



INDIANA STATE

**FINANCIAL REPORT | 2024-2025**





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# MESSAGE FROM THE PRESIDENT

**Dear Members of the Indiana State University Community,**

As we continue another exciting year at Indiana State University, I am inspired by the progress and purpose that continue to define our Sycamore community. Our shared commitment to student success, innovation, and engagement remains the foundation of all we do and the driving force behind our bright future.

Over the past year, we have made remarkable strides. The Be So Bold campaign exceeded expectations, raising more than \$133 million to support scholarships, experiential learning, faculty excellence, and Sycamore Athletics. This achievement reflects the collective belief in Indiana State's mission and the transformative power of education. I extend my heartfelt gratitude to our alumni, donors, faculty, staff, and students whose dedication fuels our momentum.

Our campus is also transforming. Renovations to the Bailey College of Engineering and Technology are well underway, creating state-of-the-art learning environments that will empower future innovators. We are on track to complete the project by the end of 2026, and I look forward to welcoming everyone to these transformative new facilities in the coming years.

Similarly, new partnerships such as the landmark collaboration with Thompson Thrift demonstrate how we are aligning education with real-world experience and industry needs. This public-private partnership will drive experiential learning, professional mentorship, and industry-aligned curricula for students of the newly named Thompson Thrift Department of Construction Management.

Indiana State's story is one of progress, perseverance, and pride. Together, we will continue to honor our legacy, embrace change with confidence, and shape a future that reflects the very best of who we are as Sycamores.



Sincerely,

A handwritten signature in black ink that reads "Mike Godard". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Mike Godard, Ph.D.  
President, Indiana State University



# LETTER OF TRANSMITTAL

## Dear President Godard and Trustees of Indiana State University:

As the new Vice President for Finance and Administration and University Treasurer, I am honored to introduce the Annual Financial Report of Indiana State University for the fiscal year ended June 30, 2025. This report represents the collective efforts of our dedicated finance staff and greater campus community to uphold the highest standards of financial stewardship and accountability.

Included within this report are the audited financial statements, prepared in accordance with the rigorous guidelines established by the Governmental Accounting Standards Board (GASB) and independently examined by the Indiana State Board of Accounts. University management assumes full responsibility for the accuracy, completeness, and transparency of all financial information and disclosures contained herein.

The unmodified audit opinion, which reflects the most favorable assessment of our financial practices, can be found on pages 4 through 7 of this report. These financial statements provide a comprehensive summary of Indiana State University's financial position and operational results for the past year. The Management's Discussion and Analysis (MD&A) section offers further context, detailing significant financial activities, strategic decisions, and noteworthy events that shape our financial landscape.

The audit outcome reaffirms our dedication to sound financial management, transparency, and the responsible use of resources entrusted to us by our patrons. We continue to seek innovative approaches and prudent practices that support the long-term sustainability of the University and advance our mission of excellence in higher education.

On behalf of Indiana State University, I extend sincere gratitude to the State of Indiana for its steadfast support and partnership. The state's investment in higher education empowers us to provide transformative opportunities for our students and to serve the broader west-central Indiana community with distinction.

Thank you for your continued trust in Indiana State University. We look forward to another year of progress, collaboration, and achievement.



Sincerely,

*Seth Hinshaw*

Seth Hinshaw

Vice President for Finance and Administration and University Treasurer  
Indiana State University

# INDEPENDENT AUDITOR'S REPORT



Paul D. Joyce, CPA  
State Examiner

## INDIANA STATE BOARD OF ACCOUNTS

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### INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF INDIANA STATE UNIVERSITY, TERRE HAUTE, INDIANA

#### Report on the Audits of the Financial Statements

##### *Opinions*

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit, and the fiduciary activities of Indiana State University (University), a component unit of the State of Indiana, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the Table of Contents.

In our opinion, based on our audits and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, and the fiduciary activities of the University, as of June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Indiana State University Foundation, Inc. (Foundation), a component unit of the University as described in Note 1, which represents 100 percent, 100 percent, and 100 percent, respectively, of the total assets, net position, and revenues of the discretely presented component unit as of June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended. Those statements, which were audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with *Government Auditing Standards*, were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the reports 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.



## INDEPENDENT AUDITOR'S REPORT (Continued)

### ***Emphasis of Matter***

As discussed in Note 1. to the financial statements, in fiscal year 2025, the University adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

As discussed in Note 1., Q. to the financial statements, the University presented a prior period adjustment at July 1, 2024, to current liabilities, noncurrent liabilities, and net position to reflect changes from the implementation of GASB 101.

### ***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.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the 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.

## INDEPENDENT AUDITOR'S REPORT (Continued)

- 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 Management's Discussion and Analysis, the Schedule of Indiana State University's Proportionate Share of the Net Pension Liability - Public Employees' Retirement Fund Defined Benefit Account (PERF DB), the Schedule of Indiana State University's Contributions - Public Employees' Retirement Fund Defined Benefit Account (PERF DB), the Schedule of Indiana State University's Changes in Net OPEB Liability and Related Ratios, and the Schedule of Indiana State University's OPEB Contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Management is responsible for the other information included in the annual reports. The other information comprises the Message from the President, Letter of Transmittal, Home Counties of Indiana State University Students, and Board of Trustees and University Administration, but does not include the basic financial statements and our auditor's reports thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our reports.



INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2025, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 the 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 the University's internal control over financial reporting and compliance.



Beth Kelley, CPA, CFE  
Deputy State Examiner

October 30, 2025

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## INTRODUCTION

The following discussion and analysis provides an overview of the financial position and activities of Indiana State University (the University) for the fiscal years ended June 30, 2025 and 2024, along with comparative financial information for the fiscal year ended June 30, 2023. This overview complies with Governmental Accounting Standards Board (GASB) principles, GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, as amended by GASB Statements No. 37 and No. 38. This discussion has been prepared by management and should be read in conjunction with the accompanying financial statements and the notes that follow this section.

Indiana State University is a public university located in Terre Haute, Indiana, and was founded in 1865 as a result of legislation enacted by the General Assembly. Indiana State University is a doctoral R3, residential institution offering a diverse range of degrees including bachelor, master, doctoral degrees and certificate programs through the College of Arts and Sciences, Scott College of Business, Bayh College of Education, Bailey College of Engineering and Technology, and College of Health and Human Services.

## USING THE FINANCIAL STATEMENTS

The University's financial report includes three financial statements: (1) the Statement of Net Position; (2) the Statement of Revenues, Expenses, and Changes in Net Position; and (3) the Statement of Cash Flows.

The Statement of Net Position provides a summary view of the assets, liabilities, deferred inflows and outflows, and net position of the University and classifies assets and liabilities as either current or non-





current. Current assets include those that may be used to support regular ongoing operations, such as cash and cash equivalents, accounts receivable, and inventories. Deferred outflows of resources are items that represent a decrease in net position applicable to a future reporting period. Current liabilities are those items which are estimated to become due and payable within the next fiscal year. Non-current assets include capital assets, certain receivables, and long-term investments. Non-current liabilities include long-term bonds and leases payable. Deferred inflows of resources represent an increase of net position applicable to a future reporting period.

The Statement of Revenues, Expenses, and Changes in Net Position summarizes financial performance for the year and explains the changes in the year-end net position.

The Statement of Cash Flows reconciles the beginning and ending balances of cash and cash equivalents and identifies all sources and uses of cash during the fiscal year.

The Governmental Accounting Standards Board (GASB) requires the inclusion of financial statements for all significant University component units. As of June 30, 2025, the Indiana State University Foundation is the only component unit to be included. The Foundation is a nonprofit organization that is subject to reporting guidelines governed by the Financial Accounting Standards Board (FASB); accordingly, certain revenue recognition criteria and presentation features are different from established GASB standards. No modifications have been made to the Indiana State University Foundation's financial information in the University's financial reporting presentation for these differences.

In addition to the basic financial statements above, GASB Statement No. 84, *Fiduciary Activities*, implemented in fiscal year 2021, requires the University to report fiduciary activities in Fiduciary Fund Financial Statements. Indiana State University has two activities in which the University controls the assets that fit this criteria: (1) an other post-employment benefit plan (OPEB) administered through a trust, and (2) custodial funds that represent student and faculty organization activities. The University provides the Statement of Fiduciary Net Position, reporting assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and the Statement of Changes in Fiduciary Net Position, reporting additions and deductions, for both activities.

## CHANGES IN ACCOUNTING PRINCIPLES

Effective with fiscal year 2025, the University implemented GASB Statement No. 101, *Compensated Absences*. This statement objective is to meet the needs of financial statement users by updating the recognition and measurement guidance for compensated absences. 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 or settled. The University recognized short term and long term liabilities for additional sick time accrual that had not been previously reported. The result of restating 2024 financial statements was recognizing an increased \$7.4 million Compensated Absences and Termination Liability and a \$7.1 million liability for 2025.

Effective with fiscal year 2023, the University implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). Implementing the statement requires recognition of an intangible right-to-use subscription asset and a corresponding subscription liability. Due to the immaterial nature of these entries, no entries were posted as a result of GASB 96 for the year ended June 30, 2022. In order to ensure comparability with other Universities, the University has included the reflection of GASB 96 in 2024 and restated 2023 financial statements. As a result, the University right-to-control assets total \$8,784,230 in 2024 and \$9,549,463 in 2023.

## STATEMENT OF NET POSITION

The Statement of Net Position presents the financial position of the University at the end of the fiscal year and includes all assets, liabilities and deferred inflows and outflows. The difference between total assets, total liabilities, and total deferred inflows and outflows is the net position, which is one measure of the financial condition of the University. Changes in net position are an indicator of whether the overall financial condition has improved or declined during the year. Assets, liabilities, and deferred inflows and outflows are generally measured at historical values in accordance with generally accepted accounting principles. One notable exception is investments, which are recorded at fair market value as of the date of the financial statements. A summarized comparison of the University's assets, liabilities, deferred inflows and outflows, and net position at June 30, 2025, 2024 and 2023 is as follows:

Condensed Statement of Net Position			
Year Ended June 30 (in millions)	2025	2024*Restated	2023* Restated
Current assets	\$ 39.7	\$ 42.4	\$ 35.9
Non-current assets:			
Capital assets, net of depreciation/amortization	559.9	555.0	571.7
Other non-current	143.0	150.3	155.8
<b>Total Assets</b>	<b>\$ 742.6</b>	<b>\$ 747.7</b>	<b>\$ 763.4</b>
<b>Deferred Outflow of Resources</b>	<b>\$ 12.7</b>	<b>\$ 13.4</b>	<b>\$ 12.2</b>
Current liabilities	\$ 46.2	\$ 41.2	\$ 46.0
Noncurrent liabilities	201.5	220.6	232.6
<b>Total Liabilities</b>	<b>\$ 247.7</b>	<b>\$ 261.8</b>	<b>\$ 278.6</b>
<b>Deferred Inflow of Resources</b>	<b>\$ 8.2</b>	<b>\$ 11.3</b>	<b>\$ 7.4</b>
<b>Total Net Position</b>	<b>\$ 499.4</b>	<b>\$ 488.0</b>	<b>\$ 489.6</b>

\*See Note 1 in Notes to Financial Statements

## ASSETS

Current assets consist primarily of cash and cash equivalents, short-term investments, accrued interest, accounts receivables net of allowances, other receivables, and prepaid expenses. Non-current assets include net capital assets, long-term investments, note receivables net of allowance, net lease assets, net subscriptions assets, net other post-employment benefit (OPEB) asset, lease receivable, and endowment investments. Total assets decreased by \$4.9 million in 2025 as compared to a \$15.8 million decrease in 2024. This represents a 0.7 percent decrease in 2025 and a 2.1 percent decrease in 2024.

- Cash and cash equivalents, short-term investments, and long-term investments decreased by \$8.8 million. This reduction reflects the utilization of unrestricted reserves to support ongoing operations. Additionally, the University allocated funds to several capital projects, including the renovation of the Technology Annex at the Bailey College of Engineering and Technology and the relocation of the Early Childhood Education Center. These expenditures are being reimbursed after they are incurred.
- Net accounts receivable decreased by \$0.7 million compared to 2024, driven by higher write-offs in 2025 and a decline in enrollment.
- Other accounts receivable increased by \$1.9 million, primarily due to additional ISU Foundation payments supporting athletic operations and other activities. The increase also reflects higher SEOG awards and reimbursements from IU Medical Center.



- Notes receivable current and non-current decreased by \$0.4 million. As of June 30, 2025, the Department of Education had accepted \$0.3 million of Indiana State University assignment of loans. The remaining difference would include repayment of notes, as no new loans are issued.
- Net OPEB asset decreased by \$2.2 million. This is a result of a \$3.8 million difference in change of assumptions and a \$0.3 million difference in expected and actual experience offset by a \$2.1 million increase in value of plan assets.
- Net Lease Assets decreased by \$1.4 million due to amortization expense in fiscal year 2025.

## Capital Assets

Net capital assets increased from \$523.6 million in 2024 to \$530.0 million in 2025. This is due to increased additions to capital projects offset by increased accumulated depreciation.

An important element in the continuing quality of academic programs, research activities, and student residential life is the sustained commitment to the development and renewal of the University's capital assets. The University continues to implement its Campus Master Plan with new construction, renovation, and modernization of existing facilities. Please refer to Note 3 in the Notes to the Financial Statements for activities in capital assets, including additions and deletions of capital assets in the current fiscal year.

### Bailey College of Engineering and Technology

The 2023-25 State Budget, passed by the Indiana General Assembly, contains a \$66.0 million of cash funding for the renovation of the Technology Annex Building in the Bailey College of Engineering and Technology. This is the largest capital project funded by the State of Indiana in University history. The project will result in several modernized upgrades, including state-of-the-art instructional and laboratory space for the college. The Technology Annex Building was built in 1980. Construction began in the summer of 2024 and is to be completed by late 2026. The amount expensed through June 30, 2025, is \$15.4 million.



RATIO Architects rendering



### **Early Childhood Education Development Center**

Based on the engagement of community stakeholders through surveys, focus groups and meetings, public presentations, and an analysis of existing early childhood data for the region and state, a need for expanded access to high quality and affordable childcare opportunities was identified as a priority. Relocation and expansion of the ISU Early Childhood Education Development Center from its current location to the Chestnut Building, adjacent to the Bayh College of Education, provides for an improved and expanded modern facility to serve the needs of the Wabash Valley and the University. Project scope includes upgrades to building mechanical, electrical, and fire suppression systems to meet State childcare licensing and national accreditation standards as well as installation of a new elevator to serve the needs of the facility including appropriate security access. Funding for the project will consist of a \$3.0 million grant from Vigo County and \$1.0 million from the City of Terre Haute through American Recovery Plan Act (ARPA) funding, \$1.0 million from the Wabash River Regional Development Authority through READI grant funding, and a \$4.8 million grant from the Lilly Endowment as a part of the Colleges and Community Collaboration Initiative. Construction began in July 2024 with project completion in August 2025. As of June 30, 2025, the project has expensed \$8.8 million.

### **DEFERRED OUTFLOW OF RESOURCES**

Deferred outflow of resources, which represents the consumption of resources to a future period, decreased by \$0.7 million. The majority of this decrease is due to the deferred outflows related to pensions. (PERF DB) reflecting the differences between expected and actual experience and the net difference between projected and actual investment earnings on pension plan investments.

### **LIABILITIES**

Current liabilities include accounts payable, unearned revenue, the current portion of lease payables, the current portion of subscriptions payables, and the current portion of long-term debt. Non-current liabilities consist primarily of bonds payable, lease payable, net pension liability, subscription payables, and advances from federal government. Total liabilities decreased by \$14.0 million in 2025 as compared to a \$16.9 million decrease in 2024. This represents a 5.4 percent decrease in 2025 compared to a 6.1 percent decrease in 2024. Key changes in current year liabilities are as follows:

- Accounts payable increased by \$3.7 million. This is attributed to construction of the Bailey College of Engineering and Technology and utility expense.
- Other current liabilities increased by \$0.9 million as unpaid medical expenses increased in 2025.
- Current and non-current compensated absences and termination benefits decreased by \$0.4 million reflecting reduced sick leave and vacation time liability.



- Current and non-current bonds payable declined by \$16.3 million due to bond payments made in 2025 and no new debt issued.
- Advances from federal government decreased by \$0.6 million as \$0.3 million was returned and \$0.3 million of notes were assigned to the federal government.
- Current and non-current lease payables decreased \$1.2 million due to payments made in 2025.
- Current and non-current subscription payables increased by \$0.1 million reflecting payments and purchases incurred in 2025.

## DEFERRED INFLOW OF RESOURCES

Deferred inflow of resources represents acquisitions of resources to a future period. These consist of the service concession arrangement with Sodexo for food service operation, inflows related to pensions and other post-employment benefits, and leases. Deferred inflow of resources decreased by \$3.1 million in 2025 as compared to an increase of \$3.9 million in 2024.

- The deferred inflows related to OPEB decreased by \$2.6 million reflecting the difference between expected and actual experiences and changes in assumptions.
- Deferred inflows related to lease receivable decreased by \$0.2 million.

## NET POSITION

Net position represents the residual value of the University's assets and deferred outflows after liabilities and deferred inflows are deducted. The University's net position at June 30, 2025, 2024 and 2023 are summarized in the table that follows:

Condensed Net Position			
Year Ended June 30 (in millions)	2025	2024*Restated	2023*Restated
<b>Net Investments in capital assets</b>	<b>\$ 352.8</b>	<b>\$ 330.2</b>	<b>\$ 327.6</b>
Restricted	47.8	49.2	42.3
Unrestricted	98.8	108.6	119.7
<b>Total net position</b>	<b>\$ 499.4</b>	<b>\$ 488.0</b>	<b>\$ 489.6</b>

\*See Note 1 in Notes to Financial Statements

Net investment in capital assets reflects the University's capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of these assets. Net investment in capital assets increased \$22.6 million in 2025 and increased \$2.6 million in 2024 for a total increase of \$25.2 million since 2023. The overall increase of net investment in capital assets resulted from the construction of the Bailey College of Engineering and Technology and the Early Childhood Educational Development Center.

Restricted net position is subject to externally imposed restrictions governing its use. Restricted non-expendable net position represents funds held for scholarships and fellowships, and OPEB assets. Restricted expendable net position includes funds for research, loans, and funds limited to construction and renovation. The restricted position was restated for 2023 to stay in compliance with GASB standards in presenting net OPEB assets as a restricted net position. Restricted net position decreased by \$1.4 million in 2025 reflecting unspent state repair and replacement funds and decreased OPEB assets.

Although unrestricted net position is not subject to externally imposed stipulations, all of the University's unrestricted net position has been internally designated for various ongoing needs of the University, including debt service, capital projects, University initiatives, benefit claims, technology improvements, and academic and administrative activities.



Unrestricted net position has decreased \$20.9 million from 2023. The decrease of \$11.1 million in 2024 reflected \$7.1 million of sick liability to comply with GASB 101. The remaining reduction of \$3.9 million in 2024 and the reduction of \$9.8 million in 2025 reflected lower enrollments and use of funds for operations.

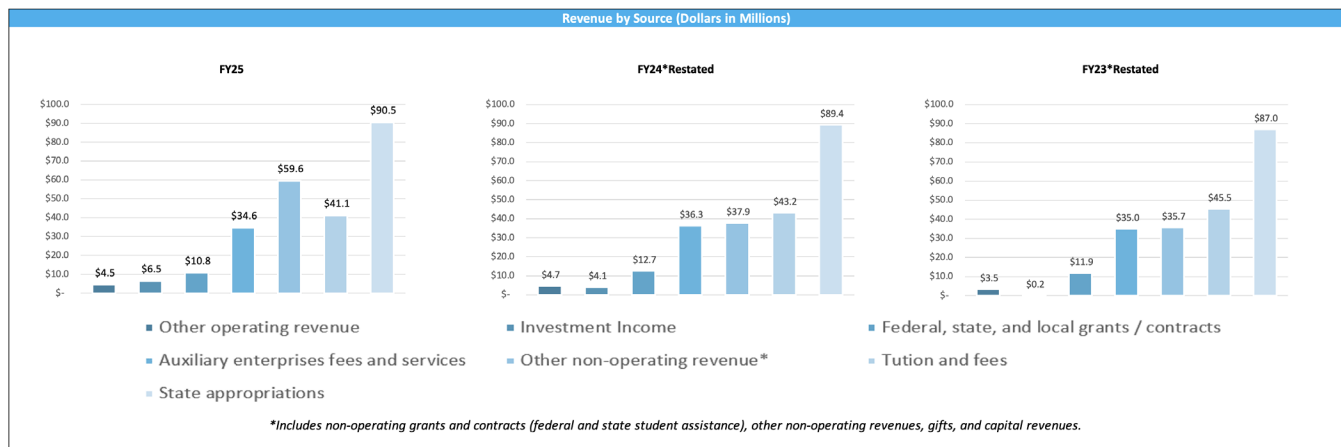
## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position presents the University's results of operations for the identified fiscal year periods. A summarized comparison of the University's revenues, expenses, and changes in net position for the years ended June 30, 2025, 2024 and 2023 is as follows:

Condensed Statement of Revenues, Expenses, and Changes in Net Position			
Year Ended June 30 (in millions)	2025	2024 Restated	2023 Restated
Operating Revenues	91.0	96.9	95.9
Operating Expenses	(227.9)	(215.9)	(226.8)
<b>Operating Loss</b>	<b>\$ (136.9)</b>	<b>\$ (119.0)</b>	<b>\$ (130.9)</b>
Non-operating Revenues	134.1	127.5	121.1
Non-operating Expenses	(8.2)	(6.7)	(7.8)
<b>Income before other revenues, expenses, gains or losses</b>	<b>\$ (11.0)</b>	<b>\$ 1.8</b>	<b>\$ (17.6)</b>
Other Revenues	22.4	4.0	1.7
<b>Increase in Net Position</b>	<b>\$ 11.4</b>	<b>\$ 5.8</b>	<b>\$ (15.9)</b>
Net Position-Beginning of Year	488.0	489.6	505.5
Prior-period Adjustment for Change in Accounting Principle	-	(7.4)	-
<b>Net Position-End of Year</b>	<b>\$ 499.4</b>	<b>\$ 488.0</b>	<b>\$ 489.6</b>

Activities are reported as either operating or non-operating. The major sources of operating revenues include student fees and auxiliary enterprises fees and services. These operating revenues are reduced by discounts and allowances for scholarships for tuition, room and board, and allowance for bad debt expense. Discounts and allowances are institutional resources provided to students as financial aid up to and equal to the amounts owed by students to the University.

An important item to recognize is that state appropriations and non-exchange governmental and non-governmental grants and contracts are required to be classified as non-operating revenues. This creates a large operating deficit that is offset by state funding and governmental grants to meet their operating needs. The change in net position is a better indicator of the financial activity of the University as compared to previous years.



## REVENUES

Operating revenues decreased by \$5.9 million from 2024 and are down \$4.9 million from 2023. The factors concerning 2025 operating revenues are listed below.

- Net students' tuition and fees decreased by \$2.2 million in 2025.
  - Gross student tuition and fees decreased \$0.3 million. Fall enrollment declined from 8,305 in Fall 2023 to 7,895 in Fall 2024. There was a 2.75 percent increase in tuition for fiscal year 2024-25.
  - The increase in scholarship allowance of \$1.9 million is due to increased federal, state, and University aid.
- Net revenues from auxiliary enterprises decreased \$1.6 million in 2025.
  - Gross auxiliary enterprise fees and services decreased by \$0.8 million due to reduction of Athletic revenues.
  - Scholarship allowances increased \$0.9 million reflecting additional housing scholarships for freshmen.
- Income from operating grants and contracts decreased by \$1.9 million. Federal grants decreased by \$1.5 million reflecting grants that ended in 2024 from the Small Business Administration and U.S. Department of Health and Human Services, and decreased Early Childhood Education Center spending due to ARPA funded projects coming to an end. State grants decreased by \$0.3 million while non-governmental grants decreased by \$0.1 million.
- Other operating revenues decreased by \$0.1 million.

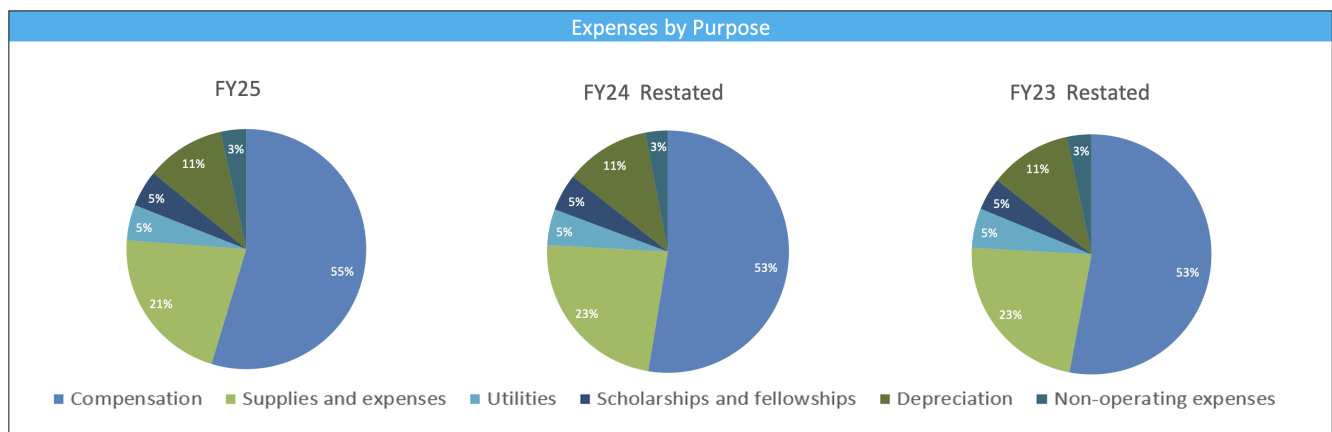
Non-operating revenues increased from \$127.5 million in fiscal year 2024 to \$134.1 million fiscal year 2025. The following represents the changes for 2025.

- State appropriation increased from \$89.4 million in 2024 to \$90.5 million in 2025.
- Gifts revenues increased by \$0.3 million in 2025. This is a result of increased Indiana State University Foundation support including College of Business Special Projects and Porter Fellows.
- Investment income grew by \$2.5 million as bonds have provided stability during the tariff-related volatility while delivering solid returns.
- Non-operating grants and contracts from all sources increased \$2.9 million resulting from increased Pell and SEOG funding of \$2.3 million and state financial aid funding of \$0.6 million.
- Other non-operating revenues decreased by \$0.1 million in 2025.

Other revenues increased by \$18.5 million.

- Capital appropriations. State repair and rehabilitation funding totaled \$1.9 million for both 2024 and 2025. The Bailey College of Engineering and Technology was funded \$11.4 million for 2025 with \$2.5 million of this set up as a state receivable.
- Capital gifts and grants. This included \$8.2 million for the Early Childhood Education Development Center.

A comparative summary of the University's expenses for the years ended June 30, 2025, 2024 and 2023 is as follows:



## EXPENSES

Total operating expenses increased by \$1.1 million from \$226.8 million in 2023 to \$227.9 million for 2025. The \$12.1 million increase in operating expense from 2024 to 2025 is attributed to the following:

- Net compensation and employee benefits increased by \$12.0 million. Compensation and employee benefits increased by \$10.9 million. This reflects a number of changes in 2025 including the adjustment for the change in accounting estimate in 2024, pay increase of 3.5 percent in 2025, additional medical claims, and change in the PERF actual experience. The OPEB expense increased by \$1.2 million due to changes in assumptions and the difference between projected and actual earnings on plan investments.
- Supplies and expenses decreased by \$1.1 million resulting from decreased Sodexo dining charges, UAP Clinic charges, search costs, and credit card processing fees.
- Scholarships and fellowships increased by \$0.6 million reflecting growth in federal and institutional aid in 2025.
- Utilities expense increased by \$0.6 million due to increased water, sewage, and natural gas partially offset by reduced electrical costs.
- During 2025, we had a moderate decline in depreciation and amortization expenses amounting to \$0.1 million.

Non-operating expenses increased by \$1.5 million. This increase is primarily attributed to the \$2.1 million transfer of off-campus properties to the City of Terre Haute through its Redevelopment Commission for the purpose of having primarily owner-occupied, single-family homes constructed upon them. Interest on capital asset related debt decreased by \$0.5 million reflecting decreased interest obligations as no new debt was issued in 2025.

Effective with fiscal year 2021, the University implemented GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation, activities previously reported by the University as internal agency-like funds were analyzed to determine if those activities qualified for fiduciary fund reporting. All activities not requiring fiduciary fund reporting were moved to other funds within the University's business-type activities, and financial reporting for those activities were adjusted. Activities requiring fiduciary fund reporting were moved out of agency-like funds into fiduciary funds.

## STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides information about the University's financial health and performance by identifying the major sources and uses of cash. The statement assists the reader in evaluating the entity's ability to generate future net cash flows to meet obligations as they come due.

## ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

Due to a stagnant revenue outlook and looming cost pressures, the State of Indiana's 2025-2027 biennial budget introduced new headwinds for Indiana State University through a 5 percent, or \$3.9 million, reduction in appropriations paired with an additional withholding of up to 5 percent, or \$3.7 million, in both FY 2026 and FY 2027 for a total potential reduction of \$7.6 million per year, or 4.5 percent of FY25 budgeted income. However, a higher-than-expected FY 2025 state surplus combined with stronger than expected revenues in Q1 give reason for optimism that some or all state withholding will be released.

In response to the reduction in state appropriations, the University implemented the following immediate actions:

- Prioritizing critical personnel hires and thoroughly evaluating vacant positions to determine organizational necessity.
- Restricting discretionary expenditures to ensure resources are allocated to initiatives that directly support student success.

- Maintaining a strong focus on efficient and effective academic scheduling to optimize instructional delivery.

Furthermore, the University enacted the following long-term structural adjustments:

- Streamlining administrative operations to enhance organizational effectiveness.
- Improving the efficiency of auxiliary services and concentrating efforts on activities aligned with the University's core mission.
- Investing in innovative, evidence-based strategies to drive enrollment growth and better serve future students.

Indiana State University has pledged to maintain resident tuition rates at current levels for both the 2025-2026 and 2026-2027 academic years. While this commitment promotes affordability and supports enrollment stability, it simultaneously limits the University's capacity to address inflation-related cost increases through tuition adjustments.

Indiana State University welcomed a historic freshman class of 1,602 students for fall of 2025 — the largest year of growth since 2020. Total enrollment grew 2.4 percent, reversing a multi-year decline and exceeding the statewide public four-year university average of 1 percent. The average grade-point average for first-time, full-time freshman increased from 3.27 to 3.30 on a 4.0 scale. Growth in the Honors College continued with a record 18.8 percent, or 1,195, of undergraduate students participating, which is up from 17.1 percent in the previous year. While total enrollment grew, graduate enrollment declined by 9.5 percent, partially driven by an 18.1 percent decline in international graduate enrollment.

Indiana State University will offer automatic admissions and a \$3,000 scholarship to Indiana students who earn the new Enrollment Honors Plus Seal as part of the state's updated high school diploma framework. This incentive helps attract academically prepared students to the University.

Under the leadership of President Michael Godard, the University will release its new strategic plan in January of 2026. The plan will focus on three priorities:

- Innovative Curriculum
- Exceptional Student Experience
- Unified People and Processes

This new strategic plan, guided by a Culture of Care and focus on Career Connectedness, will inform the University's decision making while ensuring long-term competitiveness and institutional strength in a rapidly changing higher education landscape.

The University community's commitment to philanthropic advancement was highlighted by the success of the Be So Bold campaign, which exceeded its fundraising goal, ending with total commitments exceeding \$133 million. These funds will provide vital support for continued enrollment and persistent growth through scholarships and strategic initiatives for years to come.

The University eagerly anticipates reopening the Bailey College of Engineering and Technology Annex in January of 2027 following a historic, record setting capital investment of \$66.0 million by the state. The addition of state-of-the-art STEM labs in the renovated Annex is expected to drive increased enrollment by attracting students seeking modern facilities and innovative learning environments that mirror the modern professional environment. The Bailey Technology Annex will be home to the newly named Thompson Thrift Department of Construction Management, following a \$1.4 million gift to the College. This partnership will ensure the new facility is utilized to its fullest potential as it drives future enrollment growth.

Indiana State University will continue to focus on providing a challenging academic environment that prepares students to become leaders in the communities and the modern workplace.



# Indiana State University

## Statement of Net Position

As of June 30, 2025 and June 30, 2024

	2025	Restated 2024
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 7,032,078	\$ 13,051,604
Short-term investments	10,518,992	8,620,868
Accrued interest	871,191	1,028,631
Accounts receivable (net of allowance of \$5,629,533 for 2025 and \$5,563,885 for 2024)	12,303,397	13,022,705
Other accounts receivable	2,790,204	933,777
Grants receivable	728,011	1,161,652
State receivable	2,462,301	1,196,517
Notes receivable	211,822	509,730
Lease receivable	196,546	204,701
Prepaid expenses	2,590,627	2,630,404
Inventories	585	132
Total current assets	<u>\$ 39,705,754</u>	<u>\$ 42,360,721</u>
Non-current assets		
Endowment investments—held in trust	\$ 893,913	\$ 827,580
Deposits with bond trustee	99,577	83,433
Notes receivable (net of allowance of \$47,903 for 2025 and \$97,022 for 2024)	219,308	363,466
Lease receivable, non-current option	1,291,513	1,544,393
Other long-term investments	99,952,500	104,620,579
Net OPEB asset	40,607,410	42,812,535
Capital assets (net of accumulated depreciation of \$397,074,394 for 2025 and \$383,935,250 for 2024)	529,928,178	523,624,440
Lease Assets (net of accumulated amortization \$11,458,918 for 2025 and \$10,062,562 for 2024)	21,201,743	22,598,099
Subscriptions Assets (net of accumulated amortization \$13,892,599 for 2025 and \$9,978,973 for 2024)	8,783,299	8,784,230
Total non-current assets	<u>\$ 702,977,441</u>	<u>\$ 705,258,755</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 742,683,195</u></u>	<u><u>\$ 747,619,476</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	\$ 3,710,245	\$ 4,273,003
Deferred outflows related to OPEB	8,971,565	9,158,407
Total deferred outflows of resources	<u>\$ 12,681,810</u>	<u>\$ 13,431,410</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	\$ 8,404,446	\$ 4,692,590
Accrued payroll and deductions	2,589,495	2,623,502
Accrued interest liability	335,266	233,821
Unearned revenue	5,410,348	5,613,966
Other current liabilities	1,929,299	1,022,102
Bonds payable	16,414,409	16,257,670
Compensated absences and termination benefits	5,151,397	4,910,012
Lease payable	1,255,905	1,206,576
SBITA payable	3,002,435	2,780,026
Debt interest payable	1,667,429	1,834,751
Total current liabilities	<u>\$ 46,160,429</u>	<u>\$ 41,175,016</u>
Non-current liabilities		
Bonds payable	\$ 158,582,298	\$ 174,996,707
Compensated absences and termination benefits	5,535,396	6,144,540
Lease payable	23,279,330	24,535,235
Net pension liability	8,827,857	8,792,983
SBITA payable	5,147,685	5,316,907
Advances from Federal Government	176,913	794,611
Total non-current liabilities	<u>\$ 201,549,479</u>	<u>\$ 220,580,983</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 247,709,908</u></u>	<u><u>\$ 261,755,999</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred service concession arrangement	\$ 868,703	\$ 1,013,487
Deferred gain on early retirement of debt	442,172	486,531
Deferred inflows related to lease receivable	1,397,066	1,616,000
Deferred inflows related to pensions	943,618	1,017,453
Deferred inflows related to OPEB	4,564,112	7,168,559
Total deferred inflows of resources	<u>\$ 8,215,671</u>	<u>\$ 11,302,030</u>
<b>NET POSITION</b>		
Net investment in capital assets	\$ 352,805,434	\$ 330,237,465
Restricted for:		
Non-expendable:		
Scholarships and fellowships	893,913	827,580
OPEB	40,607,410	42,812,535
Expendable:		
Research and other grants	-	80,245
Loans	1,578,850	1,614,052
Capital projects	4,770,109	3,866,818
Unrestricted	98,783,710	108,554,162
<b>TOTAL NET POSITION</b>	<u><u>\$ 499,439,426</u></u>	<u><u>\$ 487,992,857</u></u>

**Indiana State University**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
For the Years Ended June 30, 2025 and June 30, 2024

	<b>2025</b>	<b>Restated 2024</b>
<b>OPERATING REVENUES</b>		
Tuition and fees	\$ 76,164,260	\$ 76,431,018
Scholarship allowances for tuition and fees	(34,245,299)	(32,366,221)
Other allowances	(836,847)	(815,710)
Net tuition and fees	<u>41,082,114</u>	<u>43,249,087</u>
Federal grants and contracts	3,813,854	5,345,886
State and local grants and contracts	433,586	714,619
Non-governmental grants and contracts	<u>6,543,292</u>	<u>6,665,075</u>
Total grants and contracts	<u>10,790,732</u>	<u>12,725,580</u>
Auxiliary enterprises fees and services	50,718,236	51,522,176
Scholarship allowances for room and board	(15,508,105)	(14,595,765)
Other allowances	(577,360)	(658,817)
Net auxiliary enterprises fees and services	<u>34,632,771</u>	<u>36,267,594</u>
Other operating revenues	<u>4,542,690</u>	<u>4,683,016</u>
Total operating revenues	<u>\$ 91,048,307</u>	<u>\$ 96,925,277</u>
<b>EXPENSES</b>		
Compensation and employee benefits	\$ 129,318,880	\$ 118,445,980
OPEB expense	(212,480)	(1,388,147)
Net compensation and benefits	<u>129,106,400</u>	<u>117,057,833</u>
Supplies and expenses	50,718,630	51,831,929
Utilities	11,337,536	10,705,722
Scholarships and fellowships	11,629,426	11,017,044
Depreciation and amortization	<u>25,142,674</u>	<u>25,271,683</u>
Total operating expenses	<u>\$ 227,934,666</u>	<u>\$ 215,884,211</u>
Operating loss	<u>\$ (136,886,359)</u>	<u>\$ (118,958,934)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	\$ 90,476,446	\$ 89,438,984
Gifts	1,269,930	926,437
Investment income (net of investment expenses of \$370,476 for 2025 and \$420,501 for 2024)	6,537,140	4,060,354
Interest on capital asset related debt	(6,164,469)	(6,703,368)
Non-operating grants and contracts	34,389,623	31,492,868
Other non-operating revenues	1,455,069	1,606,503
Other non-operating expenses	(2,080,866)	-
Net non-operating revenues	<u>\$ 125,882,873</u>	<u>\$ 120,821,778</u>
Income (loss) before other revenues, expenses, gains, or losses	<u>\$ (11,003,486)</u>	<u>\$ 1,862,844</u>
Capital appropriations	\$ 13,345,851	\$ 3,490,022
Capital grants and gifts	9,104,204	433,300
Total other revenues	<u>\$ 22,450,055</u>	<u>\$ 3,923,322</u>
Increase (decrease) in net position	<u>\$ 11,446,569</u>	<u>\$ 5,786,166</u>
<b>NET POSITION</b>		
Net position—beginning of year	\$ 487,992,857	\$ 489,607,959
Prior period adjustment for change in accounting principle	-	(7,401,268)
Restated net position at beginning of year	<u>\$ 487,992,857</u>	<u>\$ 482,206,691</u>
Net position—end of year	<u>\$ 499,439,426</u>	<u>\$ 487,992,857</u>

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

**Indiana State University**  
**Statement of Cash Flows**  
For the Years Ended June 30, 2025 and June 30, 2024

	<b>2025</b>	<b>Restated 2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 37,847,510	\$ 41,872,012
Grants and contracts	11,007,450	12,107,528
Auxiliary enterprises	31,224,600	33,360,339
Payments to suppliers	(63,538,931)	(67,797,020)
Payments to employees	(67,396,826)	(66,246,231)
Payments for benefits	(56,675,952)	(53,284,811)
Payments to students	(7,706,342)	(8,005,641)
Return of Perkins loan funds	(322,823)	(418,959)
Student loans collected	95,288	399,983
Other receipts	4,271,046	4,665,044
Net cash used by operating activities	<u>\$ (111,194,980)</u>	<u>\$ (103,347,756)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
State appropriations	\$ 90,476,446	\$ 89,438,984
Direct loan program receipts	10,542,939	11,618,754
Direct loan program disbursements	(10,542,939)	(11,618,754)
Non-operating grants and contracts	34,477,010	31,325,578
Gifts and other non-operating income	2,853,017	2,465,368
Net cash provided by non-capital financing activities	<u>\$ 127,806,474</u>	<u>\$ 123,229,930</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Capital appropriations received	\$ 12,080,067	\$ 2,293,505
Capital gifts and grants received	9,110,907	362,555
Proceeds from bond issue	-	-
Costs of issuance	-	-
Cash paid for capital assets	(26,192,122)	(4,982,139)
Principal and interest paid on capital debt and leases	(27,619,315)	(27,516,762)
Net cash used by capital financing activities	<u>\$ (32,620,462)</u>	<u>\$ (29,842,841)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	\$ 7,516,751	\$ 17,929,936
Income from investing activities	5,614,928	2,582,587
Purchase of investments	(3,142,237)	(2,821,170)
Net cash provided by (used by) investing activities	<u>\$ 9,989,443</u>	<u>\$ 17,691,353</u>
Net decrease in cash and cash equivalents	<u>\$ (6,019,526)</u>	<u>\$ 7,730,686</u>
Cash and cash equivalents—beginning of year	<u>\$ 13,051,604</u>	<u>\$ 5,320,918</u>
Cash and cash equivalents—end of year	<u>\$ 7,032,078</u>	<u>\$ 13,051,604</u>
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</b>		
Operating Loss	\$ (136,886,359)	\$ (118,958,933)
Adjustments to reconcile operating loss to net cash used by operating activities		
Depreciation expense	25,142,674	25,271,683
Other non-cash adjustments	(177,946)	(686,333)
Return of Perkins loan funds	(322,823)	(418,959)
Changes in current assets and current liabilities		
Accounts receivable	719,308	534,172
Grants receivable	433,641	(30,071)
Notes receivable	315,611	371,052
Lease receivable	8,155	(28,430)
Prepaid expenses	39,777	(170,345)
Inventories	(453)	(132)
Accounts payable	(1,649,259)	(1,968,100)
Accrued payroll and deductions	(34,007)	(212,084)
Unearned revenue	(203,618)	(5,924)
Other liabilities	907,197	(4,043,320)
Compensated absences	241,385	(748,884)
Lease payable	49,329	(1,040,849)
Notes payable	-	(6,094)
SBITA payable	222,409	(1,206,205)
Net cash used by operating activities	<u>\$ (111,194,980)</u>	<u>\$ (103,347,756)</u>

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

**Indiana State University Foundation, Inc.**  
**Consolidated Statements of Financial Position**  
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 8,783,546	\$ 10,225,604
Other assets	431,515	461,037
Investments	144,026,828	126,572,133
Contributions receivable, net	5,562,581	7,003,897
Investments held in split-interest agreements	469,576	444,661
Beneficial interest in remainder trusts	940,519	1,045,029
Right-of-use assets – operating leases	1,701,944	1,936,673
Property and equipment, net	425,781	442,010
Beneficial interest in perpetual trusts	<u>1,830,815</u>	<u>1,743,369</u>
Total assets	<u>\$ 164,173,105</u>	<u>\$ 149,874,413</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 2,815,291	\$ 973,407
Due to Indiana State University	893,913	828,210
Note payable	1,715,473	2,370,305
Operating lease liability	1,701,944	1,936,673
Split-interest agreement obligations	<u>1,280,698</u>	<u>1,461,319</u>
Total liabilities	<u>8,407,319</u>	<u>7,569,914</u>
<b>NET ASSETS</b>		
Without donor restrictions	19,182,989	14,404,075
With donor restrictions	<u>136,582,797</u>	<u>127,900,424</u>
Total net assets	<u>155,765,786</u>	<u>142,304,499</u>
Total liabilities and net assets	<u>\$ 164,173,105</u>	<u>\$ 149,874,413</u>





# Indiana State University Foundation, Inc.

## Consolidated Statements of Activities

Years Ended June 30, 2025 and 2024

2025

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Contributions	\$ 559,931	\$ 10,864,844	\$ 11,424,775
Investment return			
Interest and dividends	1,716,295	2,075,476	3,791,771
Net realized and unrealized gains	4,294,632	8,171,502	12,466,134
Total investment return	6,010,927	10,246,978	16,257,905
Fundraising and other income	-	1,454,620	1,454,620
Change in value of split-interest agreements	(53,526)	(120,022)	(173,548)
Endowment administration fee	1,020,457	(1,020,457)	-
Other transfers between net asset classes	185,595	(185,595)	-
	7,723,384	21,240,368	28,963,752
Net assets released from restrictions	12,557,995	(12,557,995)	-
Total revenues, gains and other support	20,281,379	8,682,373	28,963,752
<b>EXPENSES</b>			
Scholarships and awards	2,712,253	-	2,712,253
Restricted and designated expenditures	10,942,495	-	10,942,495
Total program services	13,654,748	-	13,654,748
Foundation operations	1,049,730	-	1,049,730
Development and CEO	692,330	-	692,330
Alumni affairs	105,657	-	105,657
Total expenses	15,502,465	-	15,502,465
<b>CHANGE IN NET ASSETS</b>	4,778,914	8,682,373	13,461,287
<b>NET ASSETS, BEGINNING OF YEAR</b>	14,404,075	127,900,424	142,304,499
<b>NET ASSETS, END OF YEAR</b>	\$ 19,182,989	\$ 136,582,797	\$ 155,765,786

2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Contributions	\$ 651,807	\$ 14,897,550	\$ 15,549,357
Investment return			
Interest and dividends	1,194,994	1,585,538	2,780,532
Net realized and unrealized gains	4,078,068	8,502,281	12,580,349
Total investment return	5,273,062	10,087,819	15,360,881
Fundraising and other income	-	1,079,041	1,079,041
Change in value of split-interest agreements	(63,543)	204,492	140,949
Endowment administration fee	946,355	(946,355)	-
Other transfers between net asset classes	189,697	(189,697)	-
	6,997,378	25,132,850	32,130,228
Net assets released from restrictions	8,384,189	(8,384,189)	-
Total revenues, gains and other support	15,381,567	16,748,661	32,130,228
<b>EXPENSES</b>			
Scholarships and awards	2,406,080	-	2,406,080
Restricted and designated expenditures	6,886,735	-	6,886,735
Total program services	9,292,815	-	9,292,815
Foundation operations	976,082	-	976,082
Development and CEO	674,051	-	674,051
Alumni affairs	96,117	-	96,117
Total expenses	11,039,065	-	11,039,065
<b>CHANGE IN NET ASSETS</b>	4,342,502	16,748,661	21,091,163
<b>NET ASSETS, BEGINNING OF YEAR</b>	10,061,573	111,151,763	121,213,336
<b>NET ASSETS, END OF YEAR</b>	\$ 14,404,075	\$ 127,900,424	\$ 142,304,499

**Indiana State University Foundation, Inc.**  
**Consolidated Statements of Cash Flows**  
Years Ended June 30, 2025 and 2024

	<b>2025</b>	<b>2024</b>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 13,461,287	\$ 21,091,163
Items not requiring (providing) cash		
Depreciation and amortization	71,105	66,915
Credit for uncollectible contributions receivable	(87,122)	(100,114)
Net realized and unrealized gains on investments	(12,466,134)	(12,580,349)
Contributions restricted for long-term investment	(8,056,232)	(2,148,687)
Changes in		
Contributions receivable	1,528,438	1,081,521
Due from Indiana State University	-	5,705
Other assets	29,522	(33,600)
Accounts payable	1,841,884	496,042
Due to Indiana State University	65,703	69,213
Value of split-interest agreements	(101,026)	363,922
Net cash provided by (used in) operating activities	<u>(3,712,575)</u>	<u>8,311,731</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(32,605,885)	(14,727,157)
Sales and maturities of investments	27,529,878	12,954,120
Proceeds from the sale of property and equipment held for future use	-	435
Purchase of property and equipment	(54,876)	(25,737)
Net cash used in investing activities	<u>(5,130,883)</u>	<u>(1,798,339)</u>
<b>FINANCING ACTIVITIES</b>		
Repayments of note payable	(654,832)	(946,126)
Proceeds from contributions restricted for investments in permanent endowment	8,056,232	2,148,687
Net cash provided by financing activities	<u>7,401,400</u>	<u>1,202,561</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,442,058)	7,715,953
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	10,225,604	2,509,651
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 8,783,546</u>	<u>\$ 10,225,604</u>
<b>SUPPLEMENTAL CASH FLOWS INFORMATION</b>		
Interest paid	\$ 45,595	\$ 67,136



**Indiana State University**  
**Statement of Fiduciary Net Position**  
Fiduciary Funds  
As of June 30, 2025

	Other Post-Employment Benefit (OPEB) Trust Funds	Custodial Funds	Total Fiduciary Activities
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,601,291	\$ 671,672	\$ 2,272,963
Receivables:			
Accrued interest and dividends	854,423	-	854,423
Accounts receivable	-	3,275	3,275
Total receivables	<u>\$ 854,423</u>	<u>\$ 3,275</u>	<u>\$ 857,698</u>
Investments at fair value:			
Short-term investments	\$ 1,839,514	\$ -	\$ 1,839,514
Long-term investments	78,943,199	-	78,943,199
Pooled investment funds	18,042,698	-	18,042,698
Total investments	<u>\$ 98,825,411</u>	<u>\$ -</u>	<u>\$ 98,825,411</u>
<b>TOTAL ASSETS</b>	<u>\$ 101,281,125</u>	<u>\$ 674,947</u>	<u>\$ 101,956,072</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>NET POSITION</b>			
Restricted for:			
Post-employment benefits other than pensions	\$ 101,281,125	\$ -	\$ 101,281,125
Student and faculty organizations	-	674,947	674,947
<b>TOTAL NET POSITION</b>	<u>\$ 101,281,125</u>	<u>\$ 674,947</u>	<u>\$ 101,956,072</u>

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

**Indiana State University**  
**Statement of Fiduciary Net Position**  
Fiduciary Funds  
As of June 30, 2024

	Other Post-Employment Benefit (OPEB) Trust Funds	Custodial Funds	Total Fiduciary Activities
<b>ASSETS</b>			
Cash and cash equivalents	\$ 628,120	\$ 741,698	\$ 1,369,818
Receivables:			
Accrued interest and dividends	708,057	-	708,057
Accounts receivable	-	1,497	1,497
Total receivables	<u>\$ 708,057</u>	<u>\$ 1,497</u>	<u>\$ 709,554</u>
Investments at fair value:			
Short-term investments	\$ 358,344	\$ -	\$ 358,344
Long-term investments	58,545,372	-	58,545,372
Pooled investment funds	38,894,875	-	38,894,875
Total investments	<u>\$ 97,798,591</u>	<u>\$ -</u>	<u>\$ 97,798,591</u>
<b>TOTAL ASSETS</b>	<u>\$ 99,134,768</u>	<u>\$ 743,195</u>	<u>\$ 99,877,963</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>NET POSITION</b>			
Restricted for:			
Post-employment benefits other than pensions	\$ 99,134,768	\$ -	\$ 99,134,768
Student and faculty organizations	-	743,195	743,195
<b>TOTAL NET POSITION</b>	<u>\$ 99,134,768</u>	<u>\$ 743,195</u>	<u>\$ 99,877,963</u>

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

**Indiana State University**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
For the Year Ended June 30, 2025

	<b>Other Post-Employment Benefit (OPEB) Trust Funds</b>	<b>Custodial Funds</b>	<b>Total Fiduciary Activities</b>
<b>ADDITIONS</b>			
Contributions:			
Contributions from the University	\$ -	\$ 54,913	\$ 54,913
Contributions from student organizations	-	191,797	191,797
Contributions from participants	-	121,018	121,018
Contributions from faculty and staff organizations	-	481	481
Total contributions	<u>\$ -</u>	<u>\$ 368,209</u>	<u>\$ 368,209</u>
Investment earnings:			
Net increase in fair value of investments	\$ 2,249,296	\$ -	\$ 2,249,296
Interest, dividends, and other	3,881,790	-	3,881,790
Accrued interest purchased	(406,462)	-	(406,462)
Net investment earnings	<u>\$ 5,724,624</u>	<u>\$ -</u>	<u>\$ 5,724,624</u>
Total additions	<u>\$ 5,724,624</u>	<u>\$ 368,209</u>	<u>\$ 6,092,833</u>
<b>DEDUCTIONS</b>			
Medical, dental, and life insurance for retirees	\$ 3,169,973	\$ -	\$ 3,169,973
Management fees	336,767	-	336,767
Other expenses	71,527	436,457	507,984
Total deductions	<u>\$ 3,578,267</u>	<u>\$ 436,457</u>	<u>\$ 4,014,724</u>
Net increase (decrease) in fiduciary net position	2,146,357	(68,248)	2,078,109
<b>NET POSITION</b>			
Beginning	\$ 99,134,768	\$ 743,195	\$ 99,877,963
Ending	<u>\$ 101,281,125</u>	<u>\$ 674,947</u>	<u>\$ 101,956,072</u>

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

**Indiana State University**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
For the Year Ended June 30, 2024

	<b>Other Post-Employment Benefit (OPEB) Trust Funds</b>	<b>Custodial Funds</b>	<b>Total Fiduciary Activities</b>
<b>ADDITIONS</b>			
Contributions:			
Contributions from the University	\$ -	\$ 58,061	\$ 58,061
Contributions from student organizations	-	158,611	158,611
Contributions from participants	-	106,815	106,815
Contributions from faculty and staff organizations	-	2,104	2,104
Total contributions	<u>\$ -</u>	<u>\$ 325,591</u>	<u>\$ 325,591</u>
Investment earnings:			
Net decrease in fair value of investments	\$ 2,582,742	\$ -	\$ 2,582,742
Interest, dividends, and other	3,412,655	-	3,412,655
Accrued interest purchased	(105,251)	-	(105,251)
Net investment earnings	<u>\$ 5,890,146</u>	<u>\$ -</u>	<u>\$ 5,890,146</u>
Total additions	<u>\$ 5,890,146</u>	<u>\$ 325,591</u>	<u>\$ 6,215,737</u>
<b>DEDUCTIONS</b>			
Medical, dental, and life insurance for retirees	\$ 3,125,000	\$ -	\$ 3,125,000
Management fees	321,561	-	321,561
Other expenses	-	320,061	320,061
Total deductions	<u>\$ 3,446,561</u>	<u>\$ 320,061</u>	<u>\$ 3,766,622</u>
Net increase (decrease) in fiduciary net position	2,443,585	5,530	2,449,115
<b>NET POSITION</b>			
Beginning	\$ 96,691,183	\$ 737,665	\$ 97,428,848
Ending	<u>\$ 99,134,768</u>	<u>\$ 743,195</u>	<u>\$ 99,877,963</u>

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







# NOTES TO FINANCIAL STATEMENTS

As of June 30, 2025

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Indiana State University (the University), a publicly supported, comprehensive, doctoral granting University, serves the State of Indiana, the nation, and the international community by generating and disseminating knowledge in the humanities, arts, social sciences, scientific, and professional disciplines through instruction and research. The University is governed by a nine-member Board of Trustees, appointed by the Governor.

The accompanying financial statements of the University are prepared in accordance with generally accepted accounting standards as prescribed by the Governmental Accounting Standards Board (GASB) in Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* as amended by GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*. Since the University is a component unit of the State of Indiana, it is included in the Annual Comprehensive Financial Report of the State.

### A. Reporting Entity

The University implemented Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. These Statements amend GASB Statement No. 14, *The Financial Reporting Entity* to provide additional guidance to determine whether certain organizations for which the University is not financially accountable should be reported as component units based on the nature and significance of their relationship with the University.

As defined by generally accepted accounting principles established by the GASB, the financial reporting entity consists of the University as the primary government, and the Indiana State University Foundation as a discretely presented component unit. This component unit is further described in Section P.

### B. Basis of Accounting

For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. The financial statements of the University have been prepared on the accrual basis, including depreciation expense relating to capital assets. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-University transactions have been eliminated to avoid double counting of these transactions. Examples of these would include sales between University departments or internal loans between funds.

### C. Cash Equivalents

The University invests operating cash in investments with varying maturities. The University considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents.

### D. Investments

Investments in securities are reported on the financial statements at fair value as of the date of the financial statements. Investments with maturity of less than one year are reported as current assets, with the remaining investments reported as non-current assets.

## E. Inventories

Inventories are carried at the lower of cost or market value and on the first-in, first-out (FIFO) basis.

## F. Capital Assets

Capital assets are stated at cost or, if donated, at fair market value on the date of acquisition. Moveable equipment costing \$5,000 with a useful life of more than one year and building improvements that exceed \$100,000 and extend the life of the building are capitalized. Infrastructure assets are included in the financial statements and are depreciated. Depreciation is reported using the straight-line method of depreciation over the estimated useful life of the asset. Capital assets and related accumulated depreciation are removed from the records at the time of disposal. Works of art are recorded either at cost or fair market value at the time of acquisition but are not depreciated because these assets tend to appreciate in value over time.

<b>Minimum Capitalization Value and Useful Life by Asset Types</b>		
<b>Asset Types</b>	<b>Capitalization Threshold</b>	<b>Useful Life</b>
Moveable equipment	\$5,000	5 to 10 years
Vehicles and machinery	5,000	4 to 10 years
Software and computer equipment	5,000	5 years
Buildings and related components	100,000	15 to 100 years
Land improvements and infrastructure	100,000	10 to 20 years
Library books and audio visual aids	1	20 years
Works of art	1	Not depreciated

## G. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net assets by the University that are applicable to a future reporting period, but do not require a further exchange of goods or services. Examples of items the University considers deferred outflows of resources include loss on early retirement of debt and outflows related to pensions and other post-employment benefits.

## H. Compensated Absences

Liabilities for compensated absences are recorded for vacation leave based on actual amounts earned as of the statement of net position date. Employees may accrue vacation benefits up to a maximum of 300 hours, which is payable upon termination. The accompanying Statement of Net Position reflects an accrual for the amounts earned and ultimately payable for such benefits at the end of the fiscal year.

## I. Net Pension Liability and Related Items

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Indiana Public Employees' Defined Benefit Account (PERF DB) and additions to/deductions from PERF DB's fiduciary net position have been determined on the same basis as they are reported by PERF DB. Indiana Public Retirement System financial reports have been prepared using the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP) as applied to government units. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## J. Deferred Inflows of Resources

Deferred inflows of resources represent the acquisition of net assets by the University applicable to a future reporting period, but do not require a further exchange of goods or services. Examples of items the

University considers deferred inflows of resources include inflows from service concession arrangements and inflows related to pensions and other post-employment benefits.

## **K. Net Position**

University resources are classified for financial reporting purposes into four net position categories:

### **Net investment in capital assets**

This represents the University's total investment in capital assets, net of depreciation and outstanding debt obligations related to those capital assets.

### **Restricted net position, non-expendable**

Non-expendable restricted net position consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal.

### **Restricted net position, expendable**

Restricted expendable net position include resources that the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

### **Unrestricted net position**

Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff. Substantially all unrestricted net position is designated for academic programs and initiatives, capital purposes, and general operations of the University.

## **L. Restricted and Unrestricted Resources**

When both restricted and unrestricted resources are available for a particular expenditure, University management may select the most appropriate funding source based on individual facts and circumstances. The University does not require funds be expended in a particular order, and the decision on what fund order is used is made on a case-by-case basis.

## **M. Operating Revenues and Expenses**

Operating revenues include all revenues from exchange transactions resulting from providing goods and services for higher education, research, public service, and other related activities. Examples include student tuition and fees, net of scholarship discounts and allowances, most federal, state and local grants and contracts, interest on institutional student loans, and auxiliary operations (such as Intercollegiate Athletics and Housing and Dining Services).

Operating expenses contain all expenses paid to acquire or produce goods and services provided in return for operating revenues to carry out the mission of the University. Examples include compensation and benefits, travel, and other supplies and expenses. Expenses are reported using natural classifications in the Statement of Revenues, Expenses, and Changes in Net Position.

## **N. Scholarship Discounts and Other Allowances**

Student tuition and fee revenues and certain other revenues from students are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on the students'



behalf. Certain governmental grants, such as Pell grants, and other federal, state or non-governmental programs, are recorded as non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount. Other allowances include the allowance for bad debt, which will be recorded as a reduction to the appropriate revenue.

## **O. Non-Operating Revenues and Expenses**

Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB No. 9, *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB No. 34, including state appropriations and investment income. Non-operating revenues include any grant that meets the definition of a non-exchange transaction, for which the University has administrative duties. This would include Pell Grant, SEOG, and any State Grant that the University has to determine eligibility, even if the eligibility requirements are set forth by Federal or State agencies.

Non-operating expenses contain all expenses that are incurred in the performance of activities not directly related to the core operations of the University. Examples include interest on capital asset related debt, bond issuance costs, and the loss on the sale of investments.

## **P. Component Units**

The Indiana State University Foundation is a legally separate, tax-exempt component unit of Indiana State University. Indiana State University Foundation, Inc. was incorporated on March 10, 1921. The Foundation was organized to promote educational purposes and receive contributions primarily for the benefit of Indiana State University and its students.

The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the University in support of its programs. The Indiana State University Foundation Board of Directors represents a diverse group of volunteer professional and business leaders who devote their time and resources in service of the Foundation for the benefit of Indiana State University. The majority of resources that the Foundation holds and invests, and the income generated by these assets, are restricted to the activities of the University by its donors. Because these resources can only be used for the activities of the University, the ISU Foundation is considered a component unit of the University, and its audited financial statements are discretely presented in the University's financial statements.

The Foundation is a private nonprofit organization that reports under Financial Accounting Standards Board (FASB) standards, including FASB Statement No. 117, *Financial Statements of Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the University's financial reporting presentation for these differences.

During the years ended June 30, 2025 and June 30, 2024 the Foundation distributed \$12,338,987 and \$7,837,447 respectively, to the University for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Foundation Office at 30 North 5th Street, Terre Haute, IN 47809.

## Q. New Accounting Pronouncements

Effective with fiscal year 2025, the University implemented GASB Statement No. 101, *Compensated Absences*. This Statement establishes recognition and measurement requirements for all types of compensated absences, including vacation, sick leave, parental leave, sabbatical leave, and other similar benefits. As a result of this implementation, the University recorded, for the first time, a liability for accrued sick leave benefits earned by employees but not yet taken, in addition to the liability for accrued vacation leave already recorded in prior years. The liability for compensated absences is measured based on the pay rate in effect at the financial statement date and includes salary-related payments that are directly associated with the payment of the obligation.

Each year, accrued leave balances are analyzed to determine which portion is more likely than not to be used in the future, with the corresponding liability allocated between current and noncurrent classifications based on expected timing of payment. Implementation of this Statement resulted in a restatement of beginning net position for fiscal year 2024 to recognize the cumulative effect of adoption.

Restatement of Statement of Net Position 2024			
	June 30, 2024 as Originally Reported	GASB 101 Impact	July 1, 2024 Restated
Current liabilities			
Compensated absences and termination benefits	3,316,331	1,593,681	4,910,012
Non-current liabilities			
Compensated absences and termination benefits	336,953	5,807,587	6,144,540
Total Liabilities	\$ 254,354,731	\$ 7,401,268	\$ 261,755,999
Total Net position	\$ 495,394,125	\$ (7,401,268)	\$ 487,992,857

Effective with fiscal year 2023, the University implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. Using this statement, the University will recognize a right-to-use subscription asset (intangible asset) and a corresponding subscription liability. The subscription liability should initially be measured at the present value of the subscription payments expected to be made during the term. Future subscription payments should be discounted using an implicit or incremental borrowing rate. The subscription asset will be amortized over the length of the contract as an outflow of resources.

Each year, all potential subscriptions are analyzed to determine whether they are subject to the new accounting standard and whether the measurement calculation needs to be adjusted due to changes in the terms of the subscription. Due to the immaterial nature, no entries were posted as a result of GASB 96 for the year ended June 30, 2022. In order to ensure comparability with other Universities, the University has included the reflection of GASB 96 in 2024 and restated 2023 financial statements. As a result, the University right-to-control assets totaled \$8,784,230 in 2024 and \$9,549,463 in 2023.

The beginning net position of July 1, 2023 was restated for the effects of the University's adoption of GASB 96 as follows.

Restatement of Net Position 2023			
	June 30, 2023 as Originally Reported	GASB 96 Impact	July 1, 2023 Restated
Non-current assets			
Subscription assets, net	\$ -	\$ 9,549,463	\$ 9,549,463
Total assets	\$ 753,877,815	\$ 9,549,463	\$ 763,427,278
Deferred outflows of resources	\$ 12,217,889	\$ -	\$ 12,217,889
Current liabilities			
Accrued interest liability	\$ -	\$ 262,092	\$ 262,092
Subscriptions payable	-	2,967,669	2,967,669
Non-current liabilities			
Subscriptions payable	-	6,335,469	6,335,469
Total liabilities	\$ 269,070,177	\$ 9,565,230	\$ 278,635,407
Deferred inflows of resources	\$ 7,401,801	\$ -	\$ 7,401,801
Net investment in capital assets	\$ 327,592,273	\$ (15,767)	\$ 327,576,506
Changes in total net position	\$ 489,623,726	\$ (15,767)	\$ 489,607,959

## R. Change in Accounting Estimates

The University is reporting a change in accounting estimate as required by GASB Statement No. 100, *Accounting Changes and Error Correction*. The change in accounting estimate is for incurred but not paid (IBNP) liability for self-insured medical, prescription drug, and dental plans that was implemented in 2024. Previously the University used a three-month estimate of outstanding claims that occurred in the current fiscal year that would be settled in the next fiscal year. In prior fiscal years, this estimate was based on past historical experience provided by the Benefit Office. The University currently uses AON Consulting, Inc. to provide analysis and actuarial services for medical claims, working with our medical expense processor (Anthem) to determine historical expenditures, future trends, and other analysis of medical claims. AON begin providing estimates of IBNP to the University as part of the analysis of medical expenditures occurred by the University. This change in estimate is largely due to the medical, dental, and prescription drug carriers/pharmacy benefit managers that have significantly increased their claim processing speeds over the last several years, the outstanding IBNP amount at any point in time has become much smaller in relation to annual paid claims under the plan.

Liability for Unclaimed Medical Claims Classified as "Other Liability" As of June 30, 2024				
Insurance Vendor	Insurance Type	FY24 Expense Incurred	FY24 Incurred But Not Paid Liability	FY24 Prior Accounting Estimate - 25%
Anthem Life Insurance Co.	Health	\$ 10,960,576	\$ 730,000	\$ 2,740,144
PrudentRX LLC/CVS	Prescription	3,047,294	47,000	761,824
Delta Dental	Dental	819,855	42,000	204,964
Other Claims	Miscellaneous	-	-	-
		\$ 14,827,725	\$ 819,000	\$ 3,706,932

	Debit	Credit
Other liabilities-current	\$ 3,965,428	
Compensation expense		\$ 3,146,428
Other liabilities-current		\$ 819,000

This change would result in a reduction of compensation expense of \$3,146,428 for 2024 and reduce the offsetting other current liability by the same amount.

## NOTE 2. CASH AND INVESTMENTS

The University maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed in the Statement of Net Position under cash and cash equivalents, short-term investments, long-term investments, or endowment investments-held in trust, depending on the nature of the investment.

### Cash and Investments

Cash & Investments			
	2025		2024
Cash on hand	\$ 48,556	\$	65,456
Deposits with financial institutions	3,070,673		1,242,690
Investments	115,278,254		125,812,485
	<b>\$ 118,397,483</b>	<b>\$</b>	<b>127,120,631</b>

Authorization for investment activity is stated in Indiana Code Title 21, Article 21, Chapter 3, Section .3. Additionally, IC 30-4-3.5 (Indiana Prudent Investor Act) requires that the Board of Trustees of the University to act "as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust." It also requires that management decisions be made "in the context of the trust portfolio as a whole and as a part of the overall investment strategy having risk and return objectives reasonably suited to the trust." The Board holds responsibility to assure the assets are prudently invested in a manner consistent with this investment policy. The Board has delegated the day-to-day responsibilities for overseeing the investment program to the Vice President for Finance and Administration and University Treasurer.

The University's current investment policy was approved by the Board of Trustees on May 7, 2010 and implemented in September 2010. The objective of the Investment Policy is to adequately provide for the liquidity needs of the University while maximizing the opportunity to increase yield on investments. The investment structure is divided into three liquidity tiers to provide for income maximization while meeting the daily liquidity requirements of the University. In order to supply sufficient day-to-day operating liquidity, Tier I is invested in money market securities and liquidity reserves. Tier II is invested in limited duration securities to provide for a sufficient level of reserves in case of unanticipated liquidity needs; yet provide for a level of incremental return over Tier I. Tier III is invested for income maximization while taking on appropriate levels of risk.

Authorized investments include US Treasury, US Government Agency or Instrumentality, Mortgage-Backed Securities, Asset-Backed Securities, Taxable Municipal Bonds, Non-Benefit Responsive GIC's, Money Market Instruments and Funds, Corporate Investment Grade Bonds, Corporate High Yield Bonds, and Non-US Dollar Debt. Credit Quality and Market Value percentages are established for each investment manager portfolio.

### Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that increases in market interest rates will adversely decrease the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the University and its investment managers limit its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.



Information about the sensitivity of the fair values of the University's investments (including investments held by bond trustee) to market interest rate fluctuations for fiscal years 2025 and 2024 are provided by the following tables showing the distribution of investments by maturity:

University Investments and Maturities at June 30, 2025					
Investment Type	Fair Value	Less Than 1			More Than 10
		Year	1-5 Years	6-10 Years	Years
Cash on hand (petty cash)	\$ 48,556	\$ 48,556	\$ -	\$ -	\$ -
Demand deposits	3,070,673	3,070,673	-	-	-
Money market funds	3,628,529	3,628,529	-	-	-
Certificate of deposit	914,816	498,990	35,273	380,553	-
Mortgage-backed & asset-backed securities	16,614,081	491,976	7,145,898	1,543,990	7,432,217
Corporate bonds	22,973,104	1,843,026	8,503,986	10,142,985	2,483,107
Government agencies	17,656,286	529,128	1,249,303	2,235,827	13,642,028
Municipal notes and bonds	1,295,384	541,865	677,472	-	76,047
Treasury bills, notes and bonds	30,745,213	6,898,327	6,091,063	10,512,913	7,242,910
Foreign notes and bonds	6,992,721	-	3,247,173	1,461,472	2,284,076
Endowment investments- held in trust	893,913	-	-	-	893,913
Pooled fixed income	13,564,207	-	-	-	13,564,207
	<b>\$ 118,397,483</b>	<b>\$ 17,551,070</b>	<b>\$ 26,950,168</b>	<b>\$ 26,277,740</b>	<b>\$ 47,618,505</b>

University Investments and Maturities at June 30, 2024					
Investment Type	Fair Value	Less Than 1			More Than 10
		Year	1-5 Years	6-10 Years	Years
Cash on hand (petty cash)	\$ 65,456	\$ 65,456	\$ -	\$ -	\$ -
Demand deposits	1,242,690	1,242,690	-	-	-
Money market funds	10,538,580	10,538,580	-	-	-
Certificate of deposit	1,231,157	1,231,157	-	-	-
Asset-backed securities	1,890,573	-	547,215	-	1,343,358
Collateralized mortgage obligations	7,934,638	-	1,458,094	-	6,476,544
Corporate bonds	21,931,115	649,588	8,296,607	9,868,633	3,116,287
Government agencies	6,292,728	1,365,700	2,908,523	908,280	1,110,225
Mortgage backed securities	19,968,853	-	4,950,985	325,592	14,692,276
Municipal notes and bonds	1,271,638	-	1,193,182	-	78,456
Treasury bills, notes and bonds	36,636,000	6,511,542	6,667,248	14,131,734	9,325,476
Foreign notes and bonds	6,867,655	67,759	2,694,778	1,973,796	2,131,322
Endowment investments- held in trust	827,580	-	-	-	827,580
Pooled fixed income	10,421,970	-	-	-	10,421,970
	<b>\$ 127,120,633</b>	<b>\$ 21,672,472</b>	<b>\$ 28,716,632</b>	<b>\$ 27,208,035</b>	<b>\$ 49,523,494</b>

## Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The University's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided).

Highly Sensitive Investments		
	2025	2024
<b>Mortgage-backed &amp; asset-backed securities.</b> These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of the securities and makes the fair values of these securities highly sensitive to changes in interest rates.	\$16,614,081	\$21,859,426
<b>Callable bonds.</b> These securities are subject to be called or early redeemed by the issuing agency in periods of declining interest rates. The possible reduction in expected cash flows affects the fair value of these securities and makes the fair value of these securities more sensitive to changes in interest rates.	\$33,851,185	\$13,723,496

## Disclosure Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Credit risk is addressed in the University Investment Policy, approved May 7, 2010. Credit risk guidelines are established for each investment manager. The policy stipulates the percentage of each manager's fixed income portfolio that must be rated Aa or better at the time of purchase. These percentages range from 65 percent to 100 percent. Presented below is the actual Moody's rating at year end for each investment type.

Moody's Rating Scale at June 30, 2025						
Investment Type	Fair Value	AAA	Aa	A	B or Lower	Not Rated
Cash on hand (petty cash)	\$ 48,556	\$ -	\$ -	\$ -	\$ -	\$ 48,556
Demand deposits	3,070,673	-	-	-	-	3,070,673
Money market funds	3,628,529	-	-	-	-	3,628,529
Certificate of deposit	914,816	-	-	164,103	216,449	534,264
Mortgage-backed & asset-backed securities	16,614,081	10,492,034	710,866	439,611	415,504	4,556,066
Corporate bonds	22,973,104	164,260	1,854,832	9,345,952	11,166,472	441,588
Government agencies	17,656,286	-	5,339,806	-	-	12,316,480
Municipal notes and bonds	1,295,384	369,168	161,498	-	-	764,718
Treasury bills, notes and bonds	30,745,213	-	28,757,107	224,424	-	1,763,682
Foreign notes and bonds	6,992,721	-	358,582	873,776	3,477,696	2,282,667
Endowment investments- held in trust	893,913	-	-	-	-	893,913
Pooled fixed income	13,564,207	-	-	-	-	13,564,207
	<b>\$ 118,397,483</b>	<b>\$ 11,025,462</b>	<b>\$ 37,182,691</b>	<b>\$ 11,047,866</b>	<b>\$ 15,276,121</b>	<b>\$ 43,865,343</b>

Moody's Rating Scale at June 30, 2024						
Investment Type	Fair Value	AAA	Aa	A	B or Lower	Not Rated
Cash on hand (petty cash)	\$ 65,456	\$ -	\$ -	\$ -	\$ -	\$ 65,456
Demand deposits	1,242,690	-	-	-	-	1,242,690
Money market funds	10,538,580	-	-	-	-	10,538,580
Certificate of deposit	1,231,157	-	-	-	-	1,231,157
Asset-backed securities	1,890,573	748,416	30,480	-	-	1,111,677
Collateralized mortgage obligations	7,934,638	5,661,103	88,924	10,836	218,358	1,955,417
Corporate bonds	21,931,115	434,145	1,613,426	8,829,837	10,544,358	509,349
Government agencies	6,292,728	5,031,024	-	-	-	1,261,704
Mortgage backed securites	19,968,853	3,935,155	-	123,152	-	15,910,546
Municipal notes and bonds	1,271,638	367,606	154,433	-	-	749,599
Treasury bills, notes and bonds	36,636,000	30,320,365	-	-	-	6,315,635
Foreign notes and bonds	6,867,655	-	-	634,247	3,535,378	2,698,030
Endowment investments- held in trust	827,580	-	-	-	-	827,580
Pooled fixed income	10,421,970	-	-	-	-	10,421,970
	<b>\$ 127,120,633</b>	<b>\$ 46,497,814</b>	<b>\$ 1,887,263</b>	<b>\$ 9,598,072</b>	<b>\$ 14,298,094</b>	<b>\$ 54,839,390</b>

## Concentration of Credit Risk

The investment policy of the University contains no limitations on the amount that can be invested in any one issuer. At June 30, 2025, Columbus Unconstrained Bond Fund, totaling \$13,564,207, represented five percent or more of total University investments. At June 30, 2024, Columbus Unconstrained Bond Fund, totaling \$9,936,500 represented five percent or more of total University investments.

## Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the University will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the University will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Indiana State University's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than preference will be given to Indiana institutions because of additional insurance coverage provided by the State. At June 30, 2025, \$30,745,213 in U.S. Treasury Notes and Bonds, \$17,656,286 in U.S. Government Agencies and \$3,628,529 of the Money Market funds invested in U.S. Government-backed funds were held by a trust department not in the University's name. On June 30, 2024, \$30,745,213 in U.S. Treasury Notes and Bonds, \$6,292,728 in U.S. Government Agencies and \$10,538,579 of the Money Market funds invested in U.S. Government-backed funds were held by a trust department not in the University's name.

As of June 30, 2025, and 2024, Indiana State University's deposits with financial institutions held in uncollateralized accounts were insured up to \$250,000 by FDIC and in excess of \$250,000 by the Indiana Public Deposits Fund. There were no Certificates of Deposits held in 2025 or 2024 covered under this fund. The University had less than six percent of investments that are made up of foreign currency in 2025 and 2024; therefore, the University's exposure to foreign currency risk is insignificant.

## Fair Value Measurements

The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy input levels are defined as follows:

- **Level 1** input is a quoted price for identical assets or liabilities in an active market.
- **Level 2** inputs consist of observable prices for similar assets or liabilities in active or inactive markets and inputs other than quoted prices that are observable for the asset or liability.
- **Level 3** inputs are unobservable inputs for an asset or liability.

The University's investments are composed of assets valued using Level 1 or Level 2 inputs. Fair market value is established for our level two assets in various manners. Fair value is determined on level two assets based on their quoted prices in inactive markets when possible. In other situations, the fair value determination is based on models. The inputs for these models are observable either directly or indirectly for substantially the full term of the asset. Level two model inputs include the following:

- Quoted prices for similar assets or liabilities in active markets (for example, restricted stock);
- Quoted prices for identical or similar assets or liabilities in non-active markets (examples include corporate and municipal bonds, which trade infrequently);
- Pricing models whose inputs are observable for substantially the full term of the asset or liability (examples include most over-the-counter derivatives, including interest rate and currency swaps); and
- Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability (examples include certain residential and commercial mortgage related assets, including loans, securities and derivatives.)

Endowment investments held in trust are included in a pool of investments that use a mix of Level 1 and Level 2 inputs, and are thus reported at Level 2, the lowest level. The University's fair value measurements of reoccurring investments as of June 30, 2025 and 2024 are presented below.

University Investments by Fair Value Level at June 30, 2025					
Investment Type	Fair Value	Level 1	Level 2	Level 3	Cash
Cash on hand (petty cash)	\$ 48,556	\$ -	\$ -	\$ -	\$ 48,556
Demand deposits	3,070,673	-	-	-	3,070,673
Money market funds	3,628,529	-	3,628,529	-	-
Certificate of deposit	914,816	-	914,816	-	-
Mortgage-backed & asset-backed securities	16,614,081	-	16,614,081	-	-
Corporate bonds	22,973,104	-	22,973,104	-	-
Government agencies	17,656,286	-	17,656,286	-	-
Municipal notes and bonds	1,295,384	-	1,295,384	-	-
Treasury bills, notes and bonds	30,745,213	-	30,745,213	-	-
Foreign notes and bonds	6,992,721	-	6,992,721	-	-
Endowment investments- held in trust	893,913	-	893,913	-	-
Pooled fixed income	13,564,207	-	13,564,207	-	-
	<b>\$ 118,397,483</b>	<b>\$ -</b>	<b>\$ 115,278,254</b>	<b>\$ -</b>	<b>\$ 3,119,229</b>

University Investments by Fair Value Level at June 30, 2024					
Investment Type	Fair Value	Level 1	Level 2	Level 3	Cash
Cash on hand (petty cash)	\$ 65,456	\$ -	\$ -	\$ -	\$ 65,456
Demand deposits	1,242,690	-	-	-	1,242,690
Money market funds	10,538,580	-	10,538,580	-	-
Certificate of deposit	1,231,157	-	1,231,157	-	-
Asset-backed securities	1,890,573	-	1,890,573	-	-
Collateralized mortgage obligations	7,934,637	-	7,934,637	-	-
Corporate bonds	21,931,115	-	21,931,115	-	-
Government agencies	6,292,728	-	6,292,728	-	-
Mortgage Backed Securites	19,968,853	-	19,968,853	-	-
Municipal notes and bonds	1,271,638	-	1,271,638	-	-
Treasury bills, notes and bonds	36,635,999	-	36,635,999	-	-
Foreign notes and bonds	6,867,655	-	6,867,655	-	-
Endowment investments- held in trust	827,580	-	827,580	-	-
Pooled fixed income	10,421,970	-	10,421,970	-	-
	<b>\$ 127,120,631</b>	<b>\$ -</b>	<b>\$ 125,812,485</b>	<b>\$ -</b>	<b>\$ 1,308,146</b>

### NOTE 3. CAPITAL ASSETS

The changes in gross capital assets and accumulated depreciation for the fiscal years ending June 30, 2025 and 2024 are presented in the tables below:

Capital Assets and Depreciation					
	Balance June 30, 2024	Additions	Transfers	Deductions	Balance June 30, 2025
<b>Capital assets not being depreciated</b>					
Land	\$ 35,644,011	\$ -	\$ -	\$ (2,080,866)	\$ 33,563,145
Works of art	2,469,253	30,241	-	(186)	2,499,308
Construction in progress	4,337,162	26,626,958	(2,456,721)	-	28,507,399
	<b>\$ 42,450,426</b>	<b>\$ 26,657,199</b>	<b>\$ (2,456,721)</b>	<b>\$ (2,081,052)</b>	<b>\$ 64,569,852</b>
<b>Capital assets being depreciated</b>					
Infrastructure	\$ 31,940,705	\$ -	\$ 311,878	\$ -	\$ 32,252,583
Land improvements	42,727,937	-	44,176	-	42,772,113
Buildings	709,991,020	-	2,021,429	-	712,012,449
Equipment	79,881,259	1,728,992	79,238	(6,831,714)	74,857,775
Capital lease assets	32,660,661	-	-	-	32,660,661
Subscription Assets	18,763,203	3,912,696	-	-	22,675,899
Leasehold improvements	568,343	-	-	-	568,343
	<b>\$ 916,533,128</b>	<b>\$ 5,641,688</b>	<b>\$ 2,456,721</b>	<b>\$ (6,831,714)</b>	<b>\$ 917,799,823</b>
<b>Less accumulated depreciation</b>					
Infrastructure	\$ (29,407,707)	\$ (165,382)	\$ -	\$ -	\$ (29,573,089)
Land improvements	(31,238,787)	(1,914,028)	-	-	(33,152,815)
Buildings	(250,081,259)	(15,996,060)	-	-	(266,077,319)
Equipment	(72,639,154)	(1,791,207)	-	6,696,990	(67,733,371)
Capital lease assets	(10,062,562)	(1,396,356)	-	-	(11,458,918)
Subscription Assets	(9,978,973)	(3,879,641)	-	(33,986)	(13,892,600)
Leasehold improvements amortization	(568,343)	-	-	-	(568,343)
	<b>\$ (403,976,785)</b>	<b>\$ (25,142,674)</b>	<b>\$ -</b>	<b>\$ 6,663,004</b>	<b>\$ (422,456,455)</b>
<b>Total capital assets being depreciated, net</b>	<b>\$ 512,556,343</b>	<b>\$ (19,500,986)</b>	<b>\$ 2,456,721</b>	<b>\$ (168,710)</b>	<b>\$ 495,343,368</b>
<b>Total capital assets, net</b>	<b>\$ 555,006,769</b>	<b>\$ 7,156,213</b>	<b>\$ -</b>	<b>\$ (2,249,762)</b>	<b>\$ 559,913,220</b>

Capital Assets and Depreciation					
	Balance June 30, 2023	Additions	Transfers	Deductions	Balance June 30, 2024
<b>Capital assets not being depreciated</b>					
Land	\$ 35,644,011	\$ -	\$ -	\$ -	\$ 35,644,011
Works of art	2,429,952	44,230	-	(4,929)	2,469,253
Construction in progress	1,353,244	5,216,682	(2,105,609)	(127,155)	4,337,162
	<b>\$ 39,427,207</b>	<b>\$ 5,260,912</b>	<b>\$ (2,105,609)</b>	<b>\$ (132,084)</b>	<b>\$ 42,450,426</b>
<b>Capital assets being depreciated</b>					
Infrastructure	\$ 33,330,965	\$ -	\$ -	\$ (1,390,260)	\$ 31,940,705
Land improvements	43,321,855	-	-	(593,918)	42,727,937
Buildings	708,415,558	-	2,071,214	(495,752)	709,991,020
Equipment	81,577,883	967,303	34,395	(2,698,322)	79,881,259
Capital lease assets	32,492,376	168,285	-	-	32,660,661
Subscription Assets	16,139,468	2,623,735	-	-	18,763,203
Leasehold improvements	568,343	-	-	-	568,343
	<b>\$ 915,846,448</b>	<b>\$ 3,759,323</b>	<b>\$ 2,105,609</b>	<b>\$ (5,178,252)</b>	<b>\$ 916,533,128</b>
<b>Less accumulated depreciation</b>					
Infrastructure	\$ (30,637,413)	\$ (160,554)	\$ -	\$ 1,390,260	\$ (29,407,707)
Land improvements	(29,838,642)	(1,994,063)	-	593,918	(31,238,787)
Buildings	(234,119,787)	(16,388,706)	-	427,234	(250,081,259)
Equipment	(73,192,380)	(1,939,926)	-	2,493,152	(72,639,154)
Capital lease assets	(8,619,380)	(1,443,182)	-	-	(10,062,562)
Subscription Assets	(6,590,005)	(3,388,968)	-	-	(9,978,973)
Leasehold improvements amortization	(568,343)	-	-	-	(568,343)
	<b>\$ (383,565,950)</b>	<b>\$ (25,315,399)</b>	<b>\$ -</b>	<b>\$ 4,904,564</b>	<b>\$ (403,976,785)</b>
<b>Total capital assets being depreciated, net</b>	<b>\$ 532,280,498</b>	<b>\$ (21,556,076)</b>	<b>\$ 2,105,609</b>	<b>\$ (273,688)</b>	<b>\$ 512,556,343</b>
<b>Total capital assets, net</b>	<b>\$ 571,707,705</b>	<b>\$ (16,295,164)</b>	<b>\$ -</b>	<b>\$ (405,772)</b>	<b>\$ 555,006,769</b>



A breakdown of significant projects included in construction in progress as of June 30, 2025 and 2024 are shown below:

Construction Work in Progress	
Project	June 30, 2025
Bailey College of Engineering & Technology	\$ 15,419,006
Early Childhood Education Center	8,767,730
Facilities Management Building Roof	1,100,907
Steam Plant	703,716
Fire Alarm Network Upgrade	476,530
New Theater Renovation	392,692
High Voltage Replacement	392,381
Student Recreational Center Pool Renovation	255,035
National Road Plaza Restoration	237,376
University Apartments	213,612
Other Miscellaneous Projects	548,414
	<b>\$ 28,507,399</b>

Construction Work in Progress	
Project	June 30, 2024
Bailey College of Engineering & Technology	\$ 826,956
Early Childhood Education Center	1,606,407
University Apartments	106,476
Replace Roof - Fairbanks	198,464
HMSU Ramp Renovation	122,567
High Voltage Replacement	212,854
Campus Light Upgrade	192,853
Masonry Repairs	113,232
Center for Performing Arts Roof	759,109
Satellite Chilled Water Plant	156,698
Other Miscellaneous Projects	41,549
	<b>\$ 4,337,165</b>

#### NOTE 4. LONG-TERM LIABILITIES

Long-term liabilities of the University consist of bonds payable, capital leases payable, compensated absences, and other liabilities.

The changes in long-term liabilities for fiscal years ending June 30, 2025, and 2024 are as shown below:

Long-Term Liabilities as of June 30, 2025					
	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Current Portion
Bonds payable - public offering	\$ 162,920,000	\$ -	\$ 12,900,000	\$ 150,020,000	\$ 13,055,000
Bonds payable - direct placement	6,125,000	-	1,400,000	4,725,000	1,430,000
Bond premiums	22,209,377	-	1,957,670	20,251,707	1,929,409
Lease payable	25,741,811	-	1,206,576	24,535,235	1,255,905
Notes payable	-	-	-	-	-
SBITA payable	8,096,933	3,866,287	3,813,100	8,150,120	3,002,435
Compensated absences and termination benefits	11,054,553	135,049	502,809	10,686,793	5,151,397
Advances from Federal Government	794,610	-	617,697	176,913	-
<b>Total long-term liabilities</b>	<b>\$ 236,942,284</b>	<b>\$ 4,001,336</b>	<b>\$ 22,397,852</b>	<b>\$ 218,545,768</b>	<b>\$ 25,824,146</b>

Long-Term Liabilities as of June 30, 2024 - Restated					
	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Current Portion
Bonds payable - public offering	\$ 175,210,000	\$ -	\$ 12,290,000	\$ 162,920,000	\$ 12,900,000
Bonds payable - direct placement	7,490,000	-	1,365,000	6,125,000	1,400,000
Bond premiums	24,167,047	-	1,957,670	22,209,377	1,957,670
Lease payable	26,782,660	126,866	1,167,715	25,741,811	1,206,576
Notes payable	6,094	-	6,094	-	-
SBITA payable	9,303,138	2,623,735	3,829,940	8,096,933	2,780,026
Compensated absences and termination benefits	12,116,794	67,774	1,130,015	11,054,553	4,910,012
Advances from Federal Government	1,562,970	-	768,360	794,610	-
<b>Total long-term liabilities</b>	<b>\$ 256,638,703</b>	<b>\$ 2,818,375</b>	<b>\$ 22,514,794</b>	<b>\$ 236,942,284</b>	<b>\$ 25,154,284</b>

#### NOTE 5. BONDS PAYABLE

Indiana State University is authorized by acts of the Indiana General Assembly to issue bonds and notes for the purposes of financing the construction of student housing, athletic facilities, parking, and academic facilities. The outstanding bond principal indebtedness consists of the following issues.

Student Fee Bonds are secured by a pledge of student fees. The Indiana General Assembly authorizes a specific state appropriation known as "fee replacement" to the University for the purpose of reimbursing

a portion of the debt service payments for certain academic facilities, including classrooms, laboratories, and other academic support facilities. Total bond principal payments eligible for fee replacement appropriations in 2025 and 2024 were \$11,062,733 and \$11,058,684, respectively.

Bonds Payable						
	Original Face Value	Issue Date	Interest Rate	Final Maturity Dates	Principal Outstanding June 30, 2025	Principal Outstanding June 30, 2024
<b>Student Fee Bonds</b>						
Series N, Satellite Chiller & Science Laboratory Projects	\$ 9,560,000	2010	1.0-6.64%	2030	\$ 3,120,000	\$ 3,665,000
Series Q, Refund Series K, L, and Partial M	19,690,000	2015	2.58%	2033	6,465,000	6,920,000
Series R, College of Health and Human Services, Refund Series M & O	83,845,000	2017	3.0-5.0%	2036	43,885,000	49,240,000
Series S, Hulman Center Renovation Project	39,685,000	2018	4.0-5.0%	2037	29,220,000	30,780,000
Series T, Dreiser Hall Phase II	15,600,000	2020	3.0-5.0%	2040	12,570,000	13,135,000
<b>Housing and Dining Revenue Bonds</b>						
Series 2014, Sycamore Towers Phase 1 - Mills Hall Project	\$ 16,405,000	2014	2.0-5.0%	2034	\$ 8,945,000	\$ 9,740,000
Series 2015, Sycamore Towers Phase 2 - Blumberg Hall Project	16,270,000	2015	3.0-5.0%	2035	9,565,000	10,345,000
Series 2016, Sycamore Towers Phase 3 - Cromwell Hall Project	14,135,000	2016	3.0-5.0%	2036	9,250,000	9,885,000
Series 2017, Sycamore Towers Phase 4 - Rhoads Hall Project	14,190,000	2017	3.0-5.0%	2038	10,695,000	11,270,000
Series 2019, Sycamore Towers Dining, Refund Series 2009B	12,735,000	2019	2.4%	2031	4,725,000	6,125,000
Series 2021, Refund Series 2010 & 2012	17,560,000	2021	4.0-5.0%	2038	15,220,000	15,820,000
Series 2022, Refund Series 2012	4,030,000	2022	5.00%	2026	1,085,000	2,120,000
<b>Bonds</b>					<b>\$ 154,745,000</b>	<b>\$ 169,045,000</b>
Premium					20,251,707	22,209,377
					<b>\$ 174,996,707</b>	<b>\$ 191,254,377</b>

Bonds Payable						
	Original Face Value	Issue Date	Interest Rate	Final Maturity Dates	Principal Outstanding June 30, 2024	Principal Outstanding June 30, 2023
<b>Student Fee Bonds</b>						
Series N, Satellite Chiller & Science Laboratory Projects	\$ 9,560,000	2010	1.0-6.64%	2030	\$ 3,665,000	\$ 4,190,000
Series Q, Refund Series K, L, and Partial M	19,690,000	2015	2.58%	2033	6,920,000	7,360,000
Series R, College of Health and Human Services, Refund Series M & O	83,845,000	2017	3.0-5.0%	2036	49,240,000	54,325,000
Series S, Hulman Center Renovation Project	39,685,000	2018	4.0-5.0%	2037	30,780,000	32,265,000
Series T, Dreiser Hall Phase II	15,600,000	2020	3.0-5.0%	2040	13,135,000	13,670,000
<b>Housing and Dining Revenue Bonds</b>						
Series 2014, Sycamore Towers Phase 1 - Mills Hall Project	\$ 16,405,000	2014	2.0-5.0%	2034	\$ 9,740,000	\$ 10,505,000
Series 2015, Sycamore Towers Phase 2 - Blumberg Hall Project	16,270,000	2015	3.0-5.0%	2035	10,345,000	11,090,000
Series 2016, Sycamore Towers Phase 3 - Cromwell Hall Project	14,135,000	2016	3.0-5.0%	2036	9,885,000	10,490,000
Series 2017, Sycamore Towers Phase 4 - Rhoads Hall Project	14,190,000	2017	3.0-5.0%	2038	11,270,000	11,820,000
Series 2019, Sycamore Towers Dining, Refund Series 2009B	12,735,000	2019	2.4%	2031	6,125,000	7,490,000
Series 2021, Refund Series 2010 & 2012	17,560,000	2021	4.0-5.0%	2038	15,820,000	16,400,000
Series 2022, Refund Series 2012	4,030,000	2022	5.00%	2026	2,120,000	3,095,000
<b>Bonds</b>					<b>\$ 169,045,000</b>	<b>\$ 182,700,000</b>
Premium					22,209,377	24,167,047
					<b>\$ 191,254,377</b>	<b>\$ 206,867,047</b>



In prior years, Indiana State University defeased certain serial bonds by placing the proceeds of new debt in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust accounts and liability for the defeased bonds are not included in the financial statements of Indiana State University.

Debt Service Requirements as of June 30, 2025					
Fiscal Year	Bonds - Public Offering		Bonds - Direct Placement		Total
	Bond Principal	Bond Interest	Bond Principal	Bond Interest	
2026	\$ 13,055,000	\$ 6,409,757	\$ 1,430,000	\$ 113,400	\$ 21,008,157
2027	13,315,000	5,852,247	1,465,000	79,080	20,711,327
2028	11,380,000	5,286,762	440,000	43,920	17,150,682
2029	11,940,000	4,713,370	450,000	33,360	17,136,730
2030	12,520,000	4,126,386	465,000	22,560	17,133,946
2031-2035	62,040,000	12,194,423	475,000	11,400	74,720,823
2036-2040	25,770,000	1,756,000	-	-	27,526,000
	<b>\$ 150,020,000</b>	<b>\$ 40,338,945</b>	<b>\$ 4,725,000</b>	<b>\$ 303,720</b>	<b>\$ 195,387,665</b>
Net unamortized premium	20,251,707	-	-	-	20,251,707
	<b>\$ 170,271,707</b>	<b>\$ 40,338,945</b>	<b>\$ 4,725,000</b>	<b>\$ 303,720</b>	<b>\$ 215,639,372</b>

Debt Service Requirements as of June 30, 2024					
Fiscal Year	Bonds - Public Offering		Bonds - Direct Placement		Total
	Bond Principal	Bond Interest	Bond Principal	Bond Interest	
2025	\$ 12,900,000	\$ 7,020,146	\$ 1,400,000	\$ 147,000	\$ 21,467,146
2026	13,055,000	6,409,757	1,430,000	113,400	21,008,157
2027	13,315,000	5,852,247	1,465,000	79,080	20,711,327
2028	11,380,000	5,286,762	440,000	43,920	17,150,682
2029	11,940,000	4,713,370	450,000	33,360	17,136,730
2030-2034	62,950,000	14,962,445	940,000	33,960	78,886,405
2035-2039	36,285,000	3,092,463	-	-	39,377,463
2040-2044	1,095,000	21,900	-	-	1,116,900
	<b>\$ 162,920,000</b>	<b>\$ 47,359,090</b>	<b>\$ 6,125,000</b>	<b>\$ 450,720</b>	<b>\$ 216,854,810</b>
Net unamortized premium	22,209,377	-	-	-	22,209,377
	<b>\$ 185,129,377</b>	<b>\$ 47,359,090</b>	<b>\$ 6,125,000</b>	<b>\$ 450,720</b>	<b>\$ 239,064,187</b>

## NOTE 6. BOND ISSUES

There were no Housing and Dining Revenue Bonds issued by the University for fiscal year ending June 30, 2025 and 2024.

## NOTE 7. SERVICE CONCESSION ARRANGEMENTS

In July 2010, Indiana State University entered into a contract with Sodexo Services of Indiana Limited Partnership to provide food services for ISU's students, faculty, staff and invited guests for a term of 11 years. In December 2017, this agreement was extended through June 30, 2031. Included in the agreement was a commitment by Sodexo to provide equipment and facility enhancements of up to \$2,900,000 to construct the Sycamore Banquet Center inside the Hulman Memorial Student Union, with contributions by the University of approximately \$800,000. Construction was completed and the Banquet Center was put into use in April 2012. In October 2017, Sodexo made an additional investment of \$1,000,000 towards the build-out of a Starbucks retail store.

Food services for the Banquet Center and the Starbucks will be provided by Sodexo, and both facilities will remain an asset of the University. Due to the nature of this agreement, whereas Sodexo is the operator and ISU is the transferor, it has been classified as a service concession arrangement. The Sycamore Banquet Center and the Starbucks retail space have been classified as capital assets with offsetting deferred

inflows of resources. Over the life of the contract, ISU will amortize the deferred inflow of resources, while recognizing auxiliary revenue each year. If the agreement expires, terminates, or is amended in a way that has an adverse impact on Sodexo, ISU will be liable for the unamortized portion of Sodexo's investment.

Deferred Service Concession Arrangement		
	2025	2024
Deferred Service Concession Arrangement beginning balance	\$ 1,013,487	\$ 1,158,271
Service Concession Arrangement additions	-	-
Revenue recognition for the fiscal year	(144,784)	(144,784)
<b>Deferred Service Concession Arrangement ending balance</b>	<b>\$ 868,703</b>	<b>\$ 1,013,487</b>

## NOTE 8. RIGHT-TO-USE ASSETS

### Lessee Arrangements

The University has entered into lease agreements for equipment and facilities. Indiana State University classifies lease contracts that convey control of the right to use another entity's nonfinancial asset according to GASB Statement No. 87, *Leases*. As a result, arrangements that meet the criteria of GASB 87 are recognized as a lease liability and a lease asset, with lease assets being included in the Capital Asset category of the Statement of Financial Position. The lease asset and liability are measured at the present value of payments expected to be made during the lease term. GASB 87 was implemented in fiscal year 2022, with retroactive application for fiscal year 2021.

The amount of lease assets by major classes of underlying assets at June 30, 2025 and 2024, respectively are as follows:

Lease Assets and Accumulated Amortization by Class of Asset as of June 30, 2025				
Description	Asset Classification	Gross Capital Lease Asset	Accumulated Amortization	Net Capital Lease Asset
Chevrolet, Colorado - Vehicle	Equipment	\$ 32,019	\$ 23,585	\$ 8,434
Dorsett's Auto Sales- Vehicles	Equipment	141,231	113,724	27,507
Greenville Tractor & Turf- Tractor	Equipment	81,852	53,674	28,178
Kronos - Timecards	Equipment	62,523	41,711	20,812
Ricoh USA, Inc.- Copiers	Equipment	1,011,184	672,837	338,347
<b>Equipment Total</b>		<b>\$ 1,328,809</b>	<b>\$ 905,531</b>	<b>\$ 423,278</b>
West Ohio II Property Owner, LLC- Office Space	Building	\$ 228,388	\$ 185,566	\$ 42,822
Terre Haute International Airport Authority- Hangar & Office Space	Building	866,897	288,966	577,931
500 Wabash Housing, LLC- Student Housing	Building	30,236,567	10,078,855	20,157,712
<b>Building Total</b>		<b>\$ 31,331,852</b>	<b>\$ 10,553,387</b>	<b>\$ 20,778,465</b>
<b>Total Lease Assets</b>		<b>\$ 32,660,661</b>	<b>\$ 11,458,918</b>	<b>\$ 21,201,743</b>

Lease Assets and Accumulated Amortization by Class of Asset as of June 30, 2024				
Description	Asset Classification	Gross Capital Lease Asset	Accumulated Amortization	Net Capital Lease Asset
Chevrolet, Colorado - Vehicle	Equipment	\$ 20,784	\$ 5,787	\$ 14,997
CP Automotive Sales LLC- Vehicle	Equipment	11,235	11,235	-
Dorsett's Auto Sales- Vehicles	Equipment	64,869	64,869	-
Greenville Tractor & Turf- Tractor	Equipment	81,852	37,572	44,280
HYUNDAI, TUCSON, Various - Vehicle	Equipment	76,362	23,402	52,960
Kronos - Timecards	Equipment	62,523	31,290	31,233
Ricoh USA, Inc.- Copiers	Equipment	1,011,184	472,245	538,939
<b>Equipment Total</b>		<b>\$ 1,328,809</b>	<b>\$ 646,400</b>	<b>\$ 682,409</b>
West Ohio II Property Owner, LLC- Office Space	Building	\$ 228,388	\$ 128,468	\$ 99,920
Terre Haute International Airport Authority- Hangar & Office Space	Building	866,897	216,724	650,173
500 Wabash Housing, LLC- Student Housing	Building	30,236,567	9,070,970	21,165,597
<b>Building Total</b>		<b>\$ 31,331,852</b>	<b>\$ 9,416,162</b>	<b>\$ 21,915,690</b>
<b>Total Lease Assets</b>		<b>\$ 32,660,661</b>	<b>\$ 10,062,562</b>	<b>\$ 22,598,099</b>



The scheduled fiscal year maturities of lease liabilities and related interest expense at June 30, 2025 and 2024 is as follows:

Lease Liability Principal & Interest Requirements to Maturity as of June 30, 2025			
Fiscal Year(s)	Principal Payments	Interest Payments	Total Payments
2026	\$ 1,255,906	\$ 706,624	\$ 1,962,530
2027	1,138,939	663,124	1,802,062
2028	1,012,809	628,577	1,641,386
2029	1,038,804	598,712	1,637,516
2030	1,074,910	567,730	1,642,640
2031-2035	5,657,975	2,373,394	8,031,369
2036-2040	6,198,537	1,476,663	7,675,200
2041-2045	7,157,355	517,843	7,675,198
	<u>\$ 24,535,235</u>	<u>\$ 7,532,667</u>	<u>\$ 32,067,901</u>

Lease Liability Principal & Interest Requirements to Maturity as of June 30, 2024			
Fiscal Year(s)	Principal Payments	Interest Payments	Total Payments
2025	\$ 1,206,576	\$ 750,452	\$ 1,957,028
2026	1,255,905	706,624	1,962,529
2027	1,138,939	663,123	1,802,062
2028	1,012,809	628,577	1,641,386
2029	1,038,804	598,712	1,637,516
2030-2034	5,596,614	2,542,355	8,138,969
2035-2039	6,022,773	1,652,427	7,675,200
2040-2044	6,954,405	720,795	7,675,200
2045-2049	1,514,986	20,054	1,535,040
	<u>\$ 25,741,811</u>	<u>\$ 8,283,119</u>	<u>\$ 34,024,930</u>

## Lessor Arrangements

The University leases land to McLead USA for telecommunications use, space to Ricoh to provide equipment repair and maintenance services to the University, and space to the Indiana University School of Medicine-Terre Haute for its programs and purposes. In accordance with GASB Statement No. 87, *Leases*, the University records lease receivables and deferred inflows of resources based on the present value of expected receipts over the term of the respective leases. The expected receipts are discounted using the interest rate charged on the lease. If the lease does not include a stated interest rate, municipal bond rate yield curves are used as the discount rate for calculating present value. Variable payments are excluded from the valuations unless they are fixed in substance. During the years ended June 30, 2025, and 2024, the University recognized revenue, including interest income, related to this lease agreement totaling \$274,037 and \$288,079, respectively.

## Subscription Assets

The University has entered into Subscription-Based Information Technology Arrangements (SBITAs) in accordance with GASB Statement No. 96. Under this guidance, contracts conveying the right to use subscription-based IT assets are recognized as a subscription liability and a subscription asset. The subscription asset is classified as an intangible asset in the Statement of Financial Position. Both the asset and liability are measured at the present value of subscription payments expected during the arrangement term.

The amount of Subscription assets by major classes of underlying assets at June 30, 2025 and 2024, respectively are as follows: The scheduled fiscal year maturities of lease liabilities and related interest expense at June 30, 2025 and 2024 is as follows:

SBITA Assets and Accumulated Amortization by Class of Asset as of June 30, 2025			
Description	Gross Capital Lease Asset	Accumulated Amortization	Net Capital Lease Asset
Ellucian	\$ 3,600,963	\$ 1,747,915	\$ 1,853,048
Cisco SmartNet	2,390,528	547,305	1,843,223
Instructure	1,219,315	754,476	464,839
Civitas	1,165,568	696,103	469,465
Bell Techlogix	1,095,712	1,051,884	43,828
Misc SBITA Assets	13,203,812	9,094,916	4,108,896
<b>Total Subscription Assets</b>	<b>\$ 22,675,898</b>	<b>\$ 13,892,599</b>	<b>\$ 8,783,299</b>

SBITA Assets and Accumulated Amortization by Class of Asset as of June 30, 2024						
Description	Gross Capital Lease Asset		Accumulated Amortization	Net Capital Lease Asset		
Ellucian	\$	3,410,726	\$	1,277,396	\$	2,133,330
Instructure		1,219,315		444,584		774,731
Key Gov Finance		1,216,952		1,216,952		-
Civitas		1,165,568		501,842		663,726
Bell Techlogix		1,095,712		788,913		306,799
Misc SBITA Assets		10,654,930		5,749,286		4,905,644
Total Subscription Assets	\$	18,763,203	\$	9,978,973	\$	8,784,230

The scheduled fiscal year maturities of lease liabilities and related interest expense at June 30, 2025 and 2024 is as follows:

SBITA Liability Principal & Interest Requirements to Maturity as of June 30, 2025				
Fiscal Year(s)	Principal Payments	Interest Payments	Total Payments	
2026	\$ 3,002,435	\$ 406,883	\$ 3,409,318	
2027	2,310,126	254,913	2,565,039	
2028	1,429,300	136,636	1,565,936	
2029	1,236,396	67,877	1,304,273	
2030	91,686	6,128	97,814	
2031-2035	80,177	3,907	84,084	
	\$ 8,150,120	\$ 876,344	\$ 9,026,464	

SBITA Liability Principal & Interest Requirements to Maturity as of June 30, 2024						
Fiscal Year(s)		Principal Payments		Interest Payments		Total Payments
2025	\$	2,780,026	\$	333,957	\$	3,113,983
2026		2,142,104		214,296		2,356,400
2027		1,561,547		118,375		1,679,922
2028		815,357		51,906		867,263
2029		626,035		25,516		651,551
2030-2034		171,864		10,034		181,898
	\$	8,096,933	\$	754,084	\$	8,851,017

## NOTE 9. TERMINATION BENEFITS LIABILITY

The Governmental Accounting Standards Board (GASB), Statement No. 47, *Accounting for Termination Benefits*, requires the University to recognize an expense and liability for voluntary termination benefits, such as early-retirement incentives. This expense is recognized when an offer is accepted, and the amount of the benefit can be estimated.

The ISU Board of Trustees approved a Retirement Severance Plan for eligible faculty and staff on February 18, 2022, effective March 1, 2022. The earliest retirement age (faculty and staff) is 60 or age 55 if meeting Rule of 85 criteria. This requires 20 years of consecutive full-time benefits eligible service at Indiana State University by retirement date and Rule of 85 requires a minimum age of 55 but less than 60 years of age in which years of service and age at retirement equal 85 or more. Post-retirement health benefits would depend on employee eligibility.

The severance payments available under the plan are 60 percent for those employees with 15 years or more of service on December 31, 2010, and 40 percent for employees with less than 15 years of service at December 31, 2010. New employees hired on or after March 1, 2010, would be eligible for a 25 percent severance pay at retirement.

A total of 40 employees enrolled in the program during the 2025 fiscal year at a cost of \$1,233,136 and 49 employees enrolled in the program during the 2024 fiscal year at a cost of \$2,158,158. Total termination benefits liability reported at June 30, 2025 was \$135,049 and June 30, 2024 was \$43,756.

## NOTE 10. RISK MANAGEMENT

The University is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; job-related illnesses or injuries to employees; and health and other medical benefits provided to employees and their dependents. The University handles these risks of loss through combinations of risk retention and commercial insurance. For buildings and contents, the University has risk retention of \$100,000 per occurrence. The University also holds an additional builder's risk component with a deductible of \$100,000 for projects up to \$10,000,000. For projects over \$10,000,000 a separate builder risk policy is purchased with a deductible of \$25,000. The maximum liability to the University for job-related illnesses or injuries is \$400,000 per occurrence. Settled claims have not exceeded the University's coverage in any of the past three fiscal years.

The University retains the risk for medical benefits up to a stop-loss provision of \$275,000 per member. Accrued liabilities for unpaid medical claims, as of June 30, 2025 and June 30, 2024 are included in current other liabilities. The liability is based on information provided by our actuary, AON for year ended June 30, 2025.

Changes in the balance of claims liabilities during the 2025 and 2024 fiscal years are as follows:

2025 Medical Claim Liabilities				
	Medical	Rx	Dental	Total
IBNR	\$ 829,000	\$ -	\$ 10,000	\$ 839,000
Risk Margin (5%)	41,000	-	1,000	42,000
LAE Fees (5%)	41,000	-	1,000	42,000
Outstanding Invoices	301,000	96,000	51,000	448,000
<b>FY25 Total</b>	<b>\$ 1,212,000</b>	<b>\$ 96,000</b>	<b>\$ 63,000</b>	<b>\$ 1,371,000</b>

2024 Medical Claim Liabilities				
	Medical	Rx	Dental	Total
IBNR	\$ 516,000	\$ -	\$ 10,000	\$ 526,000
Risk Margin (5%)	26,000	-	1,000	27,000
LAE Fees (5%)	26,000	-	1,000	27,000
Outstanding Invoices	162,000	47,000	30,000	239,000
<b>FY24 Total</b>	<b>\$ 730,000</b>	<b>\$ 47,000</b>	<b>\$ 42,000</b>	<b>\$ 819,000</b>

## NOTE 11. LITIGATION

The University has been named as a defendant in a number of lawsuits. For most of these lawsuits, the final outcome cannot be determined and management is of the opinion that any ultimate outcome will not have a material effect upon the University's financial position.



## NOTE 12. POLLUTION REMEDIATION OBLIGATION

To comply with GASB Statement No. 49, *Accounting and Reporting for Pollution Remediation Obligations*, the University must report a liability for an obligatory event. An obligating event occurs when the University commences or legally obligates itself to commence pollution remediation. During fiscal year 2025, Indiana State University did not commence any new obligations to remediate pollution. The outstanding obligation as of June 30, 2025, and 2024 was zero.

## NOTE 13. NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

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

<b>Natural Classifications</b> <b>Years Ended June 30, 2025 and June 30, 2024</b>							
<b>Functional Classification</b>	<b>Compensation and Benefits</b>	<b>Supplies and Expenses</b>	<b>Utilities</b>	<b>Scholarships and Fellowships</b>	<b>Depreciation</b>	<b>2025 Total</b>	<b>2024 Total</b>
Instruction	\$ 57,587,272	\$ 5,931,834	\$ 18,974	\$ -	\$ -	\$ 63,538,080	\$ 61,865,753
Research	5,464,888	2,839,812	4,372	-	-	8,309,072	9,208,132
Public Service	1,477,757	983,268	-	-	-	2,461,025	2,472,651
Academic Support	9,506,825	5,956,783	-	-	-	15,463,608	14,586,123
Student Services	10,986,709	4,188,242	-	26,722	-	15,201,673	13,414,303
Institutional Support	18,660,251	3,608,297	-	-	-	22,268,548	17,194,419
Operation of Plant	7,934,498	7,750,520	10,744,069	-	-	26,429,087	26,541,482
Scholarships	1,680,032	543,912	-	11,606,676	-	13,830,620	12,233,653
Auxiliary	15,808,168	18,915,962	570,121	(3,972)	-	35,290,279	33,096,012
Depreciation	-	-	-	-	25,142,674	25,142,674	25,271,683
	<b>\$ 129,106,400</b>	<b>\$ 50,718,630</b>	<b>\$ 11,337,536</b>	<b>\$ 11,629,426</b>	<b>\$ 25,142,674</b>	<b>\$ 227,934,666</b>	<b>\$ 215,884,211</b>

## NOTE 14. HEDGE CONTRACTS

Indiana State University has entered into forward contracts with EDF, Energy Services to purchase natural gas at a specified time in the future at a guaranteed price. This allows the University to plan its natural gas costs for the year and to protect itself against an increase in the market price of the commodity. It is possible the market price before or at the specified time to purchase natural gas may be lower or higher than the price at which the University is committed to buy.





NOTE 15. RETIREMENT PLANS

Authorization

Authorization to establish retirement plans is stated in Indiana Code Title 21, Article 21, Chapter 3, and Section 3.

Faculty and Exempt Staff

Faculty and executive/administrative/professional employees of the University participate in a non-contributory, defined contribution plan administered through the Teachers Insurance and Annuity Association (TIAA) and College Retirement Equity Fund (CREF). Benefit provisions are established and/or amended by the Board of Trustees. The plan purchases individual annuity contracts for members and provides for immediate vesting. Contributions and plan participant data for fiscal years 2025 and 2024 are displayed below.

TIAA-CREF Contributions		
	2025	2024
University Contributions to Plan	\$6,586,987	\$6,383,845
Total Participating Employee Annual Salaries	\$63,670,072	\$63,562,335
Employee and Retiree Plan Participants	824	825

Non-exempt Staff

Plan Description

Regular clerical and service staff are provided with pensions through the Public Employees’ Defined Benefit Account (PERF DB). PERF DB is a cost sharing, multiple-employer defined benefit plan administered by the Indiana Public Retirement System (INPRS). PERF DB was established by the Indiana Legislature in 1945 and is governed by the INPRS Board of Trustees in accordance with Indiana Code IC 5-10.2, IC 5-10.3, and IC 5-10.5. There are two parts to the plan: an annuity savings plan and a monthly defined benefit pension. Employees are eligible to participate in this plan immediately upon employment and are fully vested in the defined benefit plan after ten years of service. The INPRS issues a publicly available financial report that can be obtained at [www.in.gov/inprs/annualreports.htm](http://www.in.gov/inprs/annualreports.htm).

Benefits Provided

PERF DB provides retirement, disability and survivor benefits. To be eligible for 100 percent of the pension component a member must reach age 65 with 10 years of service, or age 60 with 15 years of service, or age 55 and whose age plus number of years of service is at least 85. Pension benefits for 100 percent normal retirement are calculated at 1.1 percent times the average highest five-year annual salary times the number of years of creditable service. Cost of living adjustments (COLA) are granted by the Indiana General Assembly on an ad hoc basis. Five years of service is required for disability benefits in which the benefits are calculated the same as normal retirement. Upon the death of a member with a minimum of 10 years of service after June 30, 2018, a survivor benefit may be paid to the surviving spouse or surviving dependent children as if the member retired the later of age 50 or the age the day before the member’s death.

Contribution Required

Contributions to PERF DB are determined by INPRS Board of Trustees in accordance with IC 5-10.2-2-11. The funding policy provides for employer contributions that are sufficient to fund pension benefits, which are actuarially determined. The University was required to contribute 11.2 percent of employees’ gross earnings to the defined benefit plan in fiscal years 2025 and 2024. Employees are required to contribute three percent of covered payroll to their annuity savings account. The University has the option

to contribute this on their behalf and elected to do so in both years presented. Contributions and plan participant data for fiscal years 2025 and 2024 are displayed below.

PERF DB Contributions		
	2025	2024
University Contributions to PERF DB Plan	\$1,620,860	\$1,588,023
University Contributions to Annuity Savings Accounts	\$460,423	\$441,287
Total Participating Employee Annual Salaries	\$15,065,345	\$14,710,326
Employee Plan Participants	352	352

### Pension Liabilities

For the fiscal years ending June 30, 2025 and June 30, 2024, the University reported liabilities of \$8,827,857 and \$8,792,983, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The University's proportion of the net pension liability was based on a projection of the University's long-term share of contributions to the pension plan relative to the contribution of all participating state entities, actuarially determined. At June 30, 2024 the University's portion was 0.22 percent.

### Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

Indiana State University recognized pension expenses of \$2,144,657 during fiscal year 2025 and pension expense of \$865,107 during fiscal year 2024. The University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources				
	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 904,748	\$ -	\$ 179,902	\$ -
Net difference between projected and actual investment earnings on pension plan investments	1,168,838	-	2,015,376	-
Change of assumptions	-	-	479,499	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	15,799	943,618	10,203	1,017,453
Contributions subsequent to the measurement date	1,620,860	-	1,588,023	-
	<b>\$ 3,710,245</b>	<b>\$ 943,618</b>	<b>\$ 4,273,003</b>	<b>\$ 1,017,453</b>

The University reported \$1,620,860 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date. These contributions will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. All other amounts reported as deferred inflows or outflows of resources related to pensions will be recognized in pension expense as follows for fiscal years 2025 and 2024 are displayed below.

Amortization of Deferred Outflows/(Inflows) of Resources 2025		
2025	\$	(129,030)
2026		1,099,611
2027		247,396
2028		(72,210)
2029		-
Thereafter		-
	<b>\$</b>	<b>1,145,767</b>

Amortization of Deferred Outflows/(Inflows) of Resources 2024		
2024	\$	320,920
2025		(149,082)
2026		1,221,178
2027		274,511
2028		-
Thereafter		-
	<b>\$</b>	<b>1,667,527</b>

## Actuarial Assumptions

The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation Rate:	2.00%
Salary Increases:	2.65-8.65% based on service
Experience Study Date:	Period of 5 years ended June 30, 2019
Investment Rate of Return:	6.25%, net of investments expense, including inflation
Actuarial Cost Method:	Entry Age Normal (Level Percent of Payroll)
Cost of Living Increases:	2026-2033- 0.4%; 2034-2038- 0.5%; 2039 and on- 0.6%
Mortality- Healthy:	PubG-2010 with improvements using MP-2019
Mortality- Disabled:	PubG-2010 with improvements using MP-2019

The long-term return expectation for the INPRS defined benefit retirement plans has been determined by 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. In order to determine the expected long-term nominal rate of return, the asset class geometric real returns are projected for a 30-year time horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real rates of return for the portfolio. A range of possible expected long-term rates of return is created by adding the forecasted inflation to the expected long-term real rates of return and adding an expected contribution to the return due to manager selection. This range ultimately supports the long-term expected rate of return assumption of 6.25 percent selected by the INPRS Board as the discount rate. The assumption is a long-term assumption and is not expected to change with small fluctuations in the underlying inputs but may change with a fundamental shift in the underlying market factors or significant asset allocation change.

	Target Asset Allocation	Geometric Basis
		Long-Term Expected Real Rate of Return
Public Equity	20.0%	4.6%
Private Markets	15.0%	7.1%
Fixed Income- Ex Inflation-Linked	20.0%	3.6%
Fixed Income- Inflation-Linked	15.0%	2.1%
Commodities	10.0%	2.8%
Real Estate	10.0%	5.4%
Absolute Return	5.0%	2.5%
Risk Parity	20.0%	6.3%
Cash and Cash Overlay	N/A	1.7%

## Discount Rate

The discount rate used to measure the total pension liability was 6.25 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board and contributions required by the State of Indiana would be made as stipulated by state statute. Based on those assumptions, the pension plans fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate

Net pension liability is sensitive to changes in the discount rate. The following presents the University's proportionate share of net pension liability calculated using the discount rate of 6.25 percent, as well as what the University's share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25 percent) or 1-percentage-point higher (7.25 percent) than the current rate.

Discount Rate Sensitivity-Liability/(Asset) 2025					
1% Decrease (5.25%)		Current (6.25%)		1% Increase (7.25%)	
\$	14,064,043	\$	8,827,857	\$	4,474,071

Discount Rate Sensitivity-Liability/(Asset) 2024					
1% Decrease (5.25%)		Current (6.25%)		1% Increase (7.25%)	
\$	14,329,769	\$	8,792,983	\$	4,176,393

### Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued INPRS financial report which is available at [www.in.gov/inprs/annualreports.htm](http://www.in.gov/inprs/annualreports.htm). Refer to Note 1, Section I for information regarding the INPRS basis of accounting.

### NOTE 16. VEBA TRUST

The University established a Voluntary Employees' Benefit Association (VEBA) trust, with an independent trustee, for the purpose of providing retiree medical benefits for retired employees of Indiana State University and their dependents that become eligible upon accruing the required years of service. Approval from the IRS for the tax-exempt status of the trust was received on March 2, 1999.

The trust is funded from reserves set aside in previous years paid by the University, contributions, employee payroll deductions for post-retirement benefits, and reinvested net earnings. Beginning January 1, 2014, the University activated the VEBA Trust. The University was reimbursed 100 percent of both pre-65 and post-65 retirement medical insurance premiums paid in fiscal year 2025. A summary of the activity in the trust for the year ending June 30, 2025 and 2024 is as follows:

VEBA Trust Activity		
Market value at July 1, 2024	\$	99,134,768
Reimbursement of University retirement expenses		(3,241,500)
Reinvested net earnings		500,654
Less: management fees		(336,903)
Realized gain (loss) on sale of investments		2,998,281
Unrealized gain (loss) on increase in market value		2,632,287
Accrued interest		(406,462)
<b>Market value at June 30, 2025</b>	<b>\$</b>	<b>101,281,125</b>



VEBA Trust Activity		
Market value at July 1, 2023	\$	96,691,183
Reimbursement of University retirement expenses		(3,125,000)
Reinvested net earnings		3,412,655
Less: management fees		(321,561)
Realized (loss) gain on sale of investments		(2,627,199)
Unrealized gain on increase in market value		5,209,941
Accrued interest		(105,251)
<b>Market value at June 30, 2024</b>	<b>\$</b>	<b>99,134,768</b>

These funds cannot under any circumstances revert to the University; therefore, the financial statements of the University do not include the value of these assets. The following charts show the actual diversification of the VEBA investments for fiscal years 2025 and 2024. The investment diversification of the portfolio was rebalanced to a Fixed Income mode in October 2024. This was done to reduce risk and to create a pension-driven portfolio that is used to generate cash flow to cover retiree medical and life insurance claims.

Actual VEBA Investment Diversification as of June 30, 2025		
	Actual \$	Actual %
Fixed Income		
Core Fixed Income	\$ 92,199,560	91.0%
Inflation-Protected Securities	9,081,565	9.0%
	<b>\$ 101,281,125</b>	<b>100.0%</b>

Actual VEBA Investment Diversification as of June 30, 2024		
	Actual \$	Actual %
Domestic Equity	\$ 20,601,002	20.8%
Developed International	8,193,187	8.3%
Fixed Income	68,341,680	68.9%
Emerging Markets	1,839,044	1.8%
Cash and Money Market	159,855	0.2%
	<b>\$ 99,134,768</b>	<b>100%</b>

## NOTE 17. OTHER POST-EMPLOYMENT BENEFITS

### Plan Description

The Indiana State University Retiree Medical Program is a single-employer, post-Medicare retiree health plan administered by AmWins Group Benefits. All retirees, after reaching the age of 65, are required to participate in the fully insured plan in order to retain the retirement medical benefit. This group of post-Medicare retirees retain dental coverage through Delta Dental of Indiana and life insurance through the Lincoln Financial Group.

Retirees under the eligibility requirements will continue participation in the Indiana State University Healthcare Plan for active employees until the age they meet the requirements. This plan is a single-

employer defined benefit healthcare plan that provides medical, dental and life insurance for eligible retirees and their spouses. The plan is administrated by Anthem Life Insurance Company for medical coverage, Delta Dental Plan of Indiana for dental coverage, CVS Caremark for prescription coverage, and the Lincoln Financial Group for life insurance. Starting in January 2018 a High Deductible Health Plan (HDHP) was offered to employees and retirees under the age of 65. Active employees are eligible for these plans provided they retire after attaining age 60 with at least 20 years of service or age 55 with 85 age/service points. Employees who were enrolled in the ISU health plan on/after January 1, 2005 but before March 1, 2022 are eligible for retiree health care coverage to age 65 upon attainment of age 60 with 20 years of service or age 55 with 85 age/service points. Health benefits are only available to individuals retiring at age 60 or later. Employees must have been enrolled in ISU's health plan for at least 20 consecutive years to be eligible for retiree health benefits. Employees hired after March 1, 2022 or employees or their spouses who had not enrolled in the ISU health plan before March 1, 2022 are not eligible for the plan. Surviving spouses may continue in the plan until remarriage or death. The Indiana State University Board of Trustees has the authority to establish and amend provisions to the University plan, including contribution requirements. This plan does not issue a stand-alone financial report.

As of June 30, 2025, the plan participants consisted of the following:

Covered Employees	
Active employees with coverage	715
Active employees without coverage	147
Retirees receiving benefits	620
Retirees without coverage	186

### Contributions

Retirees contribute the portion of premium rates not covered by the University's explicit subsidy. The University has four employee contribution groups with the standard rate and another three groups with or without wellness incentive and/or tobacco surcharge. Retiree contributions follow the wellness incentive and tobacco free contribution group. The monthly retiree contributions on January 1, 2025, and 2024 (applicable to medical and dental benefits) for this category are as shown below.

Retirees' Monthly Contributions		
As of January 1, 2025	Employee	Employee/Spouse
<b>Pre-Medicare</b>		
Below 200% Federal Poverty Level	\$145.00	\$375.00
At least 200% Federal Poverty Level	\$220.06	\$584.46
<b>Post-Medicare</b>	\$59.00	\$118.00

Retirees' Monthly Contributions		
As of January 1, 2024	Employee	Employee/Spouse
<b>Pre-Medicare</b>		
Below 200% Federal Poverty Level	\$145.00	\$375.00
At least 200% Federal Poverty Level	\$220.06	\$584.46
<b>Post-Medicare</b>	\$69.00	\$138.00

Retiree contributions (for the standard rates) as a percentage of premium rates is set by the University for both pre- and post-Medicare retirees. The contribution percentage assumed for the valuation is based on the retiree contributions effective January 1, 2025, and 2024 as follows:

Retirees' Contribution Percentages		
As of January 1, 2025	Employee	Employee/Spouse
Pre-Medicare (weighted average)	18.5%	20.7%
Post-Medicare	19.9%	19.9%

Retirees' Contribution Percentages		
As of January 1, 2024	Employee	Employee/Spouse
Pre-Medicare (weighted average)	19.1%	21.4%
Post-Medicare	24.3%	24.3%

Contribution rates are based on a weighted average of the contribution rates for the University's PPO and HDHP plans, with 78.5 percent of the enrollment in the PPO plan. For the PPO plan, the contribution rates are \$244 for Employee and \$615 for Employee/Spouse. For the HDHP plan, the contribution rates are \$128 for Employee and \$467 for Employee/Spouse.

### Net OPEB Liability (Asset)

The University's net OPEB liability (asset) of (\$40,607,410) and (\$42,812,535) was measured as of June 30, 2025, and 2024, respectively. The net OPEB liability (asset) is presented as a Net OPEB Asset on the Statement of Net Position due to the plan's status of being fully funded at 166.90 percent as of June 30, 2025, and 176 percent as of June 30, 2024. The actuarial valuation was determine using the following actuarial assumptions:

### Actuarial Assumptions

	2025	2024
Valuation Date:	Liabilities as of June 30, 2025 are based on an actuarial valuation date of July 1, 2024 projected to June 30, 2025 reflecting premium rate, retiree contribution and economic assumption changes. Liabilities as of June 30, 2024 are based on an actuarial valuation date of July 1, 2024 with no adjustments.	July 1, 2024 with no adjustments to get to the June 30, 2024 measurement date. Liabilities as of June 30, 2023 are based on the actuarial valuation date of July 1, 2022 projected to June 30, 2023
Mortality:	Non-Faculty Participants: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021; Faculty Participants: SOA Pub-2010 Teachers Headcount Weighted Mortality Table fully generational using Scale MP-2021; Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2021	
Payroll Growth:	1.5% per year increase was used to model future employees salary increases; 2% per year increase was used to model future increases in Federal Poverty Limit.	
Healthcare Trend Rates - Medical/RX - Pre-Medicare:	Initial trend starting at 8.0% and gradually decreasing to an ultimate trend rate of 4.5%	
Healthcare Trend Rates - Medical/RX - Post-Medicare:	Initial trend starting at 6.5% and gradually decreasing to an ultimate trend rate of 4.5%	
Healthcare Trend Rates - Dental	Ultimate trend rate of 4.0%	

The discount rate used to measure the total OPEB liability is based on the long-term expected rate of return on OPEB plan investments that are expected to be used to finance future benefit payments to the extent that they are sufficient to pay projected benefits and that the OPEB plan assets are invested using a strategy that will achieve that return. The long-term rate of return on OPEB plan investments is assumed to be 4.90%. As of June 30, 2025, the VEBA Trust assets are fully invested in fixed income. Since the Trust's current balance is sufficient to pay all future expected benefit payments, the final equivalent single discount rate used for this year's valuation is 4.9% as of June 30, 2025, and 5.25% as of June 30, 2024. See Note 16 for additional information regarding the VEBA trust.

### Changes in the Net OPEB Liability (Asset)

The schedule of changes in the University's net OPEB liability (asset) for fiscal years ended June 30, 2025 and 2024 were as follows:

Schedule of Changes in Net OPEB Liability (Asset)				
	2025		2024	
Total OPEB liability - beginning of year	\$	56,322,233	\$	59,510,496
Service cost		439,812		694,848
Interest		2,899,720		2,789,426
Changes in benefit terms		-		-
Changes in assumptions		3,785,079		4,162,062
Differences between expected and actual experience		325,052		(7,838,653)
Benefit payments		(3,098,181)		(2,995,946)
<b>Total OPEB liability - end of year</b>	<b>\$</b>	<b>60,673,715</b>	<b>\$</b>	<b>56,322,233</b>
Plan fiduciary net position - beginning of year	\$	99,134,768	\$	96,691,183
Net investment income		5,581,305		5,761,092
Benefit payments		(3,098,181)		(2,995,946)
Trust administrative expenses		(336,767)		(321,561)
<b>Plan fiduciary net position - end of year</b>	<b>\$</b>	<b>101,281,125</b>	<b>\$</b>	<b>99,134,768</b>
<b>Net OPEB Liability (Asset)- end of year</b>	<b>\$</b>	<b>(40,607,410)</b>	<b>\$</b>	<b>(42,812,535)</b>

A one-percentage point change in the discount rate and assumed health care cost trend rates would have the following impact on the net OPEB liability (asset) at June 30, 2025:

Impact of Discount Rate or Assumed Cost Rates				
	1% Decrease		Current	1% Increase
Discount Rate	\$	(33,565,292)	\$	(46,532,213)
Healthcare Trend Rate	\$	(47,113,334)	\$	(32,880,453)

A one-percentage point change in the discount rate and assumed health care cost trend rates would have the following impact on the net OPEB liability (asset) at June 30, 2024:

Impact of Discount Rate or Assumed Cost Rates				
	1% Decrease		Current	1% Increase
Discount Rate	\$	(36,260,399)	\$	(48,319,180)
Healthcare Trend Rate	\$	(48,389,440)	\$	(36,207,448)



## OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The University recognized OPEB expense (benefit) of \$(212,480) and \$(1,388,147) as of June 30, 2025 and 2024, respectively.

OPEB Expense			
	2025		2024
Service cost	\$	439,812	\$ 694,848
Interest		2,899,720	2,789,426
Change of benefit terms		-	-
Projected earnings on OPEB plan investments		(5,115,561)	(4,514,954)
OPEB Plan administrative expenses		336,767	321,561
<b>Current period recognition of deferred outflows/(inflows) of resources:</b>			
Differences between expected and actual experience	\$	(2,074,734)	\$ (2,183,085)
Changes in assumptions		1,880,847	619,154
Net difference between projected and actual earnings on OPEB plan investments		1,420,669	884,903
<b>Total current period recognition</b>	<b>\$</b>	<b>1,226,782</b>	<b>\$ (679,028)</b>
<b>Total OPEB expense</b>	<b>\$</b>	<b>(212,480)</b>	<b>\$ (1,388,147)</b>

As of June 30, 2025, and 2024, the University recognized deferred inflows related to OPEB of \$4,564,112 and \$7,168,559 respectively, and deferred outflows related to OPEB of \$8,971,565 and \$9,158,407 respectively, as summarized below:

Deferred Inflows and Outflows of Resources Related to OPEB				
	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 216,701	\$ 4,142,750	\$ -	\$ 6,325,835
Change in assumptions	4,604,416	421,362	3,121,546	842,724
Net difference between projected and actual earnings in OPEB plan investments	4,150,448	-	6,036,861	-
	<b>\$ 8,971,565</b>	<b>\$ 4,564,112</b>	<b>\$ 9,158,407</b>	<b>\$ 7,168,559</b>

The balances as of June 30, 2025 and 2024 deferred outflows/(inflows) of resources will be recognized in OPEB expense in the future fiscal years as noted:

Amortization of Deferred Outflows/(Inflows) of Resources		
2025		
2026	\$	4,370,126
2027		472,850
2028		(342,375)
2029		(93,148)
2030		-
Thereafter		-
	<b>\$</b>	<b>4,407,453</b>

Amortization of Deferred Outflows/(Inflows) of Resources		
2024		
2025	\$	(50,113)
2026		3,093,231
2027		(804,044)
2028		(249,226)
2029		-
Thereafter		-
	<b>\$</b>	<b>1,989,848</b>







# REQUIRED SUPPLEMENTARY INFORMATION

## Schedule of Indiana State University's Proportionate Share of the Net Pension Liability

Public Employees' Defined Benefit Account (PERF DB)

Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.22%	0.24%	0.27%	0.30%	0.33%	0.37%	0.37%	0.39%	0.39%	0.38%
Proportionate share of the net pension liability (asset)	\$ 8,827,857	\$ 8,792,983	\$ 8,597,661	\$ 3,957,938	\$ 10,101,407	\$ 12,088,270	\$ 12,597,603	\$ 17,182,000	\$ 17,855,000	\$ 15,538,121
Covered-employee payroll	\$ 14,709,410	\$ 15,663,241	\$ 15,689,096	\$ 16,583,853	\$ 18,054,906	\$ 19,055,995	\$ 18,912,000	\$ 19,086,000	\$ 18,855,000	\$ 18,272,950
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	60.0%	56.1%	54.8%	23.9%	55.9%	63.4%	66.6%	90.0%	94.7%	85.0%
Plan fiduciary net position as a percentage of the total pension liability	79.5%	80.8%	82.5%	92.5%	81.4%	80.1%	78.9%	76.6%	75.3%	77.3%

## Schedule of Indiana State University's Contributions

Public Employees' Defined Benefit Account (PERF DB)

Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 2,081,284	\$ 2,029,310	\$ 1,635,964	\$ 1,701,350	\$ 1,806,075	\$ 2,015,902	\$ 2,130,487	\$ 2,111,081	\$ 2,139,239	\$ 2,112,000
Contributions in relation to the contractually required contribution	(2,081,284)	(2,029,310)	(1,635,964)	(1,701,350)	(1,806,075)	(2,015,902)	(2,130,487)	(2,111,081)	(2,139,239)	(2,112,000)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 15,065,345	\$ 14,710,326	\$ 15,663,240	\$ 15,771,125	\$ 16,582,925	\$ 18,089,129	\$ 19,055,995	\$ 18,912,000	\$ 19,086,000	\$ 18,855,000
Contributions as a percentage of covered-employee payroll	13.8%	13.8%	10.4%	10.8%	10.9%	11.1%	11.2%	11.2%	11.2%	11.2%

### Notes to Schedule

#### Plan Amendments

There were no changes to the PERF DB plan that impacted the pension benefits during fiscal year 2025.

#### Assumption Changes

There were no changes to assumptions that impacted the Net Pension Liability during fiscal year 2025.

## Schedule of Indiana State University's Changes in Net OPEB Liability and Related Ratios

Last 10 Fiscal Years\*

	2025	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB liability</b>								
Service cost	\$ 439,812	\$ 694,848	\$ 721,978	\$ 330,269	\$ 334,166	\$ 329,054	\$ 376,591	\$ 411,527
Interest	2,899,720	2,789,426	2,738,046	2,439,560	2,518,533	2,908,652	3,435,937	3,524,502
Changes of benefit terms	-	-	-	6,707,600	-	-	-	-
Changes in assumptions	3,785,079	4,162,062	(1,685,448)	5,062,729	-	4,933,545	-	68,590
Differences between expected and actual experience	325,052	(7,838,653)	(893,689)	467	(1,555,822)	(3,492,128)	(9,911,755)	(2,646,249)
Benefit payments	(3,098,181)	(2,995,946)	(2,955,254)	(2,799,256)	(2,943,864)	(2,635,833)	(2,646,674)	(2,947,969)
<b>Net change in total OPEB liability</b>	<b>4,351,482</b>	<b>(3,188,263)</b>	<b>(2,074,367)</b>	<b>11,741,369</b>	<b>(1,646,987)</b>	<b>2,043,290</b>	<b>(8,745,901)</b>	<b>(1,589,599)</b>
Total OPEB liability- beginning of year	56,322,233	59,510,496	61,584,863	49,843,494	51,490,481	49,447,191	58,193,092	59,782,691
<b>Total OPEB liability- end of year</b>	<b>\$ 60,673,715</b>	<b>\$ 56,322,233</b>	<b>\$ 59,510,496</b>	<b>\$ 61,584,863</b>	<b>\$ 49,843,494</b>	<b>\$ 51,490,481</b>	<b>\$ 49,447,191</b>	<b>\$ 58,193,092</b>
<b>Plan fiduciary net position</b>								
Contributions- employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net investment income	5,581,305	5,761,092	2,491,749	(16,911,050)	20,644,981	8,722,115	6,684,798	5,051,656
Benefit payments	(3,098,181)	(2,995,946)	(2,955,254)	(2,799,256)	(2,943,864)	(2,635,833)	(2,646,674)	(2,947,969)
Administrative expense	(336,767)	(321,561)	(317,357)	(365,034)	(342,205)	(306,275)	(276,978)	(313,055)
<b>Net change in fiduciary net position</b>	<b>2,146,357</b>	<b>2,443,585</b>	<b>(780,862)</b>	<b>(20,075,340)</b>	<b>17,358,912</b>	<b>5,780,007</b>	<b>3,761,146</b>	<b>1,790,632</b>
Plan fiduciary net position- beginning of year	99,134,768	96,691,183	97,472,045	117,547,385	100,188,473	94,408,466	90,647,320	88,856,688
<b>Plan fiduciary net position- end of year</b>	<b>\$ 101,281,125</b>	<b>\$ 99,134,768</b>	<b>\$ 96,691,183</b>	<b>\$ 97,472,045</b>	<b>\$ 117,547,385</b>	<b>\$ 100,188,473</b>	<b>\$ 94,408,466</b>	<b>\$ 90,647,320</b>
<b>Net OPEB liability- end of year</b>	<b>\$ (40,607,410)</b>	<b>\$ (42,812,535)</b>	<b>\$ (37,180,687)</b>	<b>\$ (35,887,182)</b>	<b>\$ (67,703,891)</b>	<b>\$ (48,697,992)</b>	<b>\$ (44,961,275)</b>	<b>\$ (32,454,228)</b>
Plan fiduciary net position as a percentage of the total OPEB liability	166.9%	176.0%	162.5%	158.3%	235.8%	194.6%	190.9%	155.8%
Covered-employee payroll	\$ 60,927,007	\$ 60,026,608	\$ 74,658,610	\$ 73,612,849	\$ 27,194,786	\$ 30,046,196	\$ 32,207,301	\$ 33,824,254
Net OPEB liability as a percentage of covered-employee payroll	-66.6%	-71.3%	-49.8%	-48.8%	-249.0%	-162.1%	-139.6%	-95.9%

\*Schedule is intended to show information for the last 10 years. Additional years will be displayed as they become available.

## Schedule of Indiana State University's OPEB Contributions

Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution in relation to the actuarially determined contribution	-	-	-	-	-	-	-	-	-	1,431,000
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(1,431,000)
Covered-employee payroll	\$ 60,927,007	\$ 60,026,608	\$ 74,658,610	\$ 73,612,849	\$ 27,194,786	\$ 30,046,196	\$ 32,207,301	\$ 33,824,254	\$ 35,932,000	\$ 39,400,000
Contributions as a percentage of covered-employee payroll	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.6%

## Notes to Schedule

### Plan Amendments

There were no changes to the OPEB plan that impacted the pension benefits during fiscal year 2025.

### Valuation Date

Fiscal year ending June 30, 2025

### Methods and Assumptions Used to Determine Contribution Rates:

Discount rate	4.90%
Payroll growth factor used for amortization	1.5%
Actuarial cost method	Entry Age Normal Level % of Salary
Amortization type	Level Dollar
Amortization period (years)	23

There were no changes to the OPEB plan assumptions used to determine contribution rates during fiscal year 2025.



# HOME COUNTIES OF INDIANA STATE STUDENTS

(FALL 2024) UNAUDITED

## INDIANA

(92 COUNTIES)

5,569

## OUT-OF-STATE

(46 STATES)

1,966

## INTERNATIONAL

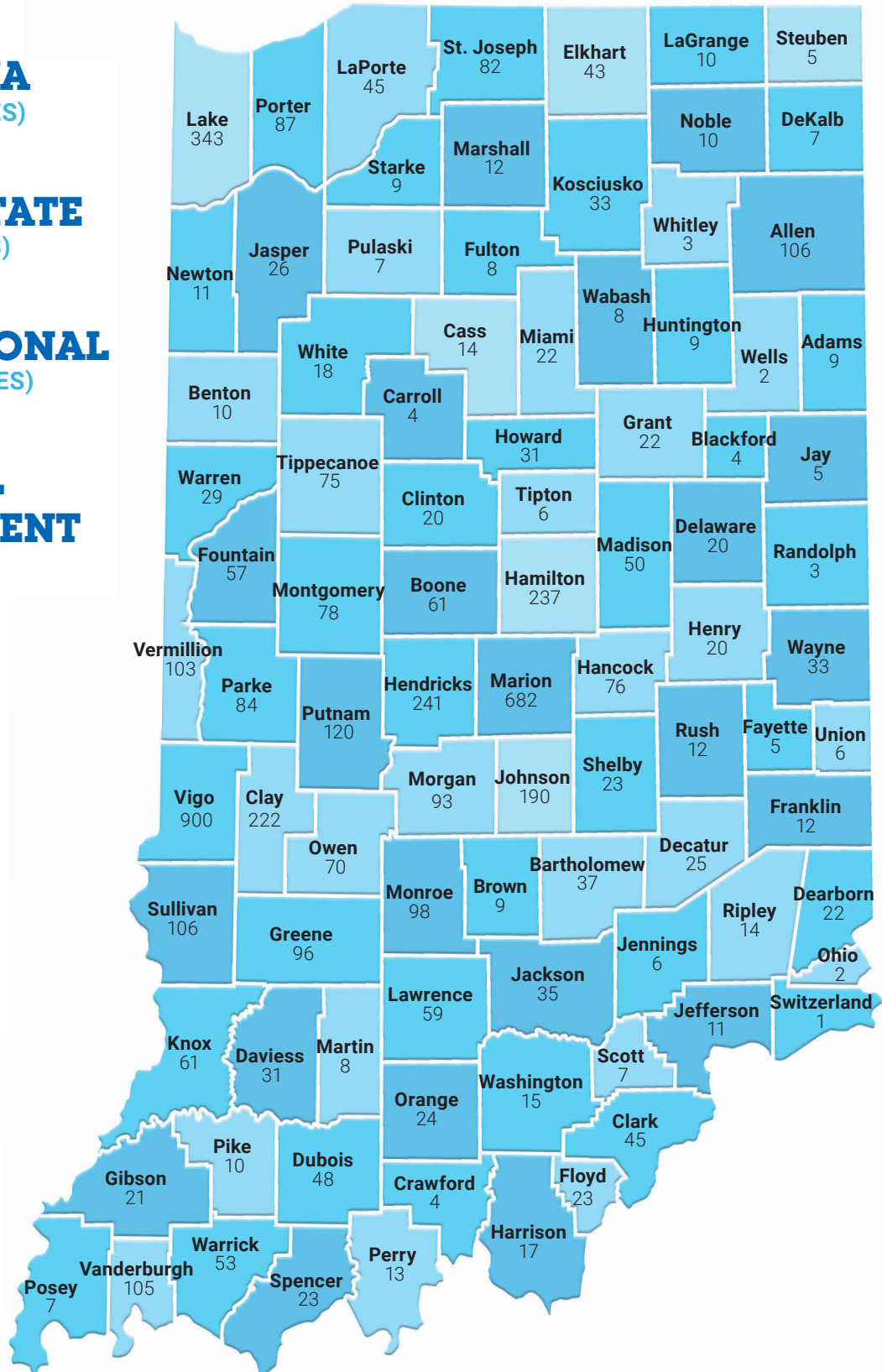
(64 COUNTRIES)

360

## TOTAL

## ENROLLMENT

7,895



# BOARD OF TRUSTEES AND UNIVERSITY ADMINISTRATION

## Board of Trustees

as of June 30, 2025

### **Robert E. Casey, Jr.**

Chair  
Westfield, Indiana  
Term Expires 2027

### **John K. Pratt**

Vice Chair  
Rockville, Indiana  
Term Expires 2025

### **Cynthia R. Powers**

Secretary  
Valparaiso, Indiana  
Term Expires 2025

### **Rob Carter**

Brazil, Indiana  
Term Expires 2028

### **Lori Danielson**

Terre Haute, Indiana  
Term Expires 2028

### **John Ford**

Terre Haute, Indiana  
Term Expires 2028

### **Cheryl Roberson**

Mooresville, Indiana  
Term Expires 2027

### **Kate VanHyfte**

Zionsville, Indiana  
Term Expires 2025

### **Troy Woodruff**

Fishers, Indiana  
Term Expires 2025

## University Officials

as of June 30, 2025

### **Mike P. Godard**

President of the University

### **Christopher J. Olsen**

Provost and Vice President  
for Academic Affairs

### **Diann E. McKee**

Senior Vice President for  
Finance and Administration/  
University Treasurer

### **Andrea L. Angel**

Vice President for Development  
and CEO of ISU Foundation

### **Nancy Brattain Rogers**

Vice President for  
University Engagement

## For Additional Information:

### **Admissions**

Office of Admissions  
John W. Moore Welcome Center  
318 North Sixth Street  
Indiana State University  
Terre Haute, Indiana 47809  
812-237-2121  
[admissions@indstate.edu](mailto:admissions@indstate.edu)

### **Alumni**

Alumni Association  
30 North Fifth Street  
Terre Haute, Indiana 47807-2939  
812-237-6143  
[alumni@indstate.edu](mailto:alumni@indstate.edu)

### **Foundation**

ISU Foundation  
30 North Fifth Street  
Terre Haute, Indiana 47807-2939  
812-237-6100

### **Additional copies of the 2025 Financial Report may be obtained from:**

Office of the Controller  
Parsons Hall, Room P100  
Indiana State University  
Terre Haute, Indiana 47809  
812-237-3513  
or at [indstate.edu/controller](http://indstate.edu/controller)













**Office of the Controller**

Parsons Hall, Room P100  
Indiana State University  
Terre Haute, Indiana 47809

812-237-3513  
[indstate.edu/controller](http://indstate.edu/controller)