VINCENNES UNIVERSITY

FINANCIAL REPORT

2012-2013

VINCENNES UNIVERSITY

MISSION & VISION

Mission

Vincennes University, Indiana's first college, is the State's premier transfer institution and leader in innovative career programming. The VU community ensures educational access, delivers proven associate and baccalaureate programs, and offers cultural opportunities and community services in a diverse, student-centered, collegiate environment.

Vision

Vincennes University is a premier learning institution, widely recognized for leadership in innovation and delivery of successful educational experiences. A broad range of program offerings and a commitment to superior service ensure the University's role as an important link in Indiana's economic and cultural vitality. VU is a diverse community whose members all share responsibility for supporting the University mission and are respected for their contributions.

VINCENNES UNIVERSITY

FINANCIAL REPORT

2012-2013






Vincennes University Financial Report 2012-2013

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AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF VINCENNES UNIVERSITY, VINCENNES, INDIANA

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component unit of Vincennes University (University), a component unit of the State of Indiana, as of and for the years ended June 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the University's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Vincennes University Foundation, a component unit of the University as discussed in Note 1, which represents 100% of the assets and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Vincennes University Foundation, is based solely on the report of the other auditor. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinion

In our opinion, based on our audits and the reports of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component unit of Vincennes University as of June 30, 2013 and 2012, and the respective changes in its financial position and its cash flows, thereof, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The Treasurer's Report and the Board of Trustees and University Officers are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Treasurer's Report and the Board of Trustees and University Officers have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on this information.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 16, 2013, 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 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 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.

Bruce Hartman
State Examiner

October 16, 2013

Vincennes University Treasurer's Report

During the 2013 legislative session, the Indiana General Assembly implemented changes to its performance-based funding model, now funding Indiana's public institutions based on on-time completion and key success measures. Over the past year, Vincennes University launched several promising initiatives to ensure and promote on-time completion for our students, many of whom are non-traditional or first-generation in their family to attend college. We have a renewed focus on pathways that compress time-to-degree while at the same time ensuring academic excellence is achieved.

As leaders across the state are aware, employment patterns in Indiana reveal the majority of job openings projected through 2020 will continue to be in middle-skill jobs. Vincennes University plays a critical role in providing education and training to support these industries that remain the backbone of Indiana's economy. In May, VU dedicated the $12 million, 54,000 square foot Center for Technology, Innovation and Manufacturing on its Jasper campus. Deeply rooted in manufacturing, employers in Dubois and the surrounding counties were quick to embrace and capitalize on this new state-of-the-art facility. In June, Vincennes University launched the Toyota Advanced Manufacturing Technician Program, a partnership with a world-class manufacturer that represents the best qualities of this institution: innovative, employer driven and student centered. This new education-to-work program is the first of its kind in Indiana.

As the needs of Indiana's workforce continue to evolve, Vincennes University is expanding to provide students all across the state with access to a VU education. In September, the University was awarded a $2.9 million grant through the U.S. Department of Labor to support the growing logistics industry in Central Indiana. Our successful Early College programs are now operating in five locations throughout the state. Additionally, building on our successful history of career and technical education and Early College, VU will introduce Career and Technical Early Colleges at the Area 31 Career Center in Indianapolis and the Area Career Center of Hammond in Fall 2013 with plans in place to expand to other Career and Technical Education Centers throughout Indiana. With over 30,000 students involved in these centers, Vincennes University is uniquely positioned to help fill the skills gap so commonly cited by employers across the state.

In order for our students to excel in a quality academic environment, Vincennes University has always been a good steward of its financial resources. The institution remains committed to responsible preservation of the University's and the State of Indiana's infrastructure investments. Our detailed cost saving initiatives including energy management programs, staff reallocations and healthcare plan adjustments ensure we are providing students with high quality education at the lowest possible cost. It is through this dedication to fiscal accountability that Vincennes University proudly remains Indiana's most affordable residential college.

Through partnerships – partnerships with employers, with career centers, with high schools, with workforce organizations and with communities –Vincennes University is making a difference for Indiana. I am pleased to present the 2012-2013 Vincennes University Financial Report for the fiscal year ended June 30, 2013. This report is a complete and permanent record of the financial status of Vincennes University for the period stated.

Respectfully submitted,

Phillip S. Rath
Vice President for Financial Services and Government Relations

Management's Discussion & Analysis

Vincennes University is proud to present its financial statements for fiscal year 2013. The following discussion and analysis provides an overview of the financial position and activities of Vincennes University (the "University") for the year ended June 30, 2013, with comparative information for the year ended June 30, 2012. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes following this section.

One of the first two-year colleges in America, Vincennes University is also Indiana's oldest college. Currently, the University is a comprehensive public institution of higher learning with a fall 2012 enrollment of approximately 9,952 full-time equivalents. The University offers a broad range of degrees including baccalaureate programs. These degrees include: Bachelor of Science degrees in Health Care Management, Homeland Security and Public Safety, Education-Science Concentration, Education –Special Education, Education – Math Concentration, Nursing, and Technology. Vincennes University has a statewide mission and is a state-supported university. Major extension sites are located in Jasper and Indianapolis, Indiana. The University also offers over 595 courses through its Distance Education program and at thirteen military sites across the United States. The University is accredited by the North Central Association of Colleges and Schools.

The University is committed to an open admission policy and recognizes that promoting individual growth and development must be its primary consideration. Furthermore, the University believes it must play a key role in programs of community development, cultural enrichment, and services appropriate to a post-secondary educational institution.

USING THE FINANCIAL STATEMENTS

The University's financial report includes three financial statements: the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. These financial statements are presented in accordance with Governmental Accounting Standards Board (GASB) principles, which establish standards for external financial reporting for public colleges and universities and require that financial statements be presented for aggregate operations which includes the Vincennes University Foundation, Incorporated.

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 and liabilities of the University. The difference between total assets/deferred outflow of resources and total liabilities/deferred inflow of resources --net position--is one indicator of the current financial condition of the University, while the change in net position is an indicator of whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less an allowance for depreciation. A summarization of the University's assets, deferred outflow of resources, liabilities, and net position at June 30, 2013, with comparative data for 2012, is as follows:

Statement of Net Position	2013 (in thousands)	2012 (in thousands)
Current Assets	$ 34,128	$ 32,523
Non-current Assets		
Investments	102,429	113,392
Capital Assets, net	201,634	184,002
Other	9,706	8,106
Total Assets	**$ 347,897**	**$ 338,023**
Deferred Outflows	**$ 127**	**$ 486**
Current Liabilities	21,260	21,547
Non-current Liabilities	62,584	59,660
Total Liabilities	**$ 83,844**	**$ 81,207**
Net Position	**$ 264,180**	**$ 257,302**

The University's financial position remained strong at June 30, 2013, with assets of $348 million and liabilities of $83.8 million. This financial health reflects the prudent utilization of its financial resources, including careful cost controls, management of its endowments, conservative utilization of debt, and adherence to its long-range capital plan for the maintenance and replacement of the physical plant.

Current assets consist primarily of cash, short-term investments, and accounts receivable. Accounts receivable includes sponsored programs, student loans, and student receivable for tuition, and room and board.

Non-current assets increased $8.3 million from the previous year. This increase was largely related to the completion of the Jasper Center for Technology, Innovation and Manufacturing, the construction of the Center for Art Design, and various renewal and replacement projects. The University's contribution toward the Other Postemployment Benefit (OPEB) obligation was in excess of the annual required contribution resulting in a net asset of $8.9 million.

Current liabilities consist primarily of accounts payable, loans payable, accrued compensation, and accrued vacation liability. Accounts payable increased $3.2 million to $5.4 million. This increase was primarily related to the timing of construction payments.

Total non-current liabilities increased $2.9 million which was related to the issuance of the $8,045,000 in student fee bonds to fund the Jasper Center for Technology, Innovation and Manufacturing. The majority of non-current liabilities represent bonds payable net of unamortized bond premium (discount) totaling $61 million. These bonds were issued to finance the construction of student residence halls and academic buildings. More detailed information concerning the University's long-term debt is presented in the Notes to the Financial Statements.

Deferred outflows of resources is the fair value of the pay-fixed interest rate swap issued December 28, 2008.

NET POSITION

Net position represent the residual interest in the University's assets after liabilities are deducted. The University's net position at June 30, 2013, with comparative data for 2012, is summarized as follows:

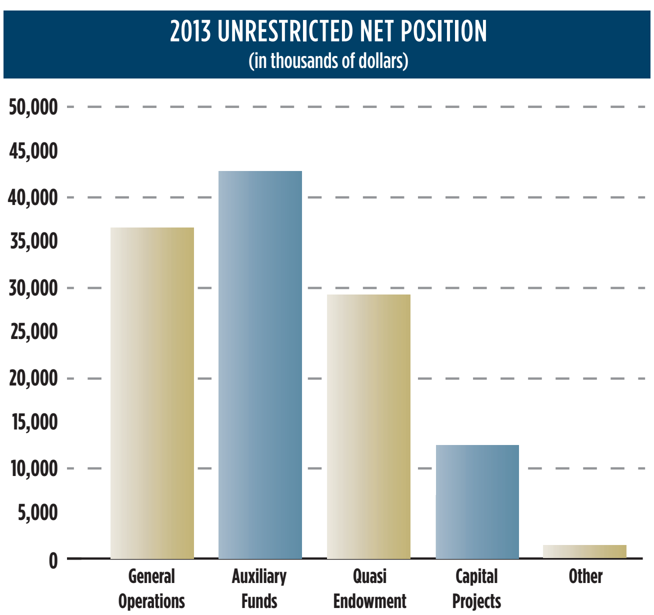
Summary of Net Position	2013 (in thousands)	2012 (in thousands)
Net Investment in Capital Assets	$ 135,878	$ 121,717
Restricted:		
Non-expendable	2,380	2,380
Expendable	4,946	5,885
Unrestricted:		
Designated - Capital & Other	13,683	23,541
Designated for Quasi-Endowment	28,673	29,119
General Operations	36,176	33,570
Auxiliary	42,444	41,090
Total Net Position	**$ 264,180**	**$ 257,302**

Net Investment in Captial Assets represent the institution's equity in property, plant and equipment net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisiton, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted net position is the restricted component of net position which consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. *Restricted net position non-expendable* primarily include the University's permanent endowment funds. The corpus of these resources is only available for investment purposes. *Restricted net position - expendable* are subject to externally imposed restrictions governing their use. This category of net position includes funds restricted for capital projects, external loan funds, and scholarship funds.

Unrestricted net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflow of resouces that are not include in the determination of net investment in capital assets or the restricted component of net position. Unrestricted net position is not subject to externally imposed stipulations.

However, many of the University's unrestricted net assets have been designated or reserved for specific purposes such as auxiliaries, quasi endowment, dormitory reserves, and repair and replacement reserves for capital and infrastructure. Unrestricted net assets include board designated quasi endowment funds of $28.7 million. All income and gain derived from these quasi-endowment funds are used for the purpose of funding various designated University activities. General Operations' net assets increased $2.6 million which is attributable to cost containment. Investments in capital assets increased $14.2 million with the completion of the Jasper Center for Technology, Innovation and Manufacturing and various renewal and replacement projects. The Designated – Capital & Other decreased $9.9 million which was attributable to the construction of the Center for Art and Design, the Morris Hall electromechanical upgrade and phase 1 of the Ebner Building renovation. The following graph shows the percentage breakdown of unrestricted net assets of $121 million by designation:



STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses and Changes in Net Position presents the operating results of the University, as well as the non-operating revenues and expenses. Governmental appropriations, while budgeted for operations, are considered non-operating revenues as defined by GASB Statement No. 35. A summary of the Statement of Revenues, Expenses and Changes in Net Position for the years ending June 30, 2013 and 2012 is as follows:

Statement of Revenues, Expenses & Changes in Net Position	2013 (in thousands)	2012 (in thousands)
Operating Revenue:		
Tuition and Fees, Net	$ 27,286	$ 29,560
Auxiliary, Net	17,377	18,719
Grant and Contracts	16,376	17,096
Other	721	633
Total Operating Revenue	$ 61,760	$ 66,088
Operating Expenses	$118,338	$123,752
Net Operating Income (Loss)	$ (56,578)	$ (57,744)
Non-Operating Revenues (Expenses):		
Governmental Appropriations	$ 41,960	$ 41,550
Federal and State Student Aid	24,074	26,451
Gifts (Including Endowment and Capital)	581	166
Investment Income	(455)	2,601
Gain (Loss) on Disposition of Capital Assets	(78)	67
Other Income and Expense	(2,626)	(2,299)
Total Non-Operating Revenue	$ 63,456	$ 68,536
Increase in Net Position	$ 6,878	$ 10,792
Net position - Beginning of year	$257,302	$246,510
Net position - End of year	$264,180	$257,302

REVENUES

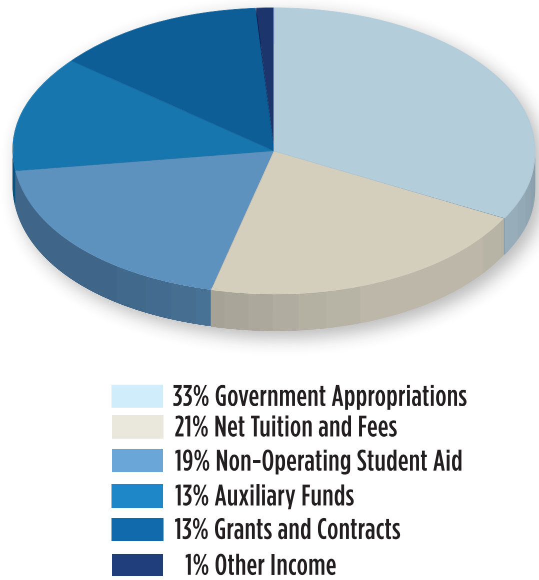
Operating revenues had a decrease from the prior year. The changes in revenue are as follows:

- Tuition and fees, net of scholarship allowances and bad debt, decreased 7.7 percent from the prior year which was largely attributable to the decrease in enrollment on the Vincennes Campus.
- Auxiliary revenues primarily consist of student housing, bookstores, student activities, and workshops. Net auxiliary revenues for housing and bookstores decreased 7.2 percent which coincided with the decrease in enrollment.
- For grants and contracts, the University received an estimated 67 percent from federal agencies, 22 percent from state agencies, and 11 percent from nongovernmental agencies.

Non-operating revenue decreased from the previous fiscal year. The activity includes the following:

- Federal and State Student Aid decreased 9 percent to $24.1 million. This decrease is largely attributable to the amount of Pell aid awarded.
- Investment income decreased approximately $3 million which was reflective of the market conditions.

The following is a graphic illustration of revenues by source (both operating and non-operating) used to fund the University for the year ended June 30, 2013.



EXPENSES

A comparative of the University's expenses for the years ending June 30, 2013 and 2012 is as follows:

Expense By Natural Object	2013 (in thousands)	2012 (in thousands)
Operating:		
Compensation and Benefits	$ 64,036	$ 67,041
Supplies, Services & Equipment	33,827	35,713
Depreciation	9,843	9,183
Scholarships and Fellowships	10,632	11,815
Total Operating Expenses	$118,338	$123,752
Non-Operating:		
Interest and Other	2,626	2,443
Total Expenses	$120,964	$126,195

Operating expenses were $118 million for the fiscal year ending June 30, 2013. Changes in the major expenses categories are as follows:

- Total salaries and benefits comprised approximately 53 percent of total expenses. Faculty and staff received an average merit of 2% at the beginning of fiscal year 2013. Benefits decreased $2.7 million which was directly related to a decrease in healthcare claims compared to the previous year.
- Student aid decreased resulting in a $1.2 million decrease in scholarships and fellowships as compared to the previous year.
- Overall supplies and services decreased $1.2 million from the previous year. The University continues to make cost containment an ongoing effort for all related supply and expense expenditures.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides information about the University's financial results by reporting the major sources and uses of cash. Cash received from operations primarily consists of student tuition, sponsored programs and auxiliary revenues. Significant sources of cash provided by non-capital financing activities, as defined by GASB, include state appropriations and gifts used to fund operating activities. For higher education institutions, these cash inflows are critical to funding the operations of the University.

A comparative of the Statement of Cash Flows for the years ended June 30, 2013 and 2012 is as follows:

Statement of Cash Flows	2013 (in thousands)	2012 (in thousands)
Cash Received from Operations	$ 61,501	$ 68,198
Cash Expended for Operations	(107,583)	(121,527)
Net Cash Used in Operating Activities	$ (46,082)	$ (53,329)
Net Cash Provided by Non-Capital Financing Activities	63,174	72,186
Net Cash Provided by (used in) Investing Activities	7,588	7,083
Net Cash used in Capital and Related Financing Activities	(26,096)	(22,457)
Net Increase (Decrease) in Cash and Cash Equivalents	$ (1,416)	$ 3,483
Cash and Cash Equivalents - Beginning of Year	16,367	12,884
Cash and Cash Equivalents - End of Year	$ 14,951	$ 16,367

The University's Cash and Cash Equivalents decreased $1.4 million from the previous year. The decrease in the cash and cash equivalents was primarily related to the decrease in enrollment.

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The economic condition of Vincennes University is closely tied to that of the State of Indiana with state appropriations being the largest source of funding for the University. The State and Federal governments continue to recognize the importance of an education in our nation at a time when governmental appropriations are declining.

The Vincennes University Logistics Training and Education Center is now operational in Plainfield, Indiana. The University was awarded a $2.9 million grant from the Department of Labor to facilitate the logistics program at this facility. This facility is located directly amongst the largest logistics industry in the state. By combining state-of-the-art logistics technology, extensive lab space, and employer-driven credentials, this 30,000 square foot advanced warehousing facility will fill an education and training gap that currently exists within the state.

The University will be issuing $4.5 million in bonds during fiscal year 2014 to fund the dorm renovation of Vanderburgh Hall and Morris Hall. The University will also receive state appropriations of $12 million to upgrade the infrastructure at the Aviation Technology Center in Indianapolis and to replace the steamline and electric infrastructure on the Vincennes campus.

Health care and prescription drug costs are a primary concern as the costs of the University's health benefits continue to increase. Increasing costs for medical insurance, volatile utility costs, repair and maintenance of campus facilities, and replacing equipment with state-of-the-art technology are also significant cost pressures facing the University.

The University is examining the impact of the new Governmental Accounting Standards Board Statements 67 and 68 which will require the University to report the pension expense on an accrual basis and recognize the unfunded liability for the agent multiple-employer and cost sharing plans. The impact on the financial statements will take place during FY2014 and FY2015.

Management's prudent use of resources and the ability to recognize workforce changes and adapt programming to meet employers' needs will ensure that the University continues to remain financially sound.

VINCENNES UNIVERSITY STATEMENT OF NET POSITION

As of June 30, 2013 and June 30, 2012

ASSETS		2013		2012
Current Assets				
Cash and Cash Equivalents	$	14,951,417	$	16,367,348
Short-term Investments		8,161,771		5,155,114
Funds held with Bond Trustee		16,805		15,899
Accounts Receivable (Less Allowance of $4,041,546 2013 and $ 3,810,956 2012)		7,682,311		7,298,301
Current Portion of Notes Receivable		585,834		568,136
Inventories		2,234,362		2,281,846
Accrued Interest Income		319,875		406,447
Prepaid Expenses		175,343		430,406
Total Current Assets	**$**	**34,127,718**	**$**	**32,523,497**
Non-current Assets				
Funds held with Bond Trustee for Debt Service		223,371		225,198
Investments		102,428,542		113,391,743
Notes Receivable		582,503		686,584
OPEB Asset		8,900,939		7,193,705
Capital Assets, Net of Accumulated Depreciation		201,633,599		184,002,305
Total Non-current Assets	**$**	**313,768,954**	**$**	**305,499,535**
Total Assets	**$**	**347,896,672**	**$**	**338,023,032**
DEFERRED OUTFLOWS				
Accumulated decrease in fair value of hedging derivatives	$	126,744	$	485,870
LIABILITIES				
Current Liabilities				
Accounts Payable	$	5,351,492	$	2,190,413
Capital Lease Payable		-		3,425
Accrued Payroll and Deductions Payable		4,054,367		4,559,214
Accrued Vacation Liability		1,175,987		1,147,522
Unearned Revenue		2,667,236		2,655,615
Accrued Interest on Debt		342,536		347,271
Bonds Payable		4,375,800		4,248,000
Deposits		251,684		253,771
Deposits Held in Custody for Others		2,072,201		5,093,143
Other Liabilities		968,409		1,048,513
Total Current Liabilities	**$**	**21,259,712**	**$**	**21,546,887**
Non-current Liabilities				
Capital Lease Payable		-		7,845
Bonds Payable (Net of Unamortized Bond Premium (Discount) of $1,448,762 2013 and $1,600,798 2012)		61,340,762		58,049,798
Derivative Instrument - Interest Rate Swap		126,744		485,870
Advances from Federal Government		1,116,332		1,116,332
Total Non-current Liabilities	**$**	**62,583,838**	**$**	**59,659,845**
Total Liabilities	**$**	**83,843,550**	**$**	**81,206,732**
NET POSITION				
Net Investment in Capital Assets	$	135,878,482	$	121,716,913
Restricted for Non-expendable:				
Scholarships & Instruction		2,379,585		2,379,586
Expendable:				
Capital Projects		1,879,157		2,733,504
Loan Funds		554,184		536,259
Scholarships & Instruction		2,513,254		2,614,949
Unrestricted		120,975,204		127,320,959
Total Net Position	**$**	**264,179,866**	**$**	**257,302,170**

The accompanying Notes to the Financial Statements are an integral part of this statement.

VINCENNES UNIVERSITY FOUNDATION, INC.
COMPONENT UNIT — STATEMENT OF FINANCIAL POSITION

As of June 30, 2013 with comparative figures for 2012

Assets	2013	2012
Unrestricted Funds		
Cash	$ 85,402	$ 87,456
Amount Due from Agency Funds	1,309	15,309
Other Accounts Receivable	1,250	-
Accrued Interest Receivable	1,226	880
Investments	2,121,380	1,958,255
Equipment	18,267	18,267
Accum. Deprec. - Equipment	(17,205)	(16,046)
Prepaid Expense	3,029	1,620
Property	994,659	995,509
Total Unrestricted Funds	**$ 3,209,317**	**$ 3,061,250**
Current Restricted Funds		
Cash	$ 2,553	$ -
Accrued Interest Receivable	7,350	7,663
Investments	38,540,432	33,653,723
Other Accounts Receivable	223	1,255
Prepaid Expense	47,250	32,960
Total Current Restricted Funds	**$ 38,597,808**	**$ 33,695,601**
Endowment Funds		
Accrued Interest Receivable	13,856	9,785
Investments	23,981,924	21,636,036
Prepaid Expense	3,000	1,148
Total Endowment Funds	**$ 23,998,780**	**$ 21,646,969**
Total Assets	**$ 65,805,905**	**$ 58,403,820**

Liabilities & Fund Balances	2013	2012
Accounts Payable	$ 4,816	$ 2,280
Vacation Accrual	11,113	9,286
Deferred Income Other	5,525	11,980
Due VU General Fund	13,224	17,544
Refundable Advance	770,200	770,200
Net Assets	2,404,439	2,249,960
Total Unrestricted Funds	**$ 3,209,317**	**$ 3,061,250**
Accounts Payable	$ 39,981	$ 8,916
Due to Unrestricted	-	10,597
Funds Held in Trust	36,558,776	31,731,775
Deferred Income Other	98,650	69,120
Net Assets	1,900,401	1,875,193
Total Current Restricted Funds	**$ 38,597,808**	**$ 33,695,601**
Accounts Payable	$ 5,977	$ 6,910
Due to Unrestricted	1,309	4,712
Net Assets	23,991,494	21,635,347
Total Endowment Funds	**$ 23,998,780**	**$ 21,646,969**
Total Liabilities and Fund Balance	**$ 65,805,905**	**$ 58,403,820**

The accompanying Notes to the Financial Statements are an integral part of this statement.

VINCENNES UNIVERSITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the year ended June 30, 2013 and June 30, 2012

	2013	2012
Operating Revenues		
Student Tuition & Fees	$ 39,814,376	$ 42,609,355
Scholarship Allowance - Tuition & Fees	(12,528,195)	(13,049,803)
Grants and Contracts	16,375,832	17,096,482
Auxiliary Enterprises	21,880,807	23,452,654
Scholarship Allowance - Auxiliary Enterprises	(4,504,137)	(4,733,561)
Other Revenues	721,520	633,141
Total Operating Revenues	**$ 61,760,203**	**$ 66,008,268**
Operating Expenses		
Salaries and Wages	47,604,336	47,893,506
Benefits	16,431,944	19,146,636
Scholarships and Fellowships	10,632,125	11,814,901
Supplies and Other Services	32,471,789	33,704,597
Equipment	1,355,312	2,008,632
Depreciation	9,842,549	9,183,704
Total Operating Expenses	**$ 118,338,055**	**$ 123,751,976**
Operating Income (Loss)	**$ (56,577,852)**	**$ (57,743,708)**
Non-Operating Revenues (Expenses)		
Governmental Appropriations	$ 41,960,174	$ 41,549,833
Federal and State Student Aid	24,074,128	26,450,699
Gifts and Bequests	580,625	165,578
Investment Income	(529,702)	1,370,671
Endowment Income	74,587	1,230,796
Gain (Loss) on Disposition of Capital Assets	(78,679)	66,744
Interest & Other Costs on Capital Asset - Related Debt	(2,487,523)	(2,443,125)
Other Non-Operating Revenues (Expenses)	(138,062)	144,880
Total Non-Operating Revenues (Expenses)	**$ 63,455,548**	**$ 68,536,076**
Increase in Net Position	**$ 6,877,696**	**$ 10,792,368**
Net Position - Beginning of Year	**$ 257,302,170**	**$ 246,509,802**
Net Position - End of Year	**$ 264,179,866**	**$ 257,302,170**

The accompanying Notes to the Financial Statements are an integral part of this statement.

VINCENNES UNIVERSITY FOUNDATION, INC.
COMPONENT UNIT — STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ending June 30, 2013 with comparative figures for 2012

Support and Revenue	Unrestricted	Current Restricted	Endowment	2013 Total	2012 Total
Contributions	$ 154,802	$ 386,814	$ 537,984	$ 1,079,600	$ 1,054,347
Other Income	81,319	142,659	37,978	261,956	226,477
Investment Income	133,643	62,790	1,218,540	1,414,973	986,217
Unrealized Gain (Loss) on Investments	144,210	(46,278)	1,610,363	1,708,295	(439,823)
Administrative Income	241,245	-	-	241,245	284,112
Alumni Income & Community Series	41,263	123,405	-	164,668	146,208
Total Support and Revenue	**$ 796,482**	**$ 669,390**	**$ 3,404,865**	**$ 4,870,737**	**$ 2,257,538**

Expenses					
Program Expenditures	$ 208,866	$ 582,190	$ 752,130	$ 1,543,186	$ 1,332,295
Management and General	293,124	13,456	301,837	608,417	817,897
Fundraising	126,456	56,844	-	183,300	172,852
Total Expenses	**$ 628,446**	**$ 652,490**	**$ 1,053,967**	**$ 2,334,903**	**$ 2,323,044**
Increase (Decrease) in Net Assets	**$ 168,036**	**$ 16,900**	**$ 2,350,898**	**$ 2,535,834**	**$ (65,506)**
Net Assets Adjustments:					
Additions	2,550	22,569	6,974	32,093	99,913
Deductions	(16,107)	(14,261)	(1,725)	(32,093)	(99,913)
Total Change in Net Assets	**$ 154,479**	**$ 25,208**	**$ 2,356,147**	**$ 2,535,834**	**$ (65,506)**
Net Assets - Beginning of Year	**$ 2,249,960**	**$ 1,875,193**	**$ 21,635,347**	**$ 25,760,500**	**$ 25,826,006**
Net Assets - End of Year	**$ 2,404,439**	**$ 1,900,401**	**$ 23,991,494**	**$ 28,296,334**	**$ 25,760,500**

The accompanying Notes to the Financial Statements are an integral part of this statement.

VINCENNES UNIVERSITY STATEMENT OF CASH FLOWS

For the year ended June 30, 2013 and June 30, 2012

	2013	2012
Cash Flows From (For) Operating Activities		
Tuition and Fees	$ 26,649,367	$ 31,012,540
Grants and Contracts	16,409,668	18,052,486
Payments to Suppliers	(30,586,000)	(37,827,960)
Payments to Employees	(47,789,945)	(48,935,906)
Payments for Benefits	(18,429,950)	(22,886,923)
Payments for Scholarships and Fellowships	(10,632,125)	(11,814,901)
Loans Issued to Students	(144,850)	(61,454)
Collection of Loans to Students	165,188	125,655
Auxiliary Enterprise	17,605,481	18,405,796
Other Receipts	670,821	601,238
Net Cash Used in Operating Activities	**$ (46,082,345)**	**$ (53,329,429)**
Cash Flows From (For) Non-Capital Financing Activities		
Governmental Appropriations	41,960,174	44,705,371
Gifts and Grants for Other than Capital Purposes	24,245,736	27,095,777
Funds Held in Trust for Others	(3,031,813)	385,273
Net Cash Provided by Non-Capital Financing Activities	**$ 63,174,097**	**$ 72,186,421**
Cash Flows From (For) Capital & Related Financing Activities		
Proceeds from Capital Debt	8,045,000	5,895,000
Capital Grants and Gifts Received	222,290	-
Proceeds (Loss) from Sale of Capital Assets	200,742	188,821
Insurance Recovery	88,697	108,078
Purchases of Capital Assets and Construction	(27,523,570)	(21,930,983)
Bond Reserve Cash Returned (Deposited)	921	(2,028)
Principal Paid on Capital Lease	(11,270)	(2,962)
Principal Paid on Capital Debt	(4,474,200)	(4,118,000)
Interest Paid on Capital Debt & Lease	(2,644,293)	(2,594,357)
Net Cash Used in Capital and Related Financing Activities	**$ (26,095,683)**	**$ (22,456,431)**
Cash Flows From (For) Investing Activities		
Proceeds from Sales and Maturities of Investments	57,181,763	53,751,810
Investment Income	3,988,544	4,510,594
Purchase of Investments	(53,582,307)	(51,179,498)
Net Cash Provided/Used in Investing Activities	**$ 7,588,000**	**$ 7,082,906**
Net Increase (Decrease) in Cash	**$ (1,415,931)**	**$ 3,483,467**
Cash and Cash Equivalents - Beginning of Year	**$ 16,367,348**	**$ 12,883,881**
Cash and Cash Equivalents - End of Year	**$ 14,951,417**	**$ 16,367,348**

The accompanying Notes to the Financial Statements are an integral part of this statement.

VINCENNES UNIVERSITY STATEMENT OF CASH FLOWS

For the year ended June 30, 2013 and June 30, 2012

	2013	2012
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided by (Used in) Operating Activities:		
Net Operating Revenues and Expenses	$ (56,577,852)	$ (57,743,708)
Adjustments to Reconcile Net Operating Revenues (Expenses) to Net Cash Provided by (Used in) Operating Activities		
Depreciation Expenses	9,842,549	9,183,704
Changes in Assets and Liabilities:		
Receivables, Net	(436,900)	1,833,409
Other Receipts	2,500	-
Inventories	47,484	(192,037)
Other Assets	255,063	(200,154)
Student Loans	20,338	64,201
OPEB Asset	(1,707,234)	(4,624,626)
Accounts Payable and Accrued Liabilities	2,613,373	(1,823,810)
Deferred Revenue	11,622	238,076
Gifts in Kind	-	2,150
Cash Flows Reported in Other Categories:		
Other Non-Operating Revenues (Expenses)	(153,288)	(66,634)
Net Cash Used in Operating Activities	**$ (46,082,345)**	**$ (53,329,429)**

The accompanying Notes to the Financial Statements are an integral part of this statement.

Vincennes University
Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

Reporting Entity:

Vincennes University is an institution of higher education and is considered to be a component unit of the State of Indiana. The University is governed by a Board of Trustees as established by Indiana Code 21-25-3. The Board of Trustees of the University consists of ten trustees appointed by the Governor of the State. One of the trustees must be a resident of Knox County, one must be an alumnus of Vincennes University, and one must be a full-time student of the University during the term. There are also four ex-officio members of the board: the president of the University, the superintendent of the Vincennes Community School Corporation, the superintendent of the South Knox School Corporation, and the superintendent of the North Knox School Corporation. The University is included in the State's financial statements as a discrete component unit. Transactions with the State relate primarily to appropriations for operations and capital improvements and grants from various state agencies.

The University adheres to Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units* and Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34. GASB* Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component unit, the Vincennes University Foundation, Inc.

The Vincennes University Foundation, Inc. is a legally separate, tax-exempt component unit of the University. 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 University does not control the timing or amount of receipts from the Foundation, the majority of resources, or income therein that the Foundation holds and invests are restricted to the activities of the University by the donors. Since these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements. During the year ended June 30, 2013, the VU Foundation distributed $1,296,749 to the University for restricted and unrestricted purposes. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

The Vincennes University Foundation, Inc. is a private not-for-profit organization that reports its financial results according to Financial Accounting Standards Board (FASB) Statements. Most significant to the Foundation's operations and reporting model are Financial Accounting Standards Board Accounting Standards Codification 958 (formerly FSP 116 and 117). 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 entity for these differences; however, significant note disclosures to the Foundation's financial statements have been incorporated into the University's notes to the financial statements.

Financial statements for the Foundation can be obtained by calling the Vincennes University Foundation, Inc. at 812-888-4510.

Financial Statement Presentation:

The financial statements have been prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*, GASB

Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, and with other accounting principles generally accepted in the United State of America, as prescribed by the GASB. During fiscal year 2013, the University adopted GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements,* GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Position.* The University did not have service concession arrangements under GASB Statement No. 60 to report for fiscal year 2013.

Basis of Accounting:

For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All significant intra-agency transactions have been eliminated.

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

Cash Equivalents:

For purposes of the Statement of Cash Flows, the University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Investments:

The University accounts for its investments at fair market value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools.* Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position.

Accounts Receivable:

Accounts receivable consists of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. The majority of each group resides in the State of Indiana. Accounts receivable also include amounts due from the federal government, state and local governments, and private sources in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories:

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

Non-current Cash and Investments:

Cash and investments that are externally restricted to make debt service payments, maintain sinking or reserve funds, or to purchase or construct capital or other non-current assets, are classified as non-current assets in the Statement of Net Position.

Capital Assets:

Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. For equipment, the University's capitalization policy includes all items with a unit cost of $500 or more and an estimated useful life of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Infrastructure costs are minimal and included in the cost of Building and Improvements. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful life of the asset, generally 40 to 50 years for buildings, 20 to 25 years for infrastructure and land improvements, and 3 to 10 years for equipment.

Deferred Outflow of Resources:

Deferred outflow of resources is a consumption of net assets by government that is applicable to a future reporting period.

Unearned Revenues:

Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Deposits/Deposits Held in Custody for Others:

Deposits represent dormitory room deposits and other miscellaneous deposits. Current balances in Deposits Held in Custody for Others result from the University acting as an agent or fiduciary, for another entity. These include amounts held for student clubs and for the Complete College America, Inc.

Compensated Absences:

Liabilities for compensated absences are recorded for vacation leave for eligible employees based on actual earned amount. This accrual includes the employer share of social security and Medicare taxes, and contributions to pension plans. The maximum number of days an employee may be paid upon termination of employment remains limited to the number of days which can be earned in 12 months. The liability and expense incurred are recorded at year-end as accrued vacation liability in the Statement of Net Position and as a component of salary and benefit expense in the Statement of Revenues, Expenses, and Changes in Net Position.

Non-current Liabilities:

Non-current liabilities consist primarily of principal amounts of a revenue bonds payable with a contractual maturity of greater than one year, and advances from the federal government.

Net Position:

The University's net position are classified as follows:

Net Investment in capital assets: This represents the University's total investment in capital assets net of outstanding debt obligations related to those capital assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position.

Restricted net position: The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resources flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

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 in which the University is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

Unrestricted net position: The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflow of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Unrestricted net position represent resources derived from student tuition and fees, state appropriations, and sales and services of educational departments. These resources are used for transactions relating to the educational and general operations of the University and may be designated for specific purposes by action of management or the Board of Trustees. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff. Substantially all unrestricted net assets are designated for academic programs and initiatives, and general operations of the University.

Income Taxes:

The University, as a political subdivision of the State of Indiana, is excluded from Federal income taxes under Section 115(1) of the Internal Revenue Code, as amended. The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Classification of Revenues:

The University has classified its revenues as either operating or non-operating revenues according to the following criteria:

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) grants and contracts, and (4) interest on institutional student loans. Since the University's mission is to play a key role in programs of community development, cultural enrichment and services appropriate to a post-secondary educational institution, most grants and contracts are considered operating.

Non-operating revenues: 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 Statement No. 9, *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, such as state appropriations, most federal and state student aid and investment income.

Scholarship Discounts and 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 and allowances 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 either operating or 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 and allowance.

Component Unit:

The Vincennes University Foundation, Inc. maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors. Accordingly, net assets and changes therein are classified as follows:

Unrestricted Net Assets: Unrestricted net assets include all contributions received, without donor restrictions, and all revenue and expenses. Unrestricted net assets include both undesignated and board designated funds. Undesignated net assets may be used at the discretion of management to support the mission of the Foundation and consist of net assets accumulated from the results of operations. Designated funds are unrestricted net assets designated by the Foundation's Board of Directors as a quasi endowment to be used for the purpose of providing endowment draws to fund operations. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Current Restricted & Endowment Net Assets: The Foundation accounts for gifts and donations received, which are restricted as to use in its current restricted and endowment funds. Restricted fund accounting maintains a record of all receipts and disbursements in order to control the use of funds according to the restrictions designated by the contributors. Revenues are recorded when earned. Contributions, including promises to give, are recognized as revenue in the period received at their fair values. Promises to give, or pledges, must be unconditional and legally enforceable to be recognized.

Expenses are recognized when incurred.

Investments in marketable securities are stated at fair market value.

Note 2 Cash and Investments

Cash and investments as of June 30, 2013, are stated at market value. Indiana statutes authorize the University to invest in obligations of the U.S. Treasury and U.S. agencies, certificates of deposits, repurchase agreements, savings and money market accounts, and negotiable order of withdrawal accounts. Cash deposits are insured by agencies of the federal government up to $250,000. Amounts over $250,000 are covered by the Indiana Public Depository Fund, which covers all public funds held in approved depositories. The total amount reported for checking and money market accounts at various banks at June 30, 2013, equaled $14,951,417.

Quasi-endowment funds are managed by the trust departments of three major regional banks. These funds are invested in accordance with the policies set by the Finance Committee of the Board of Trustees. Other endowment funds held in trust consist of U. S. Treasury and U.S. Government Agency obligations, tax exempt municipal bonds, savings accounts, and certificates of deposit.

As of June 30, 2013, the University had the following investments:

Investment Type	Market Value	Maturity Less than 1 Year	1-5 Years	6-10 Years
U. S. Treasury Notes	$ 2,122,585	$ 101,543	$ 2,021,042	$ -
U. S. Government Agencies	108,076,811	8,060,229	28,708,998	71,307,584
Mutual Funds	390,917	-	390,917	-
Total	**$ 110,590,313**	**$ 8,161,772**	**$ 31,120,957**	**$ 71,307,584**

Credit Risk: As a means of managing credit risk, University investment policy limits investments to A1 (Standard & Poor's) or P1 (Moody's). If a rating change occurs which disqualifies a security that is already present in the University portfolio it must be sold within 30 days of the discovery, unless it matures within six months of the rating change. At June 30, 2013, the University was in compliance with its credit risk policy for all investments.

Concentration of Credit Risk: The concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The University's investment policy places no limit on the amount that can be invested in any single issuer. There are currently no investments that represent 5 percent or more of the University's total investments being held at a single banking institution. U.S. government issues and U.S. governmental agency securities are exempt from this requirement.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University's investment policy does not address exposure to fair value losses arising from changes in interest rates, but the investment objective is to obtain the highest revenue while maintaining safety and insuring adequate liquidity for institutional needs. To that end, management maintains investments in cash, cash equivalents, and short term investments to be in position to take advantage of the best rates in a timely fashion as well as sustaining adequate cash flow for operating needs.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. University investment policy does not limit the value of investments that may be held by an outside party. Of the University's investments, $2,122,585 of the U.S. Treasury Notes, $14,754,993 of the U.S. Government Agencies, and $390,917 of the Mutual Funds are held by the counter party, a trust department, or an agent not in the University's name.

Foreign currency risk: This is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The University does not hold any foreign currency-denominated investments.

Note 3 Accounts Receivable

Accounts Receivable are primarily comprised of the following:		
Student Receivables - Tuition	$	7,175,964
Auxiliaries		1,627,462
Sponsored Programs		2,236,039
Refundable Advance		63,805
Other Receivable		620,587
Total Accounts Receivable	**$**	**11,723,857**
Allowance for Doubtful Accounts		(4,041,546)
Net Accounts Receivable	**$**	**7,682,311**

Note 4 Inventories

Inventories are stated at the lower of cost or market value. Total inventories were valued at $2,234,362. Of this total, the bookstore's inventory was $1,918,045.

Note 5 Derivative Instrument

The fair value balance and notional amount of the derivative instrument outstanding at June 30, 2013, classified by type and the changes in fair value of such derivative instrument for the year ended as reported in the 2013 financial statements are as follows:

	Changes in Fair Value		Fair Value at June 30, 2013		
	Classification	Amount	Classification	Amount	Current Notional
Cash flow Hedge:					
Pay-fixed interest rate swap	Pay-Fixed Interest Rate Swap	$359,126	Derivative Instrument Interest Rate Swap	($126,744)	$7,650,000

As of June 30, 2013, the University determined that the pay-fixed interest rate swap met the criteria for effectiveness. The pay-fixed, receive-variable interest rate swap is designed to synthetically fix the cash flows on the variable rate bonds. The fair value of the interest rate swaps were estimated based on the present value of their estimated future cash flows.

The following table displays the objective and terms of the University's hedging derivative instrument outstanding at June 30, 2013, along with the credit rating of the associated counterparty:

Type	Objective	Current Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2009 Series I Bonds	$7,650,000	12/23/2008	12/1/2028	65% of 6 mo. USD-LIBOR-BBA w/ 1 Day Look back + 208.00 bps	A1

Credit Risk: As a means of managing credit risk, University investment policy limits investments to A1 (Standard & Poor's) or P1 (Moody's). If a rating change occurs which disqualifies a security that is already present in the University portfolio, it must be sold within 30 days of the discovery, unless it matures within six months of the rating change. At June 30, 2013, the University is in compliance with its credit risk policy for all investments. The fair value of the hedging derivative instrument, in a liability position as of June 30, 2013, is $126,744. Since both the derivative instrument and the debt being hedged are with the same counterparty, there is no credit risk exposure since the fair value of the derivative instrument would be netted against the payoff of the debt.

Interest Rate Risk: Interest Rate Risk is the risk that changes in interest rates will adversely impact the fair market value of the derivative instrument. On its pay-fixed, receive-variable interest rate swap, the University will be negatively impacted by the lower rate environment, which will decrease the fair market value of its derivative instrument. The derivative instrument fixes the hedged debt at 4.09%.

Basis Risk: Basis Risk is the risk that the University may lose cash flows because of the differences in the indexes upon which the derivative instrument and the item it hedges are based. The University is not exposed to basis risk since the derivative instrument and the debt being hedged are both based on the six-month Libor index.

Termination Risk: The University or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract. The University is also exposed to termination risk if the student fee bonds are prepaid or partially prepaid, but only to the extent the notional amount of the swap transactions exceeds the remaining amount after the prepayment of the student fee bond.

Rollover Risk: Rollover Risk is the risk that the maturity of the derivative instrument is shorter than the maturity of the associated debt. Since both the derivative instrument and the debt being hedged have identical maturity dates, there is no rollover risk to the University.

Note 6 Capital Assets

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Capital Assets Not Being Depreciated:					
Land	$ 17,235,244	$ 513,146	$ 39,241	$ -	$ 17,709,149
Construction in Progress	6,147,266	22,520,950	432,796	(17,358,168)	10,877,252
Total Capital Assets Not Being Depreciated	**23,382,510**	**23,034,096**	**472,037**	**(17,358,168)**	**28,586,401**
Capital Assets Being Depreciated:					
Building And Improvements	215,166,107	1,146,152	220,992	17,143,346	233,234,613
Equipment	50,228,496	4,186,100	2,958,364	214,822	51,671,054
Total Capital Assets Being Depreciated	**265,394,603**	**5,332,252**	**3,179,356**	**17,358,168**	**284,905,667**
Less Accumulated Depreciation For:					
Building & Improvements	70,694,864	5,737,798	140,975		76,291,687
Equipment	34,079,944	4,104,751	2,617,913		35,566,782
Total Accumulated Depreciation	**104,774,808**	**9,842,549**	**2,758,888**	**-**	**111,858,469**
Total Capital Assets Being Depreciated, Net	**160,619,795**	**(4,510,297)**	**420,468**	**17,358,168**	**173,047,198**
Capital Assets, Net	**$ 184,002,305**	**$ 18,523,799**	**$ 892,505**	**$ -**	**$ 201,633,599**

Note 7 Change in Accounting Principle

Effective for the fiscal year ended June 30, 2013, the University adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Position.* The standard incorporates deferred outflow of resources and deferred inflow of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. In accordance with the standard, the University has modified the presentation of the statement of net position and has reported deferred outflow of resources for the pay-fixed interest rate swap issued December 28, 2008.

Note 8 Long-Term Debt

Long-term debt activity for the year ended June 30, 2013 is summarized as follows:

	Interest Rate	Amount Issued	Amount Retired 2012-2013	Amount Outstanding June 30, 2013	Amount Due Within One Year
Dormitory and Dining Facilities Revenue Bonds of 1983, Series A	3.000%	$ 5,000,000	$ 160,000	$ 1,900,000	$ 170,000
Student Fee Bonds, Series E	4.854%	25,535,000	465,000	-	-
Auxiliary Facilities System Revenue Bonds, Series 2006	4.126%	13,440,000	815,000	8,130,000	845,000
Auxiliary Facilities System Revenue Bonds, Series 2009	4.728%	10,160,000	365,000	9,095,000	375,000
Student Fee Bonds, Series H	4.373%	4,545,000	180,000	3,575,000	185,000
Student Fee Bonds, Series I	4.090%	9,095,000	340,000	7,650,000	360,000
Student Fee Bonds, Series J	3.858%	26,795,000	1,600,000	20,845,000	1,650,000
Student Fee Bonds, Series K	3.160%	5,895,000	323,000	5,254,000	333,000
Student Fee Bonds, Series L	2.350%	8,045,000	226,200	7,818,800	457,800
Total Bonds Payable			**$4,474,200**	**$64,267,800**	**$4,375,800**
Unamortized Bond Premium (Discount)				**$ 1,448,762**	
Due Within One Year				**(4,375,800)**	
Total Long-Term Liabilities				**$61,340,762**	

Debt obligations are generally callable by the University, bear interest at fixed and variable rates ranging from 2.35% to 4.854%, and mature at various dates through 2030. Maturities and interest on bonds payable for the next five years, and in the next five year periods are as follows:

	Principal	Interest
2014	$ 4,375,800	$ 2,568,858
2015	4,527,600	2,420,187
2016	4,694,000	2,263,794
2017	4,887,400	2,075,892
2018	5,084,800	1,879,158
2019-2023	25,697,600	6,101,395
2024-2028	13,220,600	1,624,157
2029-2030	1,780,000	81,135
Total	**$ 64,267,800**	**$ 19,014,576**

Bonds Secured by Dormitory Revenues

The Dormitory and Dining Facilities Revenue Bonds of 1983, Series A, were issued June 1983 by the Board of Trustees to fund construction for residential building of Vigo Hall. These bonds are secured by an income pledge of all net income generated from Vigo Hall and Tecumseh Dining Center.

The Auxiliary Facilities System Revenue Bonds, Series 2006, issued in February 2006 by the Board of Trustees to refund the University's outstanding 1989, 1991 and 1996 series bonds for the construction of Vanderburgh and Godare Residence Halls.

The Auxiliary Facilities System Revenue Bonds, Series 2009, issued in November 2009 by the Board of Trustees to finance, refinance or reimburse certain of the costs of the renovation of Clark Residence Hall. These bonds are secured by a pledge and parity lien on the net income from Auxiliary Facilities.

Bonds Secured by Student Fees

The following bonds are secured by a pledge of and first lien on all academic fees except the student union fees and other fees released from the lien of the Indenture pursuant to terms thereof.

The Vincennes University Student Fee Bonds, Series E, were issued in December 1997 by the Board of Trustees to refund the University's outstanding Student Fee Bonds, Series A, Series B, Series C and Series D.

The Vincennes University Student Fee Bonds, Series H, were issued on February 7, 2006, in the aggregate original principal amount of $4,545,000. They bear interest at fixed rates as stated in the maturity schedule. The proceeds were used to fund construction of an academic building on the Jasper Campus.

The Vincennes University Student Fee Bonds, Series I, were issued on December 23, 2008, in the aggregate original principal amount of $9,095,000. It bears a variable interest rate which is 65% of USD-LIBOR-BBA with a one day lookback plus 208.0 basis points; however, the University entered into a Swap Agreement fixing the rate at 4.09%. The proceeds were used to fund the construction of the Indiana Center for Applied Technology and the renovation of the McCormick Science Center.

The Vincennes University Student Fee Bonds, Series J, were issued on March 10, 2010, to refinance the outstanding Variable Rate Demand Student Fee Bonds, Series F and G. The $26,795,000 Student Fee Bond, Series J, have a net interest cost of 3.858% and were issued to refund $6,990,000 of outstanding Student Fee Bonds, Series F, and $21,065,000 of outstanding Student Fee Bonds, Series G.

The Vincennes University Student Fee Bonds, Series K, were issued on December 22, 2011. The $5,895,000 Student Fee Bonds, Series K, have a net interest cost of 3.16%. The proceeds were used to fund the Aquatic Center renovation of the Physical Education Complex and renovation expenditures for Davis Hall.

The Vincennes University Student Fee Bonds, Series L, were issued on December 11, 2012. The $8,045,000 Student Fee Bonds, Series L, have a net interest cost of 2.35%. The proceeds were used to fund the Jasper Center for Advanced Manufacturing and Technology.

Funds held with Bond Trustee	
Current Funds Expected to be Depleted Within a Year	
Revenue Bonds, Series 2009	$ 5,547
Revenue Bonds, Series 2006	5,745
Other Bond & Interest Accounts	5,513
Total Current	**$ 16,805**
Dorm & Dining Bonds of 1983 A & B Vigo Hall	223,371
Total Funds held with Bond Trustee	**$ 240,176**

Note 9 Scholarships and Instruction

The endowment funds are classified under net position as Restricted for Scholarship & Instruction. They include both expendable and non-expendable funds. Net position for the endowment funds totaled $4,708,967 as of June 30, 2013, with $3,479,800 of this amount being held in the Opal C. Ramsey fund.

Note 10 Pension Plans

A. Public Employees' Retirement Fund

Plan Description

Vincennes University contributes to the Public Employees' Retirement Fund (PERF), a defined benefit pension plan. The Public Employees' Retirement Fund (PERF) is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time support staff employees are eligible to participate in the defined benefit plan. Professional staff hired prior to July 1, 2003, may continue to participate. Professional staff hired after this date are eligible for participation in a retirement income plan with Teachers Insurance and Annuity Association (TIAA) as described below.

State statutes (IC 5-10.2 and 5-10.3) give the University authority to contribute to the plan and govern most requirements of the system. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer has elected to make the contributions on behalf of the member.

PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, or by calling (888) 526-1687.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. On June 30, 2013, 379 employees were covered by PERF and total wages were $13,440,169. The University's contribution to the plan for the year end June 30, 2013, was $1,719,549. Related information provided by the actuary is presented in this note.

B. Teachers' Retirement Fund

Plan Description

The University contributes to the Teachers' Retirement Fund (TRF), a defined benefit pension plan. The Teachers' Retirement Fund (TRF) is a cost-sharing, multiple employer public retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in the Teachers' Retirement Fund (TRF). Full-time faculty hired after July 1, 2003, are eligible for participation in a retirement income plan with Teachers Insurance and Annuity Association (TIAA) as described below. State statute (IC 5-10.2) gives the University authority to contribute and govern most requirements of the system. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the members' annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The University has elected to make the contributions on behalf of the member.

TRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, or by calling (888) 526-1687.

Funding Policy and Annual Pension Costs

The University is to contribute at an actuarially determined rate. The University has contributed the employer and employee share of required contributions, 7.5 percent and 3 percent of covered wages. On June 30, 2013, 121 employees were covered by TRF and total wages were $9,935,404. The University's contribution to the plan for the fiscal years ending June 30, 2013, 2012 and 2011 were $633,138, $626,344 and $601,094, respectively. All required contributions were made by the University for each of the fiscal years.

C. TIAA/CREF

Faculty and professional staff hired prior to June 30, 2003, and having five or more years of continued employment are eligible to participate in a retirement income plan with Teachers Insurance and Annuity Association (TIAA). The University contributes 5% of covered wages for this plan. Full-time faculty and professional staff hired after July 1, 2003, become eligible for the plan at the date of employment. There is no contribution to PERF or TRF for those employees covered under this policy. The University contributes 12% of covered wages for this plan. Both plans are defined contribution plans under IRC 403(b). An agreement between the University and TIAA is approved by the University Board of Trustees. On June 30, 2013, 464 employees were covered by TIAA/CREF and total wages were $ 26,796,236. During 2012/13, Vincennes University contributed $2,335,124 to TIAA/CREF on the employees behalf.

TIAA/CREF issues an annual financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by writing the Teachers Insurance and Annuity Association/College Retirement Equities Fund, 730 3rd Avenue, New York, NY 10017-3206.

Net Pension Obligation	PERF
Annual Required Contribution	$ 1,532,766
Interest on Net Pension Obligation	$ (33,782)
Adjustment to Annual Required Contribution	$ 38,891
Annual Pension Cost	$ 1,537,875
Contributions Made	$ 1,178,741
Increase (Decrease) in Net Pension Obligation	$ 359,134
Net Pension Obligation, Beginning of Year	$ (482,599)
Net Pension Obligation, End of Year	$ (123,465)

Actuarial Assumptions:	PERF
Investment Rate of Return	6.75%
Projected Future Salary Increase Total	3.25%-4.5% includes 3% wage inflation
Cost-of-Living Adjustments	1%

Contribution Rates:	PERF
University	9.7%
Contributed for Plan Members	3%
Actuarial Valuation Date	7/1/2012
Actuarial Cost Method	Entry Age Normal
Amortization Method	Entry Level Percent of Payroll
Remaining Amortization Period	30 Years, Closed
Asset Valuation Method	4-Year Smoothed Market Value With 20% Corridor

Three Year Trend Information

Year Ending	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	$ 909,643	101%	$ (1,006,748)
6/30/2011	$ 1,484,087	101%	$ (482,599)
6/30/2012	$ 1,537,875	100%	$ (123,465)

Schedules of Funding Progress Public Employees Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets* (a)	Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Actual Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
7/1/2010	$ 17,693,615	$ 26,270,991	$ (8,577,376)	67.40 %	$ 14,463,328	(59.3) %
7/1/2011	$ 15,436,657	$ 27,339,441	$ (11,902,784)	56.50 %	$ 14,035,400	(84.8) %
7/1/2012	$ 13,634,545	$ 28,796,300	$ (15,161,755)	47.30 %	$ 14,922,466	(101.6) %

** Determined to be equal to the same percent of accrued liability as all non retired State members.*

Note 11 Other Postemployment Benefits

Plan Description

Vincennes University Healthcare Plan is a single-employer defined benefit healthcare plan administered by Anthem. The plan provides medical, dental and life insurance benefits to eligible retirees and their spouses. Vincennes University's Board of Trustees has the authority to establish and amend benefit provisions.

Funding Policy

The contribution requirements of plan members for the Vincennes University Healthcare Plan are established by the University. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined by the actuarial study. For the fiscal year ended June 30, 2013, the University contributed $5,234,790 to the plan, including $2,602,790 for current premiums (approximately 72% of total premiums)(and an additional $2,632,000 to prefund benefits). Plan members receiving benefits contributed approximately $999,147 or approximately 28% of the total premiums, through their required contribution of $197 per month for retiree-only coverage, and $453 per month for retiree and spouse coverage.

Annual OPEB Cost and Net OPEB Obligation

The University's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the University's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the University's net OPEB obligation to the plan:

Annual required contribution	$ 3,444,271
Interest on net OPEB obligation	(467,591)
Adjustment to annual required contribution	550,876
Annual OPEB cost (expense)	$ 3,527,556
Contributions made	(5,234,790)
Increase (Decrease) in net OPEB obligation	$ (1,707,234)
Net OPEB obligation - beginning of year	(7,193,705)
Net OPEB obligation (asset) - end of year	$ (8,900,939)

The University's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the two preceding years were as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	$ 3,527,556	148.4%	$ (8,900,939)
6/30/2012	$ 3,898,256	218.6%	$ (7,193,705)
6/30/2011	$ 3,586,521	134.9%	$ (2,569,079)

Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the plan was 53.1% funded. The actuarial accrued liability for benefits was $59,703,410, and the actuarial value of assets was $31,731,775, resulting in an unfunded actuarial accrued liability (UAAL) of $27,971,635. The current year covered payroll (annual payroll of active employees covered by the plan) was $34,054,596, and the ratio of the UAAL to covered payroll was 82.1%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumption

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2013, actuarial valuation, the projected unit credit actuarial cost method was used. The results are projected backwards to July 1, 2012 on a "no gain/loss" basis. The actuarial assumptions included a 6.5% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10% for health and 4% for dental initially, reduced by decrements to an ultimate rate of 5% after 10 years for health and 3% after 5 years for dental. Both rates included a 3% inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2013, was 30 years (open amortization).

Note 12 Risk Management

The University is exposed to various risks of loss: torts, theft, damage or destruction of assets; errors or omissions; job-related illnesses or injuries to employees; health and other medical benefits provided to employees and their dependents. The University handles these risks of loss through combinations of risk retention and commercial insurance. For building and contents, the risk retention is $100,000 per incident. General liability, commercial crime, aviation, worker's compensation, commercial automobile, and medical malpractice are all handled through fully insured commercial policies.

For health benefits, the University has an insured self-funded arrangement. The University retains the risk for medical benefits up to a stop loss provision of $325,000 per member. There is a liability for incurred but unpaid claims. This liability is estimated to be $721,475 for the fiscal year 2012-2013 and $795,450 for the fiscal year 2011-2012.

Changes in the total reported self-insured health, dental & drug benefit liability during the year ending June 30, 2013 were as follows:

Balance, beginning of year	$	795,450
Claims incurred		9,746,026
Claim payments		(9,820,001)
Balance, end of year	$	721,475

Schedule of Funding Progress for Retiree Medical, Dental and Life Insurance Plan

Actuarial Valuation Date***	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio OPEB Obligation (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2012	$ 31,731,775	$ 59,703,410	$ 27,971,635	53.1 %	$ 34,054,596	82.1 %
7/1/2011	$ 24,767,643	$ 58,662,085	$ 33,894,442	42.2 %	$ 32,774,506	103.4 %
7/1/2010	$ 19,568,800	$ 48,049,283	$ 28,480,483	40.7 %	$ 33,969,433	83.8 %

**** Measurement date is June 30, 2013 with the results projected backwards to July 1, 2012 on a "no gain/loss" basis.*

Note 13 Deposits Held in Custody of Others

As of June 30, 2013, the University held $1,814,300 in deposits for Complete College America, Inc. The assets were placed in the University's investment portfolio and received a pro-rata share of investment earnings. Complete College America, Inc. is a 501 (c) (3), nonprofit charitable organization working to significantly increase the number of Americans with a college degree or credential of value and to close attainment gaps for traditionally underrepresented populations.

Note 14 Operating Leases

For the fiscal year ended June 30, 2013, the University spent $577,205 on operating leases which are included in supplies and other services in the Statement of Revenue, Expenses, and Changes in Net Position. Of this amount, $562,549 was spent on leasing off-campus classroom and office space, and the remaining amount of $14,656 was spent on equipment leases.

Note 16 Subsequent Events

The University will be issuing $4.5 million in bonds during fiscal year 2014 to fund the dorm renovation of Vanderburgh Hall and Morris Hall. The University will also receive state appropriations of $12 million to upgrade the infrastructure at the Aviation Technology Center in Indianapolis and to replace the steamline and electric infrastructure on the Vincennes campus.

NOTE 15 Functional Statement

Operating expenses by functional classification are summarized as follows:

	Salaries and Benefits	Scholarships/ Fellowships	Supplies and Other Services	Equipment	Depreciation	Total
Instruction	$ 35,433,909	$ -	$ 8,470,652	$ 344,600	$ -	$ 44,249,161
Academic Support	4,212,539	-	743,710	211,433	-	5,167,682
Public Service	5,617,609	-	4,763,835	135,014	-	10,516,458
Student Service	3,550,151	-	2,119,685	56,773	-	5,726,609
Operation and Maintenance of Plant	4,155,151	-	4,426,142	534,419	-	9,115,712
Institutional Support	6,765,170	-	1,728,602	68,525	-	8,562,297
Depreciation	-	-	-	-	9,842,549	9,842,549
Auxiliary Enterprises	4,301,751	-	10,219,163	4,548	-	14,525,462
Student Aid Expense	-	10,632,125	-	-	-	10,632,125
Total Operating Expenses	$ 64,036,280	$ 10,632,125	$ 32,471,789	$ 1,355,312	$ 9,842,549	$ 118,338,055

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