	145
2055-2059	2,071	79	–	–	2,071	79
2060-2064	1,275	14	–	–	1,275	14
Total	\$ 126,641	\$ 28,805	\$ 34,918	\$ 1,112	\$ 161,559	\$ 29,917

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 a wholly-owned captive insurance company, Old Crescent Insurance Company (OCIC). The university is self-funded for damage to buildings and building contents for the first \$100,000 per occurrence with an additional \$1,900,000 per occurrence covered by OCIC (\$400,000 for fiscal year ending June 30, 2023), 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 \$1,000,000 for each Workers' Compensation claim (\$850,000 for each claim and



NOTES TO THE FINANCIAL STATEMENTS

\$125,000 in the aggregate for all claims in excess of \$850,000 for fiscal year ending June 30, 2023). 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 \$1,000,000 (\$850,000 for fiscal year ending June 30, 2023) 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 two health care plans for full-time appointed active employees and one plan for under-65 retirees not yet eligible for Medicare. For the fiscal year ended June 30, 2023, there were three health care plans for full-time appointed active employees. 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 totals \$29,710,000 and \$28,656,000 at June 30, 2024 and 2023, 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>
2024	\$ 28,656	\$ 284,707	\$ 283,653	\$ 29,710
2023	30,482	301,329	303,155	28,656
2022	27,502	276,779	273,799	30,482

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 \$2,873,000 and \$3,734,000 at June 30, 2024 and 2023, 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>
2024	\$ 3,734	\$ 24,559	\$ 25,420	\$ 2,873
2023	2,148	32,036	30,450	3,734
2022	1,855	22,866	22,573	2,148

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 20,283 and 19,861 active employees as of June 30, 2024 and 2023, 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 \$15,622,000 during fiscal year ended June 30, 2024, and \$12,741,000 during fiscal year ended June 30, 2023, to Fidelity Investments for the plan. Under this plan, there were 3,870 and 3,602 active participants as of June 30, 2024 and 2023, 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 \$127,959,000 during fiscal year ended June 30, 2024, and \$120,306,000 during fiscal year ended June 30, 2023, to Fidelity Investments for the IU Retirement Plan. Under this plan, there were 15,102 and 14,789 active participants as of June 30, 2024 and 2023, 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

NOTES TO THE FINANCIAL STATEMENTS

485 and 542 active employees on June 30, 2024 and 2023, 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 \$1,526,000 and \$1,629,000 to IUSERP during fiscal years ended June 30, 2024 and 2023, 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 a defined contribution account benefit. 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 1,311 and 1,470 active university employees covered by this retirement plan as of June 30, 2024 and 2023, 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 2023 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 \$8,825,000 and \$9,896,000 for fiscal years ended June 30, 2024 and 2023, respectively. This represented an 11.2% university pension benefit contribution for fiscal years ended June 30, 2024 and 2023, 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, 2024, the university reported a liability of \$63,355,000 for its proportionate share of the net pension liability, as compared to \$58,029,000 for the year ended June 30, 2023. The June 30, 2024, net pension liability of \$63,355,000 at the measurement date was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, which used updated procedures to roll forward the estimated liability to June 30, 2023. 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, 2023, the university's proportion was 1.80%, a decrease of 0.04 percentage points from its proportion measured as of June 30, 2022, which was 1.84%. The university's June 30, 2022 proportion decreased 0.04 percentage points from its proportion measured as of June 30, 2021, which was 1.88%. Pension expense of the university as of June 30, 2024 and 2023, was \$10,103,000 and \$7,328,000, respectively.



The Frances Morgan Swain Student Building Clock Tower
IU Bloomington

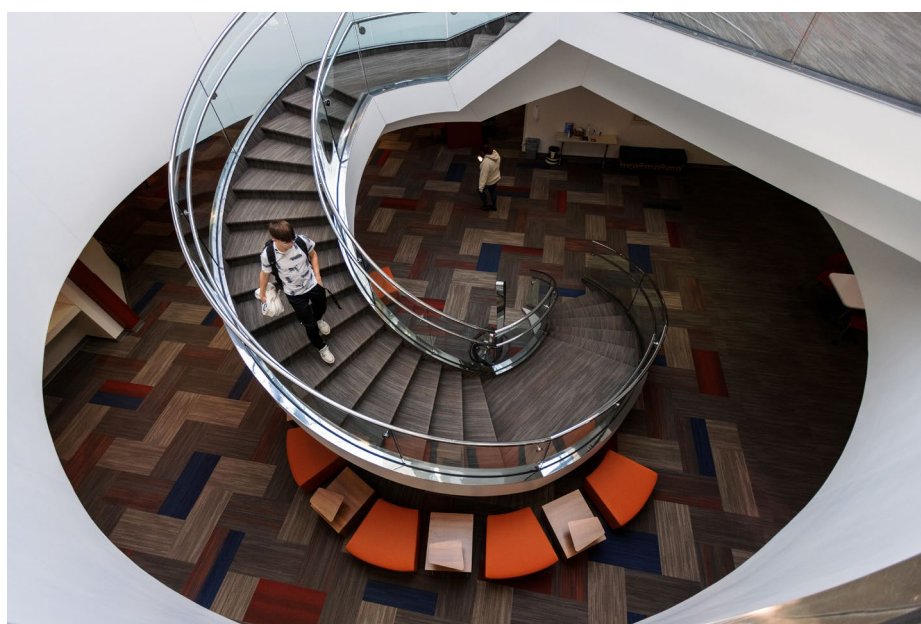
NOTES TO THE FINANCIAL STATEMENTS

At June 30, 2024, 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	\$ 1,296	\$ -
Changes of assumptions	3,455	-
Net difference between projected and actual earnings on pension plan investments	14,521	-
Changes in proportion and differences between university contributions and proportionate share of contributions	-	6,699
University contributions subsequent to the measurement date	6,598	-
Total	\$ 25,870	\$ 6,699

Deferred outflows of resources in the amount of \$6,598,000 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, 2025.



Library Spiral Staircase
IU Kokomo



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)

	<i>PERF</i>	
	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
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	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

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)

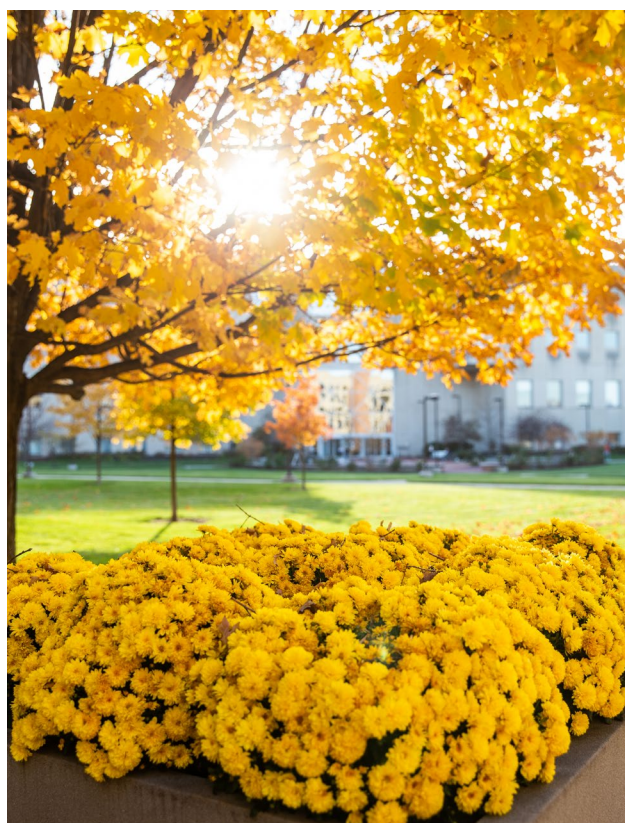
<i>Fiscal Year Ending June 30</i>	<i>PERF</i>
2024	\$ 3,300
2025	(1,239)
2026	8,534
2027	1,978
2028	-
Thereafter	-
Total	\$ 12,573



NOTES TO THE FINANCIAL STATEMENTS

Actuarial Assumptions. The total pension liability as of June 30, 2023 and 2022, based on the results of actuarial valuation dates of June 30, 2022 and 2021, and rolled forward, respectively, were determined using the following actuarial assumptions, which were applied to all periods included in the measurement:

	<i>PERF</i>	
	<i>Measurement Date as of June 30, 2023</i>	<i>Measurement Date as of June 30, 2022</i>
	FY 2026-2033 – 0.4%	FY 2024-2033 – 0.4%
Cost of living	FY 2034-2038 – 0.5%	FY 2034-2038 – 0.5%
	FY 2039 and thereafter – 0.6%	FY 2039 and thereafter – 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



Autumn foliage
IU Indianapolis

The actuarial assumptions used in the valuations of June 30, 2023, 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, 2022, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2022, and June 30, 2023. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2022, to the June 30, 2023 measurement date.

There were no significant changes to the assumptions listed above for the pension plan since the prior measurement date of June 30, 2022.

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:

<i>PERF</i>				
	<i>Measurement Date as of June 30, 2023</i>		<i>Measurement Date as of June 30, 2022</i>	
	<i>Target Allocation¹</i>	<i>Long-Term Expected Real Rate of Return</i>	<i>Target Allocation¹</i>	<i>Long-Term Expected Real Rate of Return</i>
Public equity	20.0%	3.7%	20.0%	3.6%
Private markets	15.0%	6.4%	15.0%	7.3%
Fixed income – ex inflation-linked	20.0%	2.2%	20.0%	1.5%
Fixed income – inflation-linked	15.0%	0.5%	15.0%	(0.3)%
Commodities	10.0%	1.1%	10.0%	0.9%
Real estate	10.0%	3.4%	10.0%	4.2%
Absolute return	5.0%	1.6%	5.0%	2.1%
Risk parity	20.0%	5.9%	20.0%	3.8%
Cash and Cash Overlay	(15.0)%	–	(15.0)%	(1.7)%
Total	100.0%		100.0%	

¹The 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, 2023 and 2022, 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.



NOTES TO THE FINANCIAL STATEMENTS

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, 2023 and 2022, 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)

Sensitivity of Net Pension Liability	PERF		
	1% Decrease	Discount Rate	1% Increase
June 30, 2024 (6.25%)	\$ 103,249	\$ 63,355	\$ 30,092
June 30, 2023 (6.25%)	98,032	58,029	24,663

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 \$1,437,000 at June 30, 2024, and \$1,207,000 at June 30, 2023, for the outstanding amount of contributions to the pension plans required for the year ended June 30, 2024 and 2023, 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 \$1,445,000 and \$1,033,000 in premiums in the fiscal years ended June 30, 2024 and 2023, respectively. The university contributed \$17,632,000 and \$21,269,000 to the consolidated OPEB Plan in fiscal year ended June 30, 2024 and 2023, respectively. The university does not maintain a separate legal trust to house assets used to fund postemployment benefits.

As of the June 30, 2024 actuarial valuation date, the number of plan participants consisted of the following:

	<i>18/20 Plan</i>	<i>Retiree Health Insurance</i>	<i>Retiree Life Insurance</i>
Active employees	31	17,878	19,663
Inactive employees receiving benefits	69	258	6,903
Total	100	18,136	26,566

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

At June 30, 2024 and 2023, the university reported \$167,478,000 and \$181,632,000 for its total OPEB liability, respectively. The current portion of the OPEB liability was \$12,969,000 and \$17,632,000 at June 30, 2024 and 2023, respectively. At June 30, 2024 and 2023, the university reported \$16,180,000 and \$16,987,000 for its total

NOTES TO THE FINANCIAL STATEMENTS

OPEB expense, respectively. The June 30, 2024 total OPEB liability was measured as of June 30, 2024. Liabilities as of June 30, 2024 are based on an actuarial valuation date of July 1, 2024 with no adjustments to get to the June 30, 2024 measurement date. 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.

Changes in the total reported liability for postemployment benefits obligations and total OPEB expense for the year ended June 30, 2024, 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	\$ 28,053	\$ 115,132	\$ 38,447	\$ 181,632
Service cost	300	8,209	879	9,388
Interest	930	5,006	1,593	7,529
Changes in assumptions	(60)	7,192	(455)	6,677
Differences between expected and actual experience	(822)	(18,417)	(877)	(20,116)
Benefit payments	(11,777)	(4,329)	(1,526)	(17,632)
Total OPEB liability, end of year	\$ 16,624	\$ 112,793	\$ 38,061	\$ 167,478
Current portion of OPEB liability				\$ 12,969
OPEB expense	\$ (439)	\$ 14,824	\$ 1,795	\$ 16,180

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



The discount rate changed from 4.13% as of June 30, 2023, to 4.21% as of June 30, 2024. 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 university has not had a recent experience study.

At June 30, 2024, 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	\$ 1,109	\$ 915
Retiree health insurance	11,154	9,025
Retiree life insurance	4,522	9,256
Differences between expected and actual experience:		
18/20 Plan	–	6,106
Retiree health insurance	24,981	34,133
Retiree life insurance	170	1,618
Total	\$ 41,936	\$ 61,053

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



NOTES TO THE FINANCIAL STATEMENTS

These amounts will be recognized in OPEB expense as follows:

(dollar amounts presented in thousands)

	18/20 Plan	Retiree Health Insurance	Retiree Life Insurance	Total
2024	\$ (1,669)	\$ 1,610	\$ (678)	\$ (737)
2026	(1,669)	1,610	(678)	(737)
2027	(860)	(4,908)	(851)	(6,619)
2028	(808)	(2,627)	(1,551)	(4,986)
2029	(552)	(1,046)	(2,062)	(3,660)
Thereafter	(354)	(1,662)	(362)	(2,378)
Total	\$ (5,912)	\$ (7,023)	\$ (6,182)	\$ (19,117)

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

	Measurement Date as of June 30, 2024	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	3.0%	2.5%
Health care cost trend rates	8.0% for fiscal year 2025 to 4.5% for fiscal year 2032 and thereafter Based on SOA Pub-2010 General Headcount	7.0% for fiscal year 2023 to 4.5% for fiscal year 2029 and thereafter Based on SOA Pub-2010 General Headcount
Mortality rates	Weighted Mortality Table fully generational using Scale MP-2021	Weighted Mortality Table fully generational using Scale MP-2021
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, 2024, was 4.21% and 4.13% as of June 30, 2023. 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, 2024 total OPEB liability using the discount rate of 4.21% 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>Sensitivity of Total OPEB Liability</i>	<i>1% Decrease (3.21%)</i>	<i>June 30, 2024 Discount Rate (4.21%)</i>	<i>1% Increase (5.21%)</i>
18/20 plan	\$ 16,761	\$ 16,624	\$ 16,478
Retiree health insurance	122,835	112,793	103,628
Retiree life insurance	44,404	38,061	33,018
Total	\$ 184,000	\$ 167,478	\$ 153,124

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>Sensitivity of Total OPEB Liability</i>	<i>1% Decrease (3.13%)</i>	<i>June 30, 2022 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



NOTES TO THE FINANCIAL STATEMENTS

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)

Sensitivity of Retiree Health Insurance OPEB Liability*	1% Decrease	Current Trend	1% Increase
June 30, 2024 (8.0% decreasing to 4.5%)	\$ 100,326	\$ 112,793	\$ 127,520
June 30, 2023 (7.0% decreasing to 4.5%)	101,676	115,132	131,099

*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, 2024

(dollar amounts presented in thousands)

Functional Classification	Natural Classification				Total
	Compensation & Benefits	Scholarships & Fellowships	Supplies & Expenses	Depreciation	
Instruction	\$ 1,050,015	\$ 19,487	\$ 264,939	\$ –	\$ 1,334,441
Research	242,237	2,840	142,276	–	387,353
Public service	102,551	1,378	56,970	–	160,899
Academic support	474,492	2,782	162,310	–	639,584
Student services	105,227	908	38,882	–	145,017
Institutional support	142,790	94	65,394	–	208,278
Physical plant	110,689	2	83,383	–	194,074
Scholarships & fellowships	19,320	134,412	9,525	–	163,257
Auxiliary enterprises	260,180	5,511	188,545	–	454,236
Depreciation	–	–	–	210,010	210,010
Total operating expenses	\$ 2,507,501	\$ 167,414	\$ 1,012,224	\$ 210,010	\$ 3,897,149



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

Note 15—Commitments and Loss Contingencies

The university had outstanding commitments for capital construction projects of \$158,638,000 and \$201,471,000 at June 30, 2024 and 2023, respectively.

The university is a party in 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 position.

Note 16—Discretely Presented Component Units

Condensed financial statement information related to the University's component units for the year ended June 30, 2024 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	\$ 158,642	\$ 12,865	\$ 2,057	\$ 2,541	\$ 176,105
Collateral under securities lending agreement	–	–	–	–	–
Accounts receivable, net	44,008	21,801	1,601	3,716	71,126
Other assets	–	–	–	226	226
Total current assets	202,650	34,666	3,658	6,483	247,457
Noncurrent assets					
Accounts receivable, net	204,251	–	–	–	204,251
Investments	3,955,425	427,769	367,106	29,671	4,779,971
Capital assets, net	74,457	1,280	–	11,505	87,242
Other assets	–	43,044	–	–	43,044
Total noncurrent assets	4,234,133	472,093	367,106	41,176	5,114,508
Total assets	4,436,783	506,759	370,764	47,659	5,361,965
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	23,961	34,595	–	3,155	61,711
Collateral under securities lending agreement	–	–	–	–	–
Current portion of long-term debt	–	–	–	8,927	8,927
Total current liabilities	23,961	34,595	–	12,082	70,638
Noncurrent liabilities					
Long-term debt	149,216	–	–	–	149,216
Assets held for the university	519,802	2,204	–	–	522,006
Assets held for university affiliates	43,423	–	–	–	43,423
Other noncurrent liabilities	42,881	829	–	–	43,710
Total noncurrent liabilities	755,322	3,033	–	–	758,355
Total liabilities	779,283	37,628	–	12,082	828,993
Net position					
Net investment in capital assets	74,457	1,280	–	11,505	87,242
Restricted for:					
Nonexpendable – endowments	2,368,604	139,138	–	–	2,507,742
Expendable:					
Scholarships, research, instruction, other	1,079,052	87,452	8,082	11,330	1,185,916
Capital projects	146,423	9,542	–	–	155,965
Unrestricted	(11,036)	231,719	362,682	12,742	596,107
Total net position	\$ 3,657,500	\$ 469,131	\$ 370,764	\$ 35,577	\$ 4,532,972

(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	\$ -	\$ 774	\$ -	\$ -	\$ 774
Nongovernmental grants and contracts	-	-	-	20,743	20,743
Sales, services, and other revenue	26,292	89	-	101	26,482
Total operating revenues	26,292	863	-	20,844	47,999
Operating expenses					
Compensation and benefits	37,275	8,535	-	16,909	62,719
Student financial aid	67,312	-	-	-	67,312
Energy and utilities	252	13	-	65	330
Travel	3,067	111	-	724	3,902
Supplies and general expense	137,515	49,566	11,306	9,168	207,555
Depreciation and amortization	3,144	124	-	710	3,978
Total operating expenses	248,565	58,349	11,306	27,576	345,796
Nonoperating revenues (expenses)					
Investment income (loss)	272,989	50,758	38,594	1,902	364,243
Gifts	32,464	55,638	3,143	3,103	94,348
Interest expense	-	-	-	(328)	(328)
Net nonoperating revenues	305,453	106,396	41,737	4,677	458,263
Other					
Additions to permanent endowments	136,869	-	-	-	136,869
Total other	136,869	-	-	-	136,869
Increase (decrease) in net position	220,049	48,910	30,431	(2,055)	297,335
Net position, beginning of year	3,437,451	420,221	340,333	37,632	4,235,637
Net position, end of year	\$ 3,657,500	\$ 469,131	\$ 370,764	\$ 35,577	\$ 4,532,972



NOTES TO THE FINANCIAL STATEMENTS

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



(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	-	717	3,291
Supplies and general expense	147,617	40,431	26,318	9,719	224,085
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



Note 17—Subsequent Events

Indiana University and Purdue University issued a joint memorandum of understanding on August 12, 2022, to separate Indiana University Purdue University Indianapolis (IUPUI) into two institutions. On June 14, 2023, Indiana University and Purdue University signed the Program Transfer Agreement. Effective July 1, 2024, IUPUI became two separate institutions: Indiana University Indianapolis and Purdue University in Indianapolis.



Indiana Arc Eskenazi Museum of Art
IU Bloomington

The expected reduction in revenue from programs transitioning to Purdue University is anticipated to be largely offset by the reduction of expenses for operating those same programs. In addition, Indiana University Indianapolis expects to receive revenues for services, such as emergency services, environmental health and safety, student health center, and use of library among others, provided to Purdue University. Ownership of the ground and buildings remains with Indiana University. As a result, the university does not anticipate a material change in financial position or results of operation as a result of the transition.



Marram Hall
IU Northwest

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, 2023	1.80%	\$63,355	\$61,283	103.38%	80.80%
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
2024	\$6,847	\$(6,847)	–	\$62,788	10.91%
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.



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 2024:

None

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.



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 2024:										
18/20 Plan	\$ 300	\$ 930	\$ (60)	\$(822)	\$(11,777)	\$(11,429)	\$ 28,053	\$ 16,624	\$ 5,095	326.3%
Retiree Health Insurance	8,209	5,006	7,192	(18,417)	(4,329)	(2,339)	115,132	112,793	1,486,173	7.6%
Retiree Life Insurance	879	1,593	(455)	(877)	(1,526)	(386)	38,447	38,061	1,486,173	2.6%
Total	\$ 9,388	\$ 7,529	\$ 6,677	\$ (20,116)	\$ (17,632)	\$ (14,154)	\$ 181,632	\$ 167,478		
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	\$ 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	Total	
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 2024:

Changes of Benefit Terms: There were no changes of benefit terms for the plan year ended June 30, 2024.

Changes in Assumptions: The discount rate increased to 4.21% as of June 30, 2024. 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%.

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



REQUIRED SUPPLEMENTARY INFORMATION (RSI) OTHER POSTEMPLOYMENT BENEFIT PLANS

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%.



Autumn Leaves in Dunn's Woods

IU Bloomington

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