# Financial Report 2022-23

Austin Peay State University

CLARKSVILLE TENNESSEE

# Table of Contents

# Basic Financial Statements

# Austin Peay State University
## Unaudited Statement of Net Position
## June 30, 2023

| | Institution | | Inst. Foundation | | MEAC/ UOM Research Foundation |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents (Notes 2 and ) | $ | 47,322,571.82 | $ | 1,539,279.71 | $ - |
| Accounts, notes, and grants receivable (net) (Note 6 ) | | 11,758,508.09 | | - | - |
| Due from primary government | | 2,921,348.43 | | - | - |
| Due from component unit | | 283,975.47 | | - | - |
| Pledges receivable (net) (Notes _ and _ ) | | - | | 54,290.00 | - |
| Inventories (at lower of cost or market) | | 438,003.03 | | - | - |
| Prepaid expenses | | 525,945.83 | | 4,497.00 | - |
| Accrued interest receivable | | 17,457.28 | | 2,624.59 | - |
| Other assets | | - | | - | - |
| Total current assets | | 63,267,809.95 | | 1,600,691.30 | - |
| Noncurrent assets: | | | | | |
| Cash and cash equivalents (Notes 2 and ) | | 27,718,993.29 | | 14,655,438.12 | - |
| Investments (Notes 4 and 5 ) | | 11,894,299.70 | | 39,460,114.88 | - |
| Investment in Tennessee Retiree Group Trust | | 1,699,101.32 | | - | - |
| Accounts, notes, and grants receivable (net) (Note 6 ) | | 9,280.93 | | 89,500.00 | - |
| Due from primary government | | | | - | - |
| Net pension asset (Note __) | | 297,260.00 | | - | - |
| Pledges receivable (net) (Notes _ and _ ) | | | | 22,282,467.30 | - |
| Capital assets (net) (Note 6 ) | | 247,452,534.14 | | 575,163.56 | - |
| Other assets | | - | | - | - |
| Total noncurrent assets | | 289,071,469.38 | | 77,062,683.86 | - |
| Total assets | $ | 352,339,279.33 | $ | 78,663,375.16 | $ - |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | | |
| Accumulated decrease in fair value of hedging derivative | $ | - | $ | - | $ - |
| Deferred amount on debt refunding | | 984,399.98 | | - | - |
| Deferred outflows related to OPEB (Note 15) | | 2,955,507.00 | | - | - |
| Deferred outflows related to pensions (Note 13) | | 10,872,033.17 | | - | - |
| Other deferred outflows of resources (Note _) | | - | | - | - |
| Total deferred outflows of resources | $ | 14,811,940.15 | $ | - | $ - |
| **LIABILITIES** | | | | | |
| Current liabilities: | | | | | |
| Accounts payable (Note 9) | $ | 2,963,874.18 | $ | 87,447.00 | $ - |
| Accrued liabilities | | 8,324,347.42 | | - | - |
| Due to grantors (Note _ ) | | - | | - | - |
| Due to primary government | | 207,005.47 | | 283,975.47 | - |
| Due to component unit | | - | | - | - |
| Student deposits | | 85,000.00 | | - | - |
| Unearned revenue | | 4,758,093.20 | | - | - |
| OPEB liability (Note _ ) | | - | | - | - |
| Compensated absences (Note 10 ) | | 679,109.70 | | - | - |
| Accrued interest payable | | 555,612.36 | | - | - |
| Lease liability | | 808,529.71 | | - | - |
| SBITA liability | | 2,563,821.08 | | - | - |
| PPP liability | | - | | - | - |
| Long-term liabilities, current portion (Note 10 ) | | 3,706,183.11 | | - | - |
| Deposits held in custody for others | | 273,101.03 | | - | - |
| Other liabilities | | 25,084.38 | | - | - |
| Total current liabilities | | 24,949,761.64 | | 371,422.47 | - |
| Noncurrent liabilities: | | | | | |
| Accounts payable (Note _ ) | | - | | - | - |
| Due to primary government | | - | | - | - |
| Due to component unit | | - | | - | - |
| OPEB liability (Note 15 ) | | 6,238,685.00 | | - | - |
| Net pension liability (Note 13) | | 11,349,007.00 | | - | - |
| Asset retirement obligations (Note _ ) | | - | | - | - |
| Unearned revenue | | - | | - | - |
| Compensated absences (Note 10 ) | | 3,737,139.71 | | - | - |
| Lease liability | | 13,163,856.34 | | - | - |
| SBITA liability | | 1,847,401.92 | | - | - |
| PPP liability | | - | | - | - |
| Long-term liabilities (Note 10 ) | | 70,273,255.08 | | - | - |
| Due to grantors (Note _ ) | | 4,614.58 | | - | - |
| Other liabilities | | - | | - | - |
| Total noncurrent liabilities | | 106,613,959.63 | | - | - |
| Total liabilities | $ | 131,563,721.27 | $ | 371,422.47 | $ - |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Accumulated increase in fair value of hedging derivative | $ | - | $ | - | $ - |
| Deferred service concession arrangement receipts | | - | | - | - |
| Deferred amount on debt refunding | | 427,834.81 | | - | - |
| Deferred nonexchange transaction receipts | | - | | - | - |
| Deferred inflows related to OPEB (Note 15) | | 3,154,350.00 | | - | - |
| Deferred inflows related to pensions (Note 13) | | 1,368,042.00 | | - | - |
| Deferred inflows related to leases (Note _) | | - | | - | - |
| Deferred inflows related to split interest agreements | | - | | - | - |
| Deferred inflows related to PPPs (Note __) | | - | | - | - |
| Other deferred inflows of resources (Note _) | | - | | - | - |
| Total deferred inflows of resources | $ | 4,950,226.81 | $ | - | $ - |
| **NET POSITION** | | | | | |
| Net investment in capital assets | $ | 155,466,166.24 | $ | 575,163.56 | $ - |
| Restricted for: | | | | | |
| Nonexpendable: | | | | | |
| Scholarships and fellowships | | 6,081,867.98 | | 26,499,641.47 | - |
| Research | | - | | 290,848.22 | - |
| Instructional department uses | | 4,604.53 | | 1,222,419.11 | - |
| Other | | 110,025.00 | | 3,479,237.46 | - |
| Expendable: | | | | | |
| Scholarships and fellowships | | 6,633,863.83 | | 19,107,538.52 | - |
| Research | | 1,447,030.78 | | 167,516.89 | - |
| Instructional department uses | | 242,022.15 | | 2,750,257.85 | - |
| Loans | | - | | - | - |
| Capital projects | | - | | 3,500,447.80 | - |
| Debt service | | - | | - | - |
| Pensions | | 297,260.00 | | - | - |
| Other | | 1,952,525.05 | | 19,442,766.95 | - |
| Unrestricted | | 58,401,905.84 | | 1,256,114.86 | - |
| Total net position | $ | 230,637,271.40 | $ | 78,291,952.69 | $ - |

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

**Austin Peay State University**
**Unaudited Statement of Revenues, Expenses, and Changes in Net Position**
**For the Year Ended June 30, 2023**

| | | Institution | Component Unit | MEAC/ UOM Research Foundation |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Operating revenues: | | | | |
| Student tuition and fees (Note _16) | | $ 43,277,207.99 | $ - | $ - |
| Gifts and contributions | | - | 8,691,039.56 | - |
| Endowment Income (per spending plan) | | - | 1,044,435.52 | - |
| Governmental grants and contracts | | 10,375,169.57 | - | - |
| Non-governmental grants and contracts (Including | $ - | | | |
| from component units) | | 230,761.28 | 20,000.00 | - |
| Sales and services of educational activities | | 869,792.88 | - | - |
| Sales and services of other activities | | 6,829,314.83 | - | - |
| Patient Charges (ETSU only) | | - | - | - |
| Auxiliary enterprises: | | | | |
| Residential life (Notes 16 and __) | | 5,369,496.67 | - | - |
| Bookstore (Notes __ and __) | | 261,853.55 | - | - |
| Food service (Notes __ and __) | | 1,036,715.63 | - | - |
| Wellness facility (Notes 16 and __) | | 727,017.93 | - | - |
| Other auxiliaries | | 1,268,079.84 | - | - |
| Interest earned on loans to students | | 40,406.51 | - | - |
| Other operating revenues | | 367,063.42 | 168,195.31 | - |
| Total operating revenues | | 70,652,880.10 | 9,923,670.39 | - |
| **EXPENSES** | | | | |
| Operating Expenses (Note 20) | | | | |
| Salaries and wages | | 86,241,847.34 | 992,113.81 | - |
| Benefits | | 28,818,852.99 | 293,060.90 | - |
| Utilities, supplies, and other services | | 41,371,322.76 | 3,347,038.45 | - |
| Scholarships and fellowships | | 17,677,200.75 | 1,465,187.31 | - |
| Depreciation expense | | 9,787,681.36 | 30,933.14 | - |
| Payments to or on behalf of Austin Peay State University (Note __) | | - | 2,451,139.14 | - |
| Total operating expenses | | 183,896,905.20 | 8,579,472.75 | - |
| Operating income (loss) | | (113,244,025.10) | 1,344,197.64 | - |
| **NONOPERATING REVENUES (EXPENSES)** | | | | |
| State appropriations | | 69,180,950.00 | - | - |
| Gifts, including | $ 1,561,008.33 | | | |
| from component unit(s) to institution and | $ - | | | |
| from MEAC to the ETSU Foundation | | 1,810,325.97 | - | - |
| Grants and contracts | | 44,643,009.04 | (31,981.41) | - |
| Investment income (net of | | | | |
| investment expense of | $ - | | | |
| for the institution and | $ 73,778.69 | | | |
| for the component unit(s)) | | 4,590,643.72 | 3,649,839.44 | - |
| Interest on capital asset-related debt | | (2,364,905.11) | - | - |
| Bond issuance costs | | - | - | - |
| Payments to or on behalf of ETSU or ETSU Foundation | | - | - | - |
| University/College support (Note __) | | - | 2,498,124.97 | - |
| Other non-operating revenues/(expenses) | | 20,779.55 | - | - |
| Net nonoperating revenues | | 117,880,803.17 | 6,115,983.00 | - |
| Income before other revenues, expenses gains, or losses | | 4,636,778.07 | 7,460,180.64 | - |
| Capital appropriations | | 5,641,244.10 | - | - |
| Capital grants and gifts, including | $ 890,130.81 | | | |
| from component unit(s) | | 556,373.06 | - | - |
| Additions to permanent endowments | | 161,629.85 | 888,119.00 | - |
| Other capital | | - | - | - |
| Total other revenues | | 6,359,247.01 | 888,119.00 | - |
| Increase (decrease) in net position | | 10,996,025.08 | 8,348,299.64 | - |
| **NET POSITION** | | | | |
| Net position -beginning of year | | 219,641,246.32 | 69,943,653.05 | - |
| Cumulative effect of change in accounting principle (Note __) | | $ - | $ - | $ - |
| Net position -beginning of year restated | | 219,641,246.32 | 69,943,653.05 | - |
| Prior period adjustment (Note ___ ) | | - | - | - |
| Net position - end of year | | $ 230,637,271.40 | $ 78,291,952.69 | $ - |

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

## Austin Peay State University
## Unaudited Statement of Cash Flows
## for the Year Ended June 30, 2023

| | | | | |
|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Tuition and fees | | | $ | 42,593,669.45 |
| Gifts and contributions | | | | - |
| Endowment income per spending plan | | | | - |
| Grants and contracts | | | | 6,803,957.58 |
| Sales and services of educational activities | | | | 869,792.88 |
| Sales and services of other activities | | | | 6,835,051.36 |
| Collection from patient charges | | | | - |
| Payments to suppliers and vendors | | | | (42,456,463.79) |
| Payments to employees | | | | (85,784,526.08) |
| Payments for benefits | | | | (29,377,099.38) |
| Payments for scholarships and fellowships | | | | (17,677,200.75) |
| Payments to (institution name) | | | | - |
| Loans issued to students | | | | |
| Collection of loans from students | | | | 200,390.25 |
| Interest earned on loans to students | | | | 40,406.51 |
| Funds received for deposits held for others | | | | 50,535.57 |
| Funds dispersed for deposits held for others | | | | (84,292.32) |
| Auxiliary enterprise charges: | | | | |
| Residence halls | | | | 5,470,259.87 |
| Bookstore | | | | 281,763.93 |
| Food services | | | | 1,036,715.63 |
| Wellness facility | | | | 727,017.93 |
| Other auxiliaries | | | | 1,268,079.84 |
| Other receipts (payments) | | | | 367,063.42 |
| Net cash provided (used) by operating activities | | | $ | (108,834,878.10) |
| **CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES** | | | | |
| State appropriations | | | $ | 69,194,800.00 |
| Proceeds from noncapital debt | | | | - |
| Gifts and grants received for other than capital or endowment purposes, including from (component unit) to the institution and from MEAC to the ETSU Foundation) | $ | 1,561,008.33 | | 47,110,463.44 |
| Private gifts for endowment purposes | | | | 161,629.85 |
| Federal/state student loan receipts | | | | |
| Federal/state student loan disbursements | | | | - |
| Principal paid on noncapital debt | | | | - |
| Interest paid on noncapital debt | | | | |
| Other non-capital financing receipts (payments) (Includes payments from MEAC to ETSU and ETSU Foundation of | $ | - | | 20,779.55 |
| Net cash provided (used) by non-capital financing activities | | | $ | 116,487,672.84 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | |
| Proceeds from capital debt | | | $ | - |
| Capital - state appropriation | | | | 5,444,029.73 |
| Capital grants and gifts received, including from (component unit) | $ | 890,130.81 | | 239,674.09 |
| Proceeds from sale of capital assets | | | | 36,771.73 |
| Purchase of capital assets and construction | | | | (10,343,976.06) |
| Principal paid on capital debt and lease | | | | (3,796,638.23) |
| Interest paid on capital debt and lease | | | | (2,148,845.64) |
| Bond issue costs paid on new debt issue | | | | - |
| Deposit with trustee | | | | - |
| Other capital and related financing receipts (payments) | | | | - |
| Net cash provided (used) by capital and related financing activities | | | $ | (10,568,984.38) |

**CASH FLOWS FROM INVESTING ACTIVITIES**

| | | |
|---|---|---|
| Proceeds from sales and maturities of investments | $ | 247,900.00 |
| Income on investments | | 3,946,965.38 |
| Purchase of investments | | (281,555.29) |
| Other investing receipts (payments) | | (398,824.14) |
| Net cash provided (used) by investing activities | $ | 3,514,485.95 |
| Net increase (decrease) in cash and cash equivalents | | 598,296.31 |
| Cash and cash equivalents - beginning of year | | 74,443,268.80 |
| Cash and cash equivalents - end of year (Note _ ) | $ | 75,041,565.11 |

**RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

| | | |
|---|---|---|
| Operating income/(loss) | $ | (113,244,025.10) |
| Adjustments to reconcile operating loss to net cash provided (used) by operating activities: | | |
| Noncash operating expenses | | 9,882,331.36 |
| Endowment income per spending plan | | - |
| Other adjustments | | - |
| Change in assets, liabilities, and deferrals: | | |
| Receivables, net | | (3,471,204.00) |
| Due from component unit/primary government | | (546,953.36) |
| Inventories | | (10,565.15) |
| Prepaid items | | 405,498.43 |
| Net pension asset | | 6,962,848.00 |
| Other assets | | - |
| Deferred outflows of resources | | 3,214,153.17 |
| Accounts payable | | 299,077.81 |
| Accrued liabilities | | 284,090.50 |
| Due to component unit/primary government | | 204,659.21 |
| Unearned revenues | | (504,810.36) |
| Deposits | | (33,600.00) |
| Compensated absences | | (7,039.11) |
| Net pension liability | | 11,349,007.00 |
| Net OPEB obligation | | (16,228.00) |
| Due to grantors | | - |
| Loans to students | | 200,390.25 |
| Deferred inflows of resources | | (23,768,702.00) |
| Other | | (33,806.75) |
| Net cash provided (used) by operating activities | $ | (108,834,878.10) |

**Non-cash investing, capital, and financing transactions**

| | |
|---|---|
| Gifts in-kind - capital | 316,698.97 |
| Unrealized gains/(losses) on investments | 322,165.12 |
| Gain/(loss) on disposal of capital assets | (36,771.73) |
| Trade-in allowance | - |
| Transfer of land from TBR | - |
| Change in value of split interest agreement | (3,040,656.40) |
| Proceeds of capital debt | - |
| Capital appropriation | 5,444,029.73 |
| Purchase and construction of capital assets | (5,444,029.73) |
| Other capital receipts/(expenses) | - |
| Acquisition of right-to-use lease assets | - |
| Lease liabiity | - |
| SBITA liability | - |
| PPP liability | - |
| (Other- please list separately) | - |
| | - |
| | - |
| | - |
| | - |
| | - |

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

# NOTES TO THE FINANCIAL STATEMENTS

TENNESSEE BOARD OF REGENTS
**Austin Peay State University**

Standard Notes to the Financial Statements
June 30, 2023

1. Summary of Significant Accounting Policies

REPORTING ENTITY

The university is a part of the State University and Community College System of Tennessee (the System). The Focus on College and University Success Act of 2016 removed the six universities from the governance of the Tennessee Board of Regents but they remain part of the System. The universities have their own local governing boards that provide governance, approve policies, set tuition and fee rates, and hire presidents. The System has continuing oversight responsibilities in the areas of budget approval and institutional debt. The System is a component unit of the State of Tennessee because the state appoints a majority of the System's governing body and provides significant financial support; the System is discretely presented in the Tennessee Annual Comprehensive Financial Report.

The financial statements present only that portion of the System's activities that is attributable to the transactions of Austin Peay State University.

The Austin Peay State University Foundation is considered a component unit of the university. Although the university does not control the timing or amount of receipts from the foundation, the majority of resources, or income thereon, that the foundation holds and invests are restricted to the activities of the university by the donors. Because 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. See Note 2 for more detailed information about the component unit and how to obtain the report.

BASIS OF PRESENTATION

The university's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental colleges and universities engaged in business-type activities as prescribed by the Governmental Accounting Standards Board (GASB).

FIDUCIARY ACTIVITIES

The university holds deposits as custodian or fiscal agent for students, student organizations, and certain other organized activities related to the university. These amounts are not university funds and are shown in separate statements.
BASIS OF ACCOUNTING

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements (APA)*. This Statement addresses PPPs and APAs and amends current guidance in GASB 60, Accounting and Financial Reporting for Service Concession Arrangements. In general, the

Statement applies the right-of-use model set forth in GASB 87 to PPP arrangements and provides accounting and disclosure guidance for both transferors and operators of governmental assets. The university implemented this standard as of July 1, 2022.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). This Statement requires recognition of a right-to-use subscription asset, initially measured as the sum of the initial subscription liability amount, payments made to the vendor before commencement of the subscription term, and capitalizable implementation costs. The subscription asset is then amortized over the subscription term. The university implemented this standard as of July 1, 2022.

For financial statement purposes, the university is considered a special-purpose government engaged only in business-type activities. Accordingly, the financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All significant internal activity has been eliminated.

The university has classified its revenues and expenses as either operating or nonoperating according to the following criteria: Operating revenues and expenses are those that have the characteristics of exchange and exchange-like transactions. Operating revenues include 1) tuition and fees, net of scholarship discounts and allowances, 2) most federal, state, local and private grants and contracts, 3) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, and 4) interest on institutional loans. Operating expenses include 1) salaries and wages, 2) employee benefits, 3) scholarships and fellowships, 4) depreciation, and 5) utilities, supplies, and other services.

Nonoperating revenues and expenses include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other activities that are defined as nonoperating by GASB Statement 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that Use Proprietary Fund Accounting*, and GASB Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments,* such as state appropriations and investment income.

When both restricted and unrestricted resources are available for use, it is the university's policy to determine whether to use restricted or unrestricted resources first depending upon existing facts and circumstances.

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CASH EQUIVALENTS

This classification includes instruments that are readily convertible to known amounts of cash and have original maturities of three months or less.

INVENTORIES

Inventories are valued at the lower of cost or market. All inventory items are maintained on an average cost or first-in, first-out basis.

## COMPENSATED ABSENCES

The university's employees accrue annual and sick leave at varying rates, depending upon length of service or classification. Some employees also earn compensatory time. The amount of the liabilities for annual leave and compensatory time and their related benefits are reported in the Statement of Net Position. There is no liability for unpaid accumulated sick leave since the university's policy is to pay this only if the employee is sick or upon death.

## CAPITAL ASSETS

Capital assets, which include property, plant, equipment, library holdings, works of art, historical treasures/collections, intangible assets, and lease/SBITA/PPP assets, are reported in the Statement of Net Position at historical cost, acquisition value at date of donation, or the present value of lease/SBITA/PPP payments plus other associated lease/SBITA/PPP costs less accumulated depreciation/amortization. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' useful lives are not capitalized.

A capitalization threshold of $100,000 is used for buildings and $50,000 is used for infrastructure. Equipment is capitalized when the unit acquisition cost is $5,000 or greater. The capitalization threshold for additions and improvements to buildings and land is set at $50,000. The capitalization threshold for intangible assets is set at $100,000. The capitalization threshold for art, historical treasures/collections, and similar assets is set at $5,000. The capitalization threshold for leases is set at $100,000. The capitalization threshold for SBITAs is set at $60,000.

These assets, with the exception of works of art and historical treasures/collections deemed inexhaustible and land, are depreciated/amortized using the straight-line method over the estimated useful lives of the assets or life of the lease agreement, which range from 1+ to 60 years.

## PENSIONS

For purposes of measuring the net pension liability and/or net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Closed State and Higher Education Employee Pension Plan and the State and Higher Education Employee Retirement Plan in the Tennessee Consolidated Retirement System (TCRS) and additions to/deductions from the plan's fiduciary net positions have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Closed State and Higher Education Employee Pension Plan and the State and Higher Education Employee Retirement Plan. Investments are reported at fair value.

OTHER POSTEMPLOYMENT BENEFITS

For purposes of measuring the net other postemployment benefits (OPEB) liability, as well as deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Closed Employee Group OPEB Plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the State of Tennessee Postemployment Benefits Trust. For this purpose, benefits are recognized when due and payable in accordance with the benefit terms of the Closed Employee Group OPEB Plan. Investments are reported at fair value.

NET POSITION

The university's net position is classified as follows:

NET INVESTMENT IN CAPITAL ASSETS*:* This represents the university's total investment in capital assets, net of accumulated depreciation and net of outstanding debt obligations and deferred outflows/inflows of resources related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

RESTRICTED NET POSITION – NONEXPENDABLE: Nonexpendable restricted net position consists 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 be expendable or added to principal.

RESTRICTED NET POSITION – EXPENDABLE: Restricted expendable net position includes resources in which 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, sales and services of educational departments, sales and services of other, 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 university to meet current expenses for any purpose. The auxiliary enterprises are substantially self-supporting activities that provide services for students, faculty, and staff.

SCHOLARSHIP DISCOUNTS AND ALLOWANCES

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discount 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 the student and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell grants, and other Federal, state or nongovernmental programs are recorded as either operating or nonoperating 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.

2. Cash

In addition to demand deposits and petty cash on hand, this classification includes instruments which are readily convertible to known amounts of cash and which have original maturities of three months or less. At June 30, 2023, cash and cash equivalents consists of $ 0.00 in bank accounts, $ 14,211.90 of petty cash on hand, $

74,687,828.98 in the State of Tennessee Local Government Investment Pool administered by the State Treasurer, and 339,524.23 in market money funds. The carrying amount of the operating bank account is $(25,084.38) and has been reported as other liabilities.

LGIP Deposits – Capital Projects - Payments related to the university's capital projects are made by the State of Tennessee's Department of Finance and Administration. The university's estimated local share of the cost of each project is held in a separate Local Government Investment Pool (LGIP) account. As expenses are incurred, funds are withdrawn from the LGIP account by the System and transferred to the Department of Finance and Administration. The funds in the account are not available to the university for any other purpose until the project is completed and the System releases any remaining funds.

The Local Government Investment Pool (LGIP) is administered by the State Treasurer and is measured at amortized cost. The LGIP is part of the State Pooled Investment Fund. There are no minimum or maximum limitations on withdrawals. The fund's required risk disclosures are presented in the State Pooled Investment Fund financial statements. That report is available on the state's website at https://treasury.tn.gov/Explore-Your-TN-Treasury/About-the-Treasury/Department-Reports.

## 3. Investments

In accordance with GASB Statement 31, as amended, investments are reported at fair value, including those with a maturity date of one year or less at the time of purchase, unless otherwise noted.

As of June 30, 2023, the university had the following investments and maturities.

| Investment Type | Fair Value | Investment Maturities (In Years) | | | | |
|---|---|---|---|---|---|---|
| | | Less than 1 | 1 to 5 | 6 to 10 | More than 10 | No Maturity Date |
| US Treasury | $ - | $ - | $ - | $ - | $ - | $ - |
| US Agencies | - | - | - | - | - | - |
| Corporate Bonds | - | - | - | - | - | - |
| Mutual Bond Funds | 1,099,211.69 | | | 1,099,211.69 | - | - |
| **Total Debt Instruments** | **$ 1,099,211.69** | **$ -** | **$ -** | **$ 1,099,211.69** | **$ -** | **$ -** |
| **Non-Fixed Income Inv** | | | | | | |
| Corporate Stocks | $ - | | | | | |
| Mutual Equity Funds | - | | | | | |
| Exchange Traded Funds | 10,554,660.46 | | | | | |
| Certificates of Deposit | 240,427.55 | | | | | |
| **Total** | **$ 11,894,299.70** | | | | | |

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of a debt investment. The university does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The university is authorized by statute to invest funds in accordance with the System's policies. Under the current policy, funds other than endowments may be invested only in obligations of the United States or its agencies which are backed by the full faith and credit of the United States, repurchase agreements for United States securities, certificates of deposit in banks and savings and loan associations, banker's acceptances, commercial paper, money market mutual funds and the State of Tennessee Local Government Investment Pool. The policy requires that investments of endowments in equity securities be limited to funds from private gifts or other sources external to the university and that endowment investments be prudently diversified. Securities are rated using Standard and Poor's, Moody's, and/or Fitch's and are presented below using the Standard and Poor's rating scale.

TBR policy restricts investments in banker's acceptances and commercial paper. The policy requires that prime banker's acceptances must be issued by domestic banks with a minimum AA rating or foreign banks with a AAA long-term debt rating by a majority of the rating services that have rated the issuer. Prime banker's acceptances are required to be eligible for purchase by the Federal Reserve System. To be eligible, the original maturity must not be more than 270 days, and it must 1) arise out of the current shipment of goods between countries or with the United States, or 2) arise out of storage within the United States of goods under contract of sale or expected to move into the channel or trade within a reasonable time and that are secured throughout their life by a warehouse receipt or similar document conveying title to the underlying goods.

The policy requires that prime commercial paper shall be limited to that of corporations that meet the following criteria: 1) Senior long-term debt, if any, should have a minimum rating of A1 or equivalent, and short-term debt should have a minimum rating of A1 or equivalent, as provided by a majority of the rating services that rate the issuer. If there is no long-term debt rating, the short-term debt rating must be A1 by all rating services (minimum of two). 2) The rating should be based on the merits of the issuer or guarantee by a nonbank. 3) A financial review should be made to ascertain the issuer's financial strength to cover the debt. 4) Commercial paper of a banking institution should not be purchased. Prime commercial paper shall not have a maturity that exceeds 270 days. As of June 30, 2023, the university's investments were rated as follows:

| | | Credit Quality Rating | | |
|---|---|---|---|---|
| Investment Type | Carrying Value | A | B | Unrated |
| Local Government Investment Pool (LGIP) | $74,687,828.98 | $ - | $ - | $ 74,687,828.98 |
| Mutual Bond Funds | $ 1,099,211.69 | | - | 1,099,211.69 |
| **Total** | **$75,787,040.67** | **$ -** | **$ -** | **$ 75,787,040.67** |

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. The university does not have a deposit policy for custodial credit risk. At June 30, 2023, the university had $1,099,211.69 of uninsured and unregistered investments for which the securities are held by the counterparty and $10,554,660.46 of uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent but not in the university's name.

4. Fair Value Measurement

The university categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The university has the following recurring fair value measurements as of June 30, 2023:

| | June 30, 2023 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Investments Measured at the Net Asset Value (NAV) |
|---|---|---|---|---|---|
| Assets by Fair Level Value | | | | | |
| **Debt Securities** | | | | | |
| US Treasury | | | | | |
| US Agencies | | | | | |
| Corporate bonds | | | | | |
| Mutual funds | | | | | |
| ETF bond funds | 1,099,211.69 | | | | 1,099,211.69 |
| **Total debt securities** | **$ 1,099,211.69** | **$ -** | **$ -** | **$ -** | **$ 1,099,211.69** |
| | | | | | |
| **Equity Securities** | | | | | |
| Corporate stock | | | | | |
| Exchange Trade Funds | $10,554,660.46 | $ 10,554,660.46 | | | |
| Mutual equity funds | - | | | | |
| **Total equity securities** | **$10,554,660.46** | **$ 10,554,660.46** | **$ -** | **$ -** | **$ -** |
| | | | | | |
| **Other Assets** | | | | | |
| Beneficial Int-Split Int Agrmnt | | $ - | | | |
| **Total Other Assets** | **$ -** | **$ -** | | | |
| **Total Assets at Fair Value** | **$11,653,872.15** | **$ 10,554,660.46** | **$ -** | **$ -** | **$ 1,099,211.69** |

Assets and liabilities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Assets and liabilities classified in Level 2 of the fair value hierarchy are valued using quoted prices for similar assets in active markets, and inputs that are observable for the asset, either directly, for substantially the full term of the financial instrument.

The valuation method for assets and liabilities measured at the net asset value per share (or its equivalent) is presented on the following table:

The assets of the Multi-Strategy Bond Fund are allocated among strategies in proportions that Common fund Asset Management Company considers beneficial for a fully diversified fixed income portion of an educational endowment. There are currently no redemption restrictions on the Multi-Strategy Bond Funds, although they could be put in place in extraordinary circumstances, such as any period during which the New York Stock Exchange is closed other than customary weekend or holiday closings, or during which trading thereon is restricted or there exists any emergency affecting the practicability of disposal of portfolio securities of the Fund or the practicability of determining net asset value. It is not probable that the university will sell an investment for an amount different from the NAV per share

| Assets measured at the NAV | Fair Value | Unfunded Commitments | Redemption Frequency | Redemption Notice Period |
|---|---|---|---|---|
| The Commonfund-Multi-Strategy Bond Fund | $1,099,211.69 | N/A | Monthly | 5 Business days excl of trans date |

5. Accounts, Notes, and Grants Receivable

Accounts receivable included the following:

| | June 30, 2023 |
|---|---|
| Student accounts receivable | $8,525,309.02 |
| Grants receivable | 4,631,909.22 |
| Notes receivable | 12,542.34 |
| Leases receivable | - |
| SBITAs receivable | - |
| PPPs receivable | - |
| Other receivables | 607,415.77 |
| Subtotal | 13,777,176.35 |
| Less allowance for doubtful account | (2,018,668.26) |
| Total | 11,758,508.09 |

Federal Perkins Loan Program funds include the following:

| | June 30, 2023 |
|---|---|
| Perkins loans receivable | 9,685.07 |
| Less allowance for doubtful accounts | (404.14) |
| Total | $9,280.93 |

6. Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

| | Beg Balance | Additions | Transfers | Reductions | End Balance |
|---|---|---|---|---|---|
| Land | 17,812,026.15 | | | | 17,812,026.15 |
| Land improve & infra | 45,679,616.93 | | 1,007,855.75 | | 46,687,472.68 |
| Leasehold improvements | - | - | - | - | - |
| Buildings | 288,907,948.26 | - | - | - | 288,907,948.26 |
| Equipment | 17,982,358.72 | 2,520,800.44 | - | (753,365.36) | 19,749,793.80 |
| Library holdings | 1,487,645.44 | 39,792.86 | - | (172,245.46) | 1,355,192.84 |
| Intangible assets | 2,389,851.44 | - | - | - | 2,389,851.44 |
| Art & historical collections | - | - | - | - | - |
| Projects in progress | 5,110,120.35 | 5,475,987.96 | (1,007,855.75) | - | 9,578,252.56 |
| Right-to-use asset – land | | | | | |
| Right-to-use asset - infrastructure | - | - | - | - | - |
| Right-to-use asset - buildings | 58,241.21 | 13,910,649.38 | - | - | 13,968,890.59 |
| Right-to-use asset - equipment | 593,130.45 | 86,401.98 | - | - | 679,532.43 |
| SBITA asset - software | - | 6,851,686.86 | - | - | 6,851,686.86 |
| Total | 380,020,938.95 | 28,885,319.48 | - | (925,610.82) | 407,980,647.61 |
| | | | | | |
| Less accumulated depreciation/amortization: | | | | | |
| Land improve & infra. | 26,833,365.81 | 2,115,758.88 | - | - | 28,949,124.69 |
| Leasehold improvements | - | - | - | - | - |
| Buildings | 106,502,240.83 | 4,400,674.49 | - | - | 110,902,915.32 |
| Equipment | 14,972,473.54 | 798,635.17 | | (716,593.63) | 15,054,515.08 |
| Library holdings | 904,342.76 | 135,519.30 | - | (172,245.46) | 867,616.60 |
| Intangible assets | 2,389,851.44 | - | - | - | 2,389,851.44 |
| Art & hist. collection | - | - | - | - | - |
| Right-to-use asset - land | - | - | - | - | - |
| Right-to-use asset – infrastruct | - | - | - | - | - |
| Right-to-use asset - buildings | 26,996.80 | 159,562.75 | | | 186,559.55 |
| Right-to-use asset - equipment | | 355,788.10 | | | 355,788.10 |
| SBITA asset - software | | 1,821,742.69 | | | 1,821,742.69 |
| Total | 151,629,271.18 | 9,787,681.38 | | (888,839.09) | 160,528,113.47 |
| | | | | | |
| Capital assets, net | 228,391,667.77 | 19,097,638.10 | - | (36,771.73) | 247,452,534.14 |

7. Leases

University as Lessor

Lease Liabilities

The university leases classroom space and equipment, the terms of which expire in various years through 2053

Lease liability activity for the university for the year ended June 30, 2023 is summarized as follows:

| | Beg Balance | Additions | Remeasurements | Reductions | End Balance | Curr Portion |
|---|---|---|---|---|---|---|
| Gross lease liabilities | 577,160.02 | 13,875,092.11 | | (479,866.08) | 13,972,386.05 | 808,529.71 |

The following is a schedule by year of payments under the leases as of June 30, 2023:

| For the Year(s) Ending June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2024 | $ 808,529.71 | $ 330,395.20 | $ 1,138,924.91 |
| 2025 | 483,745.80 | 632,279.80 | 1,116,025.60 |
| 2026 | 483,673.79 | 611,639.65 | 1,095,313.44 |
| 2027 | 409,026.36 | 592,135.35 | 1,001,161.71 |
| 2028 | 427,673.52 | 572,326.48 | 1,000,000.00 |
| 2029 – 2033 | 1,366,554.75 | 2,634,445.25 | 4,000,000.00 |
| 2034 – 2038 | 1,732,848.26 | 2,267151.74 | 4,000,000.00 |
| 2039 – 2043 | 2,196,586.97 | 1,803,413.03 | 4,000,000.00 |
| 2044 – 2048 | 2,784,454.79 | 1,215,545.20 | 3,999,999.99 |
| 2049 – 2053 (continue in 5 yr increments) | 3,280,292.10 | 470,392.82 | 3,750,684.92 |
| Total | $ 13,972,386.05 | $ 11,129,724.52 | $ 25,102,110.57 |

8. Subscription-based Information Technology Arrangements (SBITAs)

SBITA assets are reported with capital assets and SBITA liabilities are reported separately in the Statement of Net Position.

The university has entered into subscription-based arrangements for various types of software, the terms of which expire in various years through 2027.

SBITA liability activity for the university for the year ended June 30, 2023 is summarized as follows:

| | Beg Balance | Additions | Remeasurements | Reductions | End Balance | Curr Portion |
|---|---|---|---|---|---|---|
| SBITA liabilities | | $ 4,411,223 | | | $4,411,223 | $2,563,821.08 |

The following is a schedule by year of payments under the subscription arrangements as of June 30, 2023:

| For the Year(s) Ending June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2024 | $2,563,821.08 | $135,385.15 | $2,699,206.23 |
| 2025 | $1,073,049.75 | $61,741.54 | $1,134,791.29 |
| 2026 | $581,703.69 | $25,612.33 | $607,316.02 |
| 2027 | $192,648.48 | $6,211.49 | $198,859.97 |
| 2028 | | | |
| 2029 – 2033 | | | |
| 2034 – 2038 | | | |
| 2039 – 2043 | | | |
| 2044 – 2048 | | | |
| 2049 – 2053 (continue in 5 yr increments) | | | |
| Total | $ 4,411,223.00 | $228,950.51 | $4,640,173.51 |

9. Accounts Payable

Accounts payable included the following:

| | June 30, 2023 |
|---|---|
| Vendors payable | $2,963,874.18 |
| Unapplied student payments | - |
| Other payables | - |
| Total | $2,963,874.18 |

10. Long-term Liabilities

Long term liability activity for the year ended June 30, 2023, was as follows:

| | Beg Balance | Additions | Reductions | End Balance | Curr Portion |
|---|---|---|---|---|---|
| Payables: | | | | | |
| TSSBA debt: | | | | | |
| Bonds | $ 75,491,570.63 | - | $ (3,596,739.11) | $ 71,894,831.52 | $ 3,706,183.11 |
| Unamortized bond premium/discount | 1,983,493.65 | 502,682.36 | (401,569.34) | 2,084,606.67 | - |
| Revolving credit facility | 291,398.44 | - | (291,398.44) | - | - |
| General Obligation debt: | | | | | |
| Comm paper | - | - | - | - | - |
| Subtotal | $ 77,766,462.72 | $ 502,682.36 | $ (4,289,706.89) | $ 73,979,438.19 | $ 3,706,183.11 |
| Other Liabilities | | | | | |
| Lease liabilities | | | | | |
| Comp absences | 4,423,288.52 | 2,847,251.02 | (2,854,290.13) | 4,416,249.41 | 679,109.70 |
| Due to grantor | 4,614.58 | - | - | 4,614.58 | - |
| Subtotal | 4,427,903.10 | 2,847,251.02 | (2,854,290.13) | 4,420,863.99 | 679,109.70 |
| Total long-term liabilities | $ 82,194,365.82 | $ 3,349,933.38 | $ (7,143,997.02) | $ 78,400,302.18 | $ 4,385,292.81 |

TSSBA Debt - Bonds Payable

Bonds, with interest rates ranging from .167 % to 5.0 %, were issued by the Tennessee State School Bond Authority. The bonds are due serially until 2046 and are secured by pledges of the facilities' revenues to which they relate and certain other revenues and fees of the university, including state appropriations; see Note 12 for further details. The bonded indebtedness with the Tennessee State School Bond Authority included in long-term liabilities on the Statement of Net Position is shown net of unexpended debt proceeds.

Debt service requirements to maturity for the university's portion of TSSBA bonds at June 30, 2023, are as follows:

| For the Year(s) Ending June 30 | Principal | Interest | Total |
|---|---|---|---|
| 2024 | $3,706,183.11 | $1,873,151.95 | $5,579,335.06 |
| 2025 | 3,791,324.08 | 1,789,614.62 | 5,580,938.70 |
| 2026 | 3,749,364.19 | 1,694,207.77 | 5,443,571.96 |
| 2027 | 3,797,540.22 | 1,578,029.69 | 5,375,569.91 |
| 2028 | 3,930,104.78 | 1,444,574.56 | 5,374,679.34 |
| 2029 – 2033 | 20,046,716.53 | 5,497,203.04 | 25,543,919.57 |
| 2034 – 2038 | 15,538,785.61 | 3,404,028.90 | 18,942,814.51 |
| 2039 – 2043 | 14,301,116.00 | 1,450,461.21 | 15,751,577.21 |
| 2044 – 2046 | 3,033,697.00 | 109,514.71 | 3,143,211.71 |
| 2049 – 2053 | | | |
| 2054 – 2058 (continue in 5 yr increments) | | | |
| Total | $ 71,894,831.52 | $18,840,786.46 | $90,735,617.98 |

TSSBA Debt – Revolving Credit Facility

The Tennessee State School Bond Authority receives loans from the revolving credit facility to finance the costs of various capital projects during the construction phase. When projects are placed in service, TSSBA issues long-term, fixed-rate debt to finance the project over its useful payback period and repays the revolving credit facility debt. The total outstanding loans from the revolving credit facility was $0.00 at June 30, 2023. In addition, the college has expended $ 0.00 on projects that TSSBA has not yet withdrawn from the revolving credit facility

More detailed information regarding the bonds and the revolving credit facility can be found in the notes to the financial statements in the financial report for the Tennessee State School Bond Authority. That report is available on the state's website at https://comptroller.tn.gov/boards/tennessee-state-school-bond-authority/investor-information/tssba-financial-reports.html.

11. Endowments

If a donor has not provided specific instructions to Austin Peay State University, state law permits the university to authorize for expenditure the net appreciation (realized and unrealized) of the investments of endowment funds. When administering its power to spend net appreciation, the university is required to consider its long-term and short-term needs, present and anticipated financial requirements, expected total return on its investments, price-level trends, and general economic conditions. Any net appreciation that is spent is required to be spent for the purposes for which the endowment was established.

The university chooses to spend only a portion of the investment income (including changes in the value of investments) each year. Under the spending plan established by the university all investment earnings have been authorized for expenditure. The remaining amount, if any, is retained to be used in future years when the amount computed using the spending plan exceeds the investment income**)**. At June 30, 2023, net appreciation of $ 519,150.48 is available to be spent, of which $ 510,138.76 is included in restricted net position expendable for scholarships and fellowships, $ 516.40 is included in restricted net position expendable for instructional departmental uses, and $ 8,495.32 is included in restricted net position expendable for other.

12. Pledged Revenues

The university has pledged certain revenues and fees, including state appropriations, to repay $71,894,831.52 in revenue bonds issued from August 2012 to September 2017. Proceeds from the bonds provided financing for various projects. The bonds are payable through 2046. Annual principal and interest payments on the bonds are expected to require of available revenues. The total principal and interest remaining to be paid on the bonds is $90,735,617.98. Principal and interest paid for the current year and total available revenues were $5,562,771.19 and $176,943,439.85, respectively.

13. Pension Plans

Defined Benefit Plan

**Closed State and Higher Education Employee Pension Plan**

*General Information about the Pension Plan*

Plan Description - State employees and higher education employees with membership in the Tennessee Consolidated Retirement System (TCRS) before July 1, 2014, are provided with pensions through the Closed State and Higher Education Employee Pension Plan. This plan is a component of the Public Employee Retirement Plan, an agent, multiple-employer defined benefit pension plan. The Closed State and Higher Education Employee Pension Plan stopped accepting new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. A new agent defined benefit retirement plan, the State and Higher Education Employee Retirement Plan, became effective July 1, 2014 for state employees and higher education employees hired on or after July 1, 2014.

The TCRS was created by state statute under Title 8, Chapters 34-37, Tennessee Code Annotated. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

<u>Benefits Provided</u> - Title 8, Chapters 34-37, Tennessee Code Annotated, establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Closed State and Higher Education Employee Pension Plan are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined using the following formula:

| | | | | | | |
|---|---|---|---|---|---|---|
| Average of member's highest compensation for 5 consecutive years (up to Social Security integration level) | x | 1.50% | x | Years of Service Credit | x | 105% |

Plus:

| | | | | | | |
|---|---|---|---|---|---|---|
| Average of member's highest compensation for 5 consecutive years (over the Social Security integration level) | x | 1.75% | x | Years of Service Credit | x | 105% |

A reduced early retirement benefit is available at age 55 and vested. Members are vested with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria. Member and beneficiary annuitants are entitled to automatic cost-of-living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to the 2nd of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw employee contributions, plus any accumulated interest.

<u>Contributions</u> - Contributions for state employees and higher education employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. The university's employees are non-contributory, as are most members in the Closed State and Higher Education Employee Pension Plan. State and higher education agencies make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Closed State and Higher Education Employee Pension Plan are required to be paid. Employer contributions by the university for the year ended June 30, 2023, to the Closed State and Higher Education Employee Pension Plan were $4,419,845.41, which is 21.88percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

*Pension Liabilities (Assets), Pension Expense (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

<u>Pension liabilities/(assets)</u> – At June 30, 2023, the university reported a liability/(asset) of $11,349,007 for its proportionate share of the net pension liability/(asset). The net pension liability/(asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date. The university's proportion of the net pension liability was based on the proportion of the university's contributions during the year ended June 30, 2022, to the pension plan relative to the contributions of all participating state and higher education agencies. At the June 30, 2022,

measurement date, the university's proportion was .952609 percent. The proportionate share from the prior year's measurement date of June 30, 2021, was 1.029379 percent.

Pension expense (negative pension expense) – For the year ended June 30, 2023, the university recognized a pension expense/(negative pension expense) of $3,312,021.

Deferred outflows of resources and deferred inflows of resources – For the year ended June 30, 2023, the university reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 2,195,419 | $675,564 |
| Net difference between projected and actual earnings on pension plan investments | 162,081 | - |
| Changes in assumptions | 3,079,021 | - |
| Changes in proportion of Net Pension Liability (Asset) | 66,400 | 512,509 |
| Contributions subsequent to the measurement date of June 30, 2022 | 4,419,845.41 | - |
| Total | $9,922,766.41 | $ 1,188,073 |

Deferred outflows of resources, resulting from the university's employer contributions of $4,419,845.41subsequent to the measurement date will be recognized as a reduction/(increase) in the net pension liability/(asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| **Year Ended June 30:** | |
|---|---|
| 2024 | $ 2,277,566 |
| 2025 | (134,927) |
| 2026 | (1,642,499) |
| 2027 | 3,814,707 |
| 2028 | - |
| Thereafter | - |

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial assumptions - The total pension liability as of June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 2.25 percent |
| Salary increases | Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent |
| Investment rate of return | 6.75 percent, net of pension plan investment expenses, including inflation |
| Cost-of-Living Adjustment | 2.125 percent |

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2022, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. As a result of the 2020 actuarial experience study, investment and demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

| **Asset Class** | **Long-Term Expected Real Rate of Return** | **Target Allocation** |
|---|---|---|
| U.S. equity | 4.88% | 31% |
| Developed market international equity | 5.37% | 14% |
| Emerging market international equity | 6.09% | 4% |
| Private equity and strategic lending | 6.57% | 20% |
| U.S. fixed income | 1.20% | 20% |
| Real estate | 4.38% | 10% |
| Short-term securities | 0.00% | 1% |
| | | 100% |

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount rate - The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all state and higher education agencies will be made at the actuarially determined contribution rate in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. 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 proportionate share of net pension liability (asset) to changes in the discount rate - The following presents the university's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.75 percent, as well as what the university's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.75 percent) or 1 percentage point higher (7.75 percent) than the current rate:

| | **1% Decrease (5.75%)** | **Current Discount Rate (6.75%)** | **1% Increase (7.75%)** |
|---|---|---|---|
| University's proportionate share of the net pension liability (asset) | *$ 33,290,793* | *$ 11,349,007* | *$ (7,075,743)* |

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

*Payable to the Pension Plan*

At June 30, 2023, the university reported a payable of $_389,493.08 for the outstanding amount of legally required contributions to the pension plan required for the year ended June 30, 2023.

**State and Higher Education Employee Retirement Plan**

*General Information about the Pension Plan*

Plan description – State employees and higher education employees with membership in the Tennessee Consolidated Retirement System (TCRS) before July 1, 2014, are provided with pensions through the Closed State and Higher Education Employee Pension Plan, an agent plan within the Public Employee Retirement Plan administered by the TCRS. The TCRS is a multiple-employer pension plan. The Closed State and Higher Education Employee Pension Plan was closed effective

June 30, 2014, and covers employees hired before July 1, 2014. Employees hired after June 30, 2014, are provided with pensions through a legally separate plan referred to as the State and Higher Education Employee Retirement Plan, an agent plan within the Public Employee Retirement Plan administered by the TCRS.

The TCRS was created by state statute under Title 8, Chapters 34-37, Tennessee Code Annotated. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at https://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

Benefits provided – Tennessee Code Annotated Title 8, Chapters 34-37, establishes the benefit terms and can be amended only by the Tennessee General Assembly. Members of the State and Higher Education Employee Retirement Plan are eligible to retire at age 65 with 5 years of service credit or pursuant to the rule of 90 in which the member’s age and service credit total 90. Members are entitled to receive unreduced service retirement benefits, which are determined by a formula multiplying the member’s highest five consecutive year average compensation by 1.0 percent multiplied by the member’s years of service credit. A reduced early retirement benefit is available at age 60 with 5 years of service credit or pursuant to the rule of 80 in which the member’s age and service credit total 80. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost-of-living adjustments (COLAs) after retirement. A COLA is granted each July for annuitants retired prior to July 2nd of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions – Contributions for state and higher education employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of their salary to the State and Higher Education Employee Retirement Plan. State and higher education agencies make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the State and Higher Education Employee Retirement Plan are required to be paid. Employer contributions by the university for the year ended June 30, 2023, to the State and Higher Education Employee Retirement Plan were $554,350.76, which is 2.48_ percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

*Pension Liabilities (Assets), Pension Expense (Negative Pension Expense), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

Pension Liability/(Asset) – At June 30, 2023, the university reported a liability/(asset) of $ (297,260) for its proportionate share of the net pension liability/(asset). The net pension liability /(asset) was measured as of June 30, 2022, and the total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date. The university’s proportion of the net pension liability/(asset) was based on the proportion of the university’s contributions during the year ended June 30, 2022, to the pension plan relative to the contributions of all participating state and higher education agencies. At the June 30, 2022, measurement date, the university’s proportion was 1.191960 percent. The proportionate share from the prior year’s measurement date of June 30, 2021, was 1.135002 percent.

Pension expense (negative pension expense) – For the year ended June 30, 2023, the university recognized a pension expense (negative pension expense) of $ 350,436.

Deferred outflows of resources and deferred inflows of resources – For the year ended June 30, 2023, the university reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 54,891 | $ 100,929 |
| Net difference between projected and actual earnings on pension plan investments | 91,118 | - |
| Changes in assumptions | 248,317 | - |
| Changes in proportion of Net Pension Liability (Asset) | 590.00 | 79,040 |
| Contributions subsequent to the measurement date of June 30, 2022 | 554,350.76 | |
| Total | $ 949,266.76 | $ 179,969 |

Deferred outflows of resources, resulting from the university's employer contributions of $554,350.76 subsequent to the measurement date will be recognized as a reduction/(increase) to the net pension liability/(asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30 | |
|---|---|
| 2024 | $ 10,527 |
| 2025 | $ 12,935 |
| 2026 | ($2,529) |
| 2027 | $150,846 |
| 2028 | $19,806 |
| Thereafter | $23,361 |

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

Actuarial assumptions – The total pension liability (asset) as of the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 2.25 percent |
| Salary increases | Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent |
| Investment rate of return | 6.75 percent, net of pension plan investment expenses, including inflation |
| Cost-of-Living Adjustment | 2.125 percent |

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2022 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2016 through June 30, 2020. As a result of the 2020 actuarial experience study, investment and demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2020 actuarial experience study. A blend of future capital market projections and historical market returns was using in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.25 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

| **Asset Class** | **Long-Term Expected Real Rate of Return** | **Target Allocation** |
|---|---|---|
| U.S. equity | 4.88% | 31% |
| Developed market international equity | 5.37% | 14% |
| Emerging market international equity | 6.09% | 4% |
| Private equity and strategic lending | 6.57% | 20% |
| U.S. fixed income | 1.20% | 20% |
| Real estate | 4.38% | 10% |
| Short-term securities | 0.00% | 1% |
| | | 100% |

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 6.75 percent based on a blending of the factors described above.

Discount rate - The discount rate used to measure the total pension liability/(asset) was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from all state and higher education agencies will be made at the actuarially determined contribution rate in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. 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/(asset).

Sensitivity of the proportionate share of net pension liability/(asset) to changes in the discount rate - The following presents the university's proportionate share of the net pension liability/(asset) calculated using the discount rate of 6.75 percent, as well as what the university's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.75 percent) or 1 percentage point higher (7.75 percent) than the current rate:

| | **1% Decrease (5.75%)** | **Current Discount Rate (6.75%)** | **1% Increase (7.75%)** |
|---|---|---|---|
| **University's** proportionate share of the net pension liability (asset) | *$ 1,212,614* | *$ (297,260)* | *$ (1,431,476)* |

Pension plan fiduciary net position – Detailed information about the pension plan's fiduciary net position is available in a separately issued TCRS financial report.

*Payable to the Pension Plan*

At June 30, 2023, the university reported a payable of $157,770.36 for the outstanding amount of legally required contributions to the pension plan required for the year ended June 30, 2023.

Total defined benefit pension expense – The total pension expense for the year ended June 30, 2023, for all defined benefit pension plans was $ 3,662,457.

Defined Contribution Plans

**Optional Retirement Plan**

Plan Description – The university contributes to the Optional Retirement Plan (ORP). The ORP, administered by the Tennessee Treasury Department, is a defined contribution plan. The ORP was established by state statute in Title 8, Chapter 25, Part 2 of the TCA. This statute also sets out the plan provisions. The plan provisions are amended by the Tennessee General Assembly. The ORP was designed to provide benefits at retirement to faculty and staff who are exempt from the overtime provision of the Fair Labor Standards Act and who waive membership in the TCRS. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

Funding Policy - For employees employed prior to July 1, 2014, plan members are noncontributory. The university contributes 10 percent of the employee's base salary up to the social security wage base and 11 percent above the social security wage base. For employees hired after June 30, 2014, plan members will contribute 5 percent to the ORP and the university will contribute 9 percent of the employee's base salary. The required contributions made to the ORP were $ 3,265,200.76 for the year ended June 30, 2023, and $ 3,354,537.35 for the year ended June 30, 2022. Contributions met the requirements for each year.

Members are immediately 100 percent vested in the employer contributions made pursuant to the ORP. The Treasury Department has selected three investment vendors who offer a variety of investment products in which members are responsible for selecting how the contributions are invested. Each member makes the decision when to reallocate future contributions or when to transfer funds from one investment product to another. Funds are held by the investment vendor in the name of the member, not in the name of the State of Tennessee. The State of Tennessee has no discretion over these funds other than to make the initial contributions. Accordingly, the State of Tennessee is not acting in a trustee capacity nor does it have a fiduciary responsibility for the funds held by the investment vendors.

Payable to the Plan – At June 30, 2023, the university reported a payable of $ 272,985.58 for the outstanding amount of legally required contributions to the plan required for the year then ended.

Deferred Compensation Plan

The university, through the State of Tennessee, provides a deferred compensation pension plan pursuant to the Internal Revenue Code (IRC) Section 401(k). The plan is outsourced to a third-party vendor, and the administrative costs assessed by the vendors of these plans are the responsibility of plan participants. Section 401(k) plan assets remain the property of the contributing employees and they are not presented in the accompanying financial statements. Sections 401(k) establishes participation, contribution, and withdrawal provisions for the plan. The university provides up to a $50 monthly employer match for employees who participate in the state's 401(k) plan. Employees hired before July 1, 2014, voluntarily participate in the state's 401(k) plan. Pursuant to Chapter 259 of the Public Acts of 2013, employees hired after June 30, 2014, are automatically enrolled in the state's 401(k) plan if they elect to be in the TCRS pension plan. Employees contribute 2% of their salary, with the employer contributing an additional non-matching 5%. Employees may opt out of the 2% auto enrollment. Such contribution rates may only be amended by the Tennessee General Assembly. There are certain automatic cost controls and unfunded liability controls in the defined benefit plan where the employees participate that may impact the non-matching 5% employer contribution to the 401(k) plan.

Employees are immediately vested in both the employee and employer contributions in the plan. The IRC establishes maximum limits that an employee can contribute to the plan. The employee may increase, decrease, or stop contributions at any time for the plan.

During the year ended June 30, 2023, contributions totaling 2,403,143.52 were made by employees participating in the 401(k) plan, and the university recognized pension expense of $ 1,152,611.05 for employer contributions. During the year ended June 30, 2022, contributions totaling $2,197,399.94 were made by employees participating in the 401(k) plan, and the university recognized pension expense of $ 523,600.25 for employer contributions.

At June 30, 2023, and June 30, 2022, the university reported a payable of $ 12,831.03 and $ 10,552.10, respectively, for the outstanding amount of legally required contributions to the plan required for the year then ended.

14. Other Employee Benefits

Deferred Compensation Plans

Employees are offered two deferred compensation plans that are not considered pension plans. The university, through the State of Tennessee, provides a plan established pursuant to IRC, Section 457, and another is administered by the university and was established in accordance with IRC, Section 403(b). The plans are outsourced to third-party vendors, and the administrative costs assessed by the vendors of these plans are the responsibility of plan participants. Section 403(b) and Section 457 plan assets remain the property of the contributing employees; therefore, they are not presented in the accompanying financial statements. IRC Sections 403(b) and 457 establish participation, contribution, and withdrawal provisions for the plans.

15. Other Postemployment Benefits

**Closed State Employee Group OPEB Plan**

General information about the OPEB plan

***Plan description*** - Employees of the university, who were hired prior to July 1, 2015 and choose coverage, are provided with pre-65 retiree health insurance benefits through the closed State Employee Group OPEB Plan (EGOP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be a cost-sharing multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015. The employers participating in this plan includes the primary government, the Tennessee Student Assistance Corporation, the Tennessee Housing Development Agency, the University of Tennessee and the institutions that make up the State University and Community College System. The State of Tennessee Postemployment Benefits Trust (OPEB Trust) was established to accumulate resources to pay for the retiree benefits of EGOP participants. The OPEB Trust prepares a stand-alone financial report that can be found at https://www.tn.gov/finance/rd-doa/opeb22121.html.

***Benefits provided*** - The EGOP is offered to provide health insurance coverage to eligible retired and disabled participants and is the only postemployment benefit provided to eligible pre-65 participants. Benefits are established and amended by an insurance committee created by Tennessee Code Annotated (TCA) 8-27-201. All retirees and disabled employees of the primary government and certain component units, who are eligible and choose coverage, and who have not yet reached the age of 65 are enrolled in this plan. All members have the option of choosing between the premier preferred provider organization (PPO) plan, standard PPO plan or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members receive the same plan benefits, as active employees, at a blended premium rate that considers the cost of active and retired employees. This creates an implicit subsidy for the retirees. The retirees' cost is then directly subsidized, by the employers, based on years of service. Therefore, retirees with 30 years of service are subsidized 80 percent; 20 but less than 30 years, 70 percent; and less than 20 years, 60 percent.

***Contributions*** - Annually, an insurance committee, created in accordance with Tennessee Code Annotated (TCA) 8-27-201, establishes the required contributions to the plan by member employees through the premiums established to approximate claims cost for the year. Pre-age 65 retired members of the EGOP pay a premium based on a blended rate that considers the cost of active and retired employees as well as their individual years of service. Therefore, retirees pay either 20 percent, 30 percent, 40 percent or 100 percent of the appropriate premium rate. These payments are deposited into the OPEB Trust. Employers contribute to the OPEB Trust based on an actuarially determined contribution (ADC) rate calculated in a manner to meet the funding goals of the state. The total ADC rate for plan employers for the fiscal year ended June 30, 2023 was $115.7 million. The university's share of the ADC was $ 1,191,074. During the fiscal year the university contributed $ 1,191,074 to the OPEB Trust. The state general assembly has the authority to change the contribution requirements of the employers participating in the EGOP.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

***Proportionate share*** - The university's proportion and proportionate share of the collective net OPEB liability, related to the EGOP, is .8812% and $ 6,238,685, respectively. The proportion existing at the prior measurement date was .8772%. This represents a change in proportion of .004% between the current and prior measurement dates. The university's proportion of the collective net OPEB liability was based on a projection of its long-term share of contributions to the OPEB plan relative to the projected share of contributions of all participating employers, actuarially determined. The collective net OPEB liability was determined by an actuarial valuation with a valuation date of June 30, 2022 and measurement date of June 30, 2022.

***OPEB expense*** - For the fiscal year ended June 30, 2023, the university recognized OPEB expense of $ 237,349.

***Deferred outflows of resources and deferred inflows of resources*** - For the fiscal year ended June, 30, 2023, the university reported deferred outflows of resources and deferred inflows of resources related to OPEB paid by the EGOP from the following sources:

EGOP

| | Deferred Outflows of resources | Deferred Inflows of resources |
|---|---|---|
| Differences between actual and expected experience | $ - | $ 575,873 |
| Changes of assumptions | 313,631 | 1,374,381 |
| Net difference between actual and projected investment earnings | 366,740 | - |
| Changes in proportion and differences between benefits paid and proportionate share of benefits paid. | 1,084,062 | 1,204,096 |
| Contributions subsequent to the measurement date | 1,191,074 | - |
| Total | $2,955,507 | $3,154,350.00 |

The amounts shown above for "contributions subsequent to the measurement date" will be recognized as a reduction to the collective net OPEB liability in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB paid by the EGOP will be recognized in OPEB expense as follows:

| EGOP | |
|---|---|
| For the year ended June 30: | |
| 2023 | $(510,377) |
| 2024 | (511,917) |
| 2025 | (511,226) |
| 2026 | 168,052.00 |
| 2027 | (24,450.00) |
| Thereafter | - |

In the tables above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

***Actuarial assumptions*** - The collective total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---|---|
| Inflation | 2.25% |
| Salary increases | Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4 percent |
| Healthcare cost trend rates | 8.37% for 2023, decreasing annually to an ultimate rate of 4.50% for 2030 and later years |
| Retiree's share of benefit-related costs | Members are required to make monthly contributions in order to maintain their coverage. For the purpose of this valuation a weighted average has been used with weights derived from the current distribution of members among plans offered. |

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2022, valuations were the same as those employed in the July 1, 2021 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS) for Group 1 employees. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-Weighted Employee mortality table for General Employees for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement tables are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 6% load for males and a 14% load for females, projected generationally from 2010 with MP-2020. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load, projected generationally from 2018 with MP-2020.

***Long-term expected rate of return -*** The long-term expected rate of return of 6 percent on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. TCA 8-27-802 establishes the responsibility of the trustees to adopt written investment policies authorizing how assets in the OPEB Trust may be invested and reinvested by the State Treasurer. The treasurer may invest trust assets in any security or investment in which the Tennessee Consolidated Retirement System (TCRS) is permitted to invest, provided that investments by the OPEB Trust shall be governed by the investment policies and guidelines adopted by the trustees. Any changes to the investment policy will be the responsibility of the established trustees. The OPEB Trust investment policy target asset allocation and allocation range for each major asset class is summarized in the following table:

| Asset Class | Allocation Range Minimum | Maximum | Target Allocation |
|---|---|---|---|
| Equities | 25% | 80% | 53% |
| Fixed income and short-term securities | 20% | 50% | 25% |
| Real estate | 0% | 20% | 10% |
| Private equity and strategic lending | 0% | 20% | 7% |
| Cash and cash equivalents | 0% | 25% | 5% |
| | | | 100% |

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

| Asset Class | Long-term Expected Real Rate of Return |
|---|---|
| U.S. equity | 4.89% |
| Developed market international equity | 5.38% |
| Emerging market international equity | 5.97% |
| Cash (Gov't) | 1.17% |
| Private equity and strategic lending | 5.18% |
| U.S. fixed income | 2.74% |
| Real estate | 4.79% |

***Discount rate*** - The discount rate used to measure the net OPEB liability was 6%. This is the same rate used at the prior measurement date. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only member contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on these assumptions, the OPEB Trust fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on OPEB Trust investments was applied to all periods of projected benefit payments to determine the net OPEB liability.

***Changes in assumptions*** - The medical and drug trend rate assumptions were updated to reflect more recent experience and a change in expected per capita health claims to reflect more recent information as of the measurement date. These changes decreased the liability by 2.57%.

***Changes in benefit terms*** – Tennessee highway patrol members who retire with at least 25 years of service shall receive 80% of the schedule premium, regardless of the date of hire. Also, any commissioned member of the Tennessee Wildlife Resources Agency or Tennessee Bureau of Investigation who retires with at least 25 years of service shall receive 80% of the scheduled premium.

***Sensitivity of proportionate share of the collective net OPEB liability to changes in the discount rate*** - The following presents the university's proportionate share of the collective net OPEB liability of the EGOP, as well as what the proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate.

| | **1% Decrease (5.0%)** | **Discount Rate (6.0%)** | **1% Increase (7.0%)** |
|---|---|---|---|
| Proportionate share of the collective net OPEB liability | $ _6,938,982 | $ 6,238,685 | $ 5,581,660 |

***Sensitivity of proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rate*** - The following presents the university's proportionate share of the collective net OPEB liability of the EGOP, as well as what the proportionate share of the collective net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate.

| | **1% Decrease (7.37% decreasing to 3.50%)** | **Healthcare Cost Trend Rates (8.37% decreasing to 4.50%)** | **1% Increase (9.37% decreasing to 5.50%)** |
|---|---|---|---|
| Proportionate share of the collective net OPEB liability | $ 5,310,882 | $ 6,238,685 | $ 7,306,863 |

***OPEB plan fiduciary net position*** - Detailed information about the OPEB plan's fiduciary net position is available in the State of Tennessee Annual Comprehensive Financial Report found at https://www.tn.gov/finance/rd-doa/fa-accfin-ar.html.

**Closed Tennessee Plan**

General information about the OPEB plan

***Plan description*** - Employees of the university**,** who were hired prior to July 1, 2015 and choose coverage, are provided with post-65 retiree health insurance benefits through the closed Tennessee Plan (TNP) administered by the Tennessee Department of Finance and Administration. This plan is considered to be multiple-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB). However, for accounting purposes, this plan will be treated as a single-employer plan. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015. The primary government as well as the Tennessee Student Assistance Corporation, the Tennessee Housing Development Agency, the University of Tennessee and the institutions that make up the

State University and Community College System also participates in this plan. This plan also serves eligible post-65 retirees of employers who participate in the state administered Teacher Group Insurance and Local Government Insurance Plans.

***Benefits provided*** - The TNP is offered to help fill most of the coverage gaps created by Medicare and is the only postemployment benefit provided to eligible post-65 retired and disabled employees of participating employers. This plan does not include pharmacy. In accordance with Tennessee Code Annotated (TCA) 8-27-209, benefits are established and amended by cooperation of insurance committees created by TCA 8-27-201, 8-27-301 and 8-27-701. Retirees and disabled employees of the state, component units, local education agencies, and certain local governments who have reached the age of 65, are Medicare eligible and also receive a benefit from the Tennessee Consolidated Retirement System may participate in this plan. All plan members receive the same plan benefits at the same premium rates. Many retirees receive direct subsidies toward their premium cost, however, participating employers determine their own policy in this regard. The primary government contributes to the premiums of component unit retirees based on years of service. Therefore, retirees with 30 years of service receive $50 per month; 20 but less than 30 years, $37.50; and 15 but less than 20 years, $25. The university does not provide any subsidies for retirees in the TNP. The primary government paid $ 74,650 for OPEB as the benefits came due during the reporting period. This plan is funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

In accordance with TCA 8-27-209, the state insurance committees established by TCAs 8-27-201, 8-27-301 and 8-27-701 determine the required payments to the plan by member employers and employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies.

Total OPEB Liability and OPEB Expense

***Proportionate share*** - The primary government is entirely responsible for the TNP OPEB liability associated with the university's employees. The primary government's proportionate share of the total OPEB liability associated with the university was $ 1,573,138. At the June 30, 2022, measurement date, the proportion of the collective total OPEB liability associated with the university was 1.0454%. This represents a change of .0341% from the prior proportion of 1.0113%. The university's proportion of the collective total OPEB liability was based on a projection of the its long-term share of contributions to the OPEB plan relative to the projected share of contributions of all participating employers, actuarially determined. The collective total OPEB liability was determined by an actuarial valuation with a valuation date of June 30, 2022 and measurement date of June 30, 2022.

***Actuarial assumptions*** - The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---|---|
| Inflation | 2.25% |
| Salary increases | Graded salary ranges from 3.44 to 8.72 percent based on age, including inflation, averaging 4 percent |
| Healthcare cost trend rates | The premium subsidies provided to retirees in the Tennessee Plan are assumed to remain unchanged for the entire projection; therefore, trend rates are not applicable. |

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2022, valuations were the same as those employed in the July 1, 2021 Pension Actuarial Valuation of the Tennessee Consolidated Retirement System (TCRS) for Group I employees. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2020. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the PUB-2010 Headcount-Weighted Employee mortality table for General Employees for non-disabled pre-retirement mortality, with mortality improvement projected generationally with MP-2020 from 2010. Post-retirement tables are Headcount-Weighted Below Median Healthy Annuitant and adjusted with a 6% load for males and a 14% load for females, projected generationally from 2010 with MP-2020. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10% load, projected generationally from 2018 with MP-2020.

***Discount rate*** - The discount rate used to measure the total OPEB liability was 3.54 percent. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Bond Buyer 20-Year Municipal GO AA index.

***Changes in assumptions*** – The discount rate was changed from 2.16% to 3.54% as of June 30, 2022. This change in assumption decreased the total OPEB liability by 14.6%.

***Sensitivity of proportionate share of the collective total OPEB liability to changes in the discount rate*** - The following presents primary governments proportionate share of the university's related collective total OPEB liability, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate. The university does not report a proportionate share of the OPEB liability for employees in the TNP.

| | 1% Decrease (2.54%) | Discount Rate (3.54%) | 1% Increase (4.54%) |
|---|---|---|---|
| Primary government share of the collective total OPEB liability | $ 1,762,478 | $ 1,573,138 | $ 1,413,216 |

***OPEB expense*** - For the fiscal year ended June 30, 2023, the primary government recognized OPEB expense of $ 38,563 for employees of the university participating in the TNP.

**Total OPEB Expense -** The total OPEB expense for the year ended June 30, 2023, was $ 275,912, which consisted of OPEB expense of $ 237,349 for the EGOP and $ 38,563 paid by the primary government for the TNP.

16. Revenues

A summary of adjustments and allowances by revenue classification is presented as follows:

| Revenue Source | Gross Revenue | Less Scholarship Allowances | Less Uncollectible Debts | Net Revenue |
|---|---|---|---|---|
| Operating Revenues: | | | | |
| Tuition and fees | $ 76,962,433.54 | $ (32,428,454.22) | $ (1,256,771.33) | $ 43,277,207.99 |
| Residential life | 9,528,183.26 | (4,023,468.35) | (135,218,.24) | 5,369,496.67 |
| Wellness facility | 1,280,115.37 | (544,768.68) | (8,328.76) | 727,017.93 |
| Total | $ 87,770,732.17 | $ (36,996,691.25) | $ (1,400,318.33) | $ 49,373,722.59 |

17 Chairs of Excellence

The university had $18,524,609.85 on deposit at June 30, 2023, with the State Treasurer for its Chairs of Excellence program. These funds are held in trust by the state and are not included in these financial statements.

18. Insurance-Related Activities

It is the policy of the state not to purchase commercial insurance for the risks associated with casualty losses for general liability, automobile liability, professional medical malpractice liability, and workers' compensation. By statute, the maximum liability for general liability, automobile liability, and medical malpractice liability is $300,000 per person and $1 million per occurrence. The state's management believes it is more economical to manage these risks internally and set aside assets for claim settlement in its internal service fund, the Risk Management Fund (RMF). The state purchases commercial insurance for real property, crime and fidelity coverage on the state's officials and employees, and cyber liability coverage. For property coverage, the deductible for an individual state agency is the first $25,000 of losses. The RMF is responsible for property losses for the annual aggregate deductible of $7.5 million for perils other than earthquake and flood. Purchased insurance coverage is responsible for losses exceeding the $7.5 million annual aggregate deductible. For earthquake and flood, there is a deductible of $10 million per occurrence. The maximum insurance coverage is $750 million per year for perils other than earthquake and flood. The maximum flood insurance coverage is $50 million per occurrence, except there is only $25 million of coverage in flood zones A and V. The maximum earthquake insurance coverage is $50 million per occurrence. The amounts of settlements have not exceeded insurance coverage for each of the past three fiscal years.

The university participates in the Risk Management Fund. The fund allocates the cost of providing claims servicing and claims payment by charging a premium to the university based on a percentage of the university'**s** expected loss costs, which include both experience and exposures. This charge considers recent trends in actual claims experience of the state as a whole. An actuarial valuation is performed as of fiscal year-end to determine the fund liability and premium allocation. Information regarding the determination of the claims liabilities and the changes in the balances of the claims liabilities for the years ended June 30, 2023, is presented in the Tennessee Annual Comprehensive Financial Report. The ACFR is available on the state's website at https://www.tn.gov/finance/rd-doa/fa-accfin-ar.html. Since the university participates in the Risk Management Fund, it is subject to the liability limitations under the provisions of the Tennessee Claims Commission Act, Tennessee Code Annotated, Section 9-8-101 et seq. Liability for negligence of the university for bodily injury and property damage is limited to $300,000 per person and $1,000,000 per occurrence. The limits of liability under workers' compensation are set forth in Tennessee Code Annotated, Section 50-6-101 et seq. Claims are paid through the state's Risk Management Fund. The amount of cash and cash equivalents designated for payment of claims held by the Risk Management Fund at June 30, 2023, was not available.

At June 30, 2023, the scheduled coverage for the university was $ 657,746,823 for buildings and $98,093,271 for contents.

The state has also set aside assets in the Employee Group Insurance Fund, an internal service fund, to provide a program of health insurance coverage for the employees of the state with the risk retained by the state. The university participates in the Employee Group Insurance Fund. The fund allocates the cost of providing claims servicing and claims payment by charging a premium to the university based on estimates of the ultimate cost of claims, including the costs of claims that have been reported but not settled and of claims that have been incurred but not reported. Employees and providers have 13 months to file medical claims.

19. Commitments and Contingencies

Sick Leave - The university records the cost of sick leave when paid. Generally, since sick leave (earned one day per month with unlimited accumulation) is paid only when an employee dies or is absent because of illness, injury, or related family death, there is no liability for sick leave at June 30. The dollar amount of unused sick leave was $23,694,150.42 at June 30, 2023.

Construction in Progress - At June 30, 2023, outstanding commitments under construction contracts totaled $3,889,741.54 for Health Professionals Building, 184,942.71 for Professional Consultants, 34,009.80 for Lot 7 improvements, 173,809.71 for Sunquist Science Complex Roof Replacement, 422,199.92 fir Kimbrough Classroom and Office Renovations, $1,161,402.93 for Sundquist Science Complex Exhaust Systems, and $193,341.25 for Dunn Center HVAC & Electrical Modernization of which $5,646,530.35 will be funded by future state capital outlay appropriations.

Litigation - The university is involved in several lawsuits, none of which are expected to have a material effect on the accompanying financial statements.

20. Natural Classifications with Functional Classifications

The university's operating expenses by functional classification for the year ended June 30, 2023, are as follows:

| FUNCTIONAL | NATURAL CLASSIFICATION | | | | | |
|---|---|---|---|---|---|---|
| CLASSIFICATION | SALARIES | BENEFITS | OPERATING | SCHOLARSHIPS | DEPRECIATION | TOTAL |
| INSTRUCTION | 45,430,133.93 | 14,560,117.11 | 7,627,342.28 | | | 67,617,593.32 |
| RESEARCH | 1,783,735.87 | 492,115.71 | 1,405,000.22 | | | 3,680,851.80 |
| PUBLIC SERVICE | 3,137,753.37 | 1,114,352.97 | 391,712.46 | | | 4,643,818.80 |
| ACADEMIC SUPPORT | 8,443,667.63 | 3,614,544.16 | 2,094,981.68 | | | 14,153,193.47 |
| STUDENT SERVICES | 12,552,140.44 | 3,989,887.17 | 11,268,851.50 | | | 27,810,879.11 |
| INSTITUTIONAL SUPPORT | 7,991,265.27 | 2,627,940.30 | 2,343,721.71 | | | 12,962,927.28 |
| M&O | 5,081,187.33 | 1,967,757.74 | 10,799,059.83 | | | 17,848,004.90 |
| SCHOLARSHIPS & FELLOWSHIPS | | | | 17,677,200.75 | | 17,677,200.75 |
| AUXILIARY | 1,821,963.50 | 452,137.83 | 5,440,653.08 | | | 7,714,754.41 |
| DEPRECIATION | | | | | 9,787,681.36 | 9,787,681.36 |
| TOTAL EXPENSES | 86,241,847.34 | 28,818,852.99 | 41,371,322.76 | 17,677,200.75 | 9,787,681.36 | 183,896,905.20 |

Expenses initially incurred by the academic support function as a result of providing internal services to the other functional classifications were allocated to the other functional areas by reducing the academic support function's operating expenses by the total amount of salaries, benefits, and operating expenses incurred in the provision of these services, and allocating this amount to the other functional areas' operating expenses on the basis of usage. As a result of this process, expenses totaling $3,790,312.19 were reallocated from academic support to the other functional areas.

21. On-Behalf Payments

During the year ended June 30, 2023, the State of Tennessee made payments of $74,650 on behalf of the university for retirees participating in the Closed Tennessee OPEB Plan. The Closed Tennessee OPEB Plan is a postemployment benefit healthcare plan and is discussed further in Note 17.

22. Component Unit(s)

Austin Peay State University Foundation (The Foundation) is a legally separate, tax-exempt organization supporting Austin Peay State 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 36-member board of the Foundation is self-perpetuating and consists of graduates and friends of the University. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the University by the donors. Because 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, 2023, the Foundation made distributions of $2,451,139.14 to or on behalf of the University for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained by contacting Accounting Services, PO Box 4635, Clarksville, TN 37044.

The Foundation is a nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. With the exception of necessary presentation adjustments, no modifications have been made to the Foundation's financial information in the University's financial report for these differences.

Fair Value Measurements. The foundation reports certain assets and liabilities at fair value. Fair value has been determined using quoted prices in active markets for identical assets and liabilities that are accessible at the measurement date (Level 1), inputs other than quoted market prices included in Level 1 that are directly or indirectly observable for the asset or liability (Level 2), or significant unobservable inputs (Level 3). The following table categorizes the recurring fair value measurements for assets and liabilities at June 30, 2023:

| | Total Fair Value at June 30, 2023 | Quoted Prices: Level 1 | Significant Other Inputs: Level 2 | Significant Unobservable Inputs: Level 3 | Investments Measured at the Net Asset Value (NAV) |
|---|---|---|---|---|---|
| Assets: | | | | | |
| Cash Equivalents | $ 987,779.30 | $ 987,779.30 | | | |
| Corporate Stock | 80,253.46 | 80,253.46 | | | |
| Exchange Traded Funds | 39,293,234.80 | 39,293,236.80 | | | |
| **Total Assets** | **$ 40,361,267.56** | **$ 40,361,269.56** | **$ -** | | |

Cash and Cash Equivalents – Cash and cash equivalents consist of demand deposit accounts, certificates of deposit, money market funds and the Local Government Investment Pool (LGIP) administered by the Tennessee State Treasurer. Uninsured bank balances at June 30, 2023, totaled $ 827,433.59.

Investments – Investments are recorded on the date of contribution and are stated at market value. Unrealized gains and losses are determined by the difference between market values at the beginning and end of the year. Investment securities held at year-end were as follows:

| | June 30, 2023 | |
|---|---|---|
| | Cost | Market Value |
| US Treasury | | |
| US Agencies | | |
| Certificates of deposit | | |
| Corporate stock | $ 93,519.49 | $ 80,253.46 |
| Corporate bonds | | |
| Exchange Traded Funds | 36,204,754.20 | 39,293,236.80 |
| Life insurance | | 86,624.62 |
| Total | $ 36,298,273.69 | $ 39,460,114.88 |
| | | |
| | | |

Operating return

The board of trustees designates only a portion of the foundation's cumulative investment return for support of current operations; the remainder is retained to support operations of future years and to offset potential market declines. The amount computed under the endowment spending policy of the investment pool is used to support current operations.

Pledges Receivable -   Pledges receivable are summarized below net of the allowance for doubtful accounts:

| | June 30, 2023 |
|---|---|
| Current pledges | $ 54,290.00 |
| Pledges due in one to five years | 3,336,171.49 |
| Pledges due after five years | 21,168,829.33 |
| Subtotal | $ 24,559,290.82 |
| Less discounts to net present value | (2,222,533.52) |
| Total pledges receivable, net | $ 22,336,757.30 |

Liquidity and Availability – Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of net position date, comprise the following:

| | |
|---|---|
| Cash and cash equivalents | $ 1,539,279.71 |
| Accounts receivable | |
| Operating investments | |
| Promises to give | |
| Distributions from assets held under split-interest agreements | |
| Distributions from beneficial interests in assets held by others | |
| Endowment spending-rate distributions and appropriations | |
| Other | |
| Total | $ 1,539,279.71 |

The Foundation's endowment funds consist of donor-restricted endowments.  Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditure.

The Foundation funds its operations primarily through an administrative fee charged to endowed restricted funds. Endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes. Donor restricted endowment funds are not available for general expenditures.

In order to cover expenses of Foundation operations and provide unrestricted funds for University support, an administrative management fee of 1.0% is assessed annually on the endowment portfolio's average market value for the trailing twelve quarters ending June 30.

Capital Assets - Capital assets at year-end were as follows:

| | June 30, 2023 |
|---|---|
| Land | $ 475,520.59 |
| Land improve & infrastructure | |
| Buildings | |
| Equipment | 284,699.47 |
| Intangible assets | |
| Art & historical collections | 81,500.00 |
| Projects in progress | |
| Right-to-use asset – land | |
| Right-to-use asset - infrastructure | |
| Right-to-use asset - buildings | |
| Right-to-use asset - equipment | |
| Total | $ 841,720.06 |
| | |
| Less accumulated depreciation/amortization: | |
| Land improve & infrastructure | |
| Buildings | |
| Equipment | $ (266,556.50) |
| Intangible assets | |
| Art & historical collections | |
| Right-to-use asset – land | |
| Right-to-use asset - infrastructure | |
| Right-to-use asset - buildings | |
| Right-to-use asset - equipment | |
| Total | $ (266,556.50) |
| Capital assets, net | $ 575,163.56 |

Endowments - The Austin Peay State University Foundation's endowment consists of approximately 302 individual funds established for a variety of purposes. Its endowment includes donor-restricted endowment funds. As required by GAAP, net position associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Austin Peay State University Foundation is subject to the Uniform Prudent Management of Institutional Funds Act (the Act) as adopted by Tennessee, and thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Foundation's Board appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Foundation's Board has interpreted the Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Austin Peay State University Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has interpreted the Act to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with the Act, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation or deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the foundation
7. The investment policies of the foundation

| Endowment Net Asset Composition by Type of Fund<br>As of June 30, 2023 | | | |
|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Board-designated endowment funds<br>Donor-restricted endowment funds: | | | |
| Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor | | $ 34,894,659.00 | |
| Accumulated investment gains | | 11,778,212.10 | |
| Term endowment | | | |
| Total funds | | $ 46,672,871.10 | |

| Changes in Endowment Net Position<br>As of June 30, 2023 | | | |
|---|---|---|---|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Endowment net assets, beginning of year | | $ 39,492,450.59 | $ 39,492,450.59 |
| Investment return, net | | 3,812,068.46 | 3,812,068.46 |
| Contributions | | 4,412,787.57 | 4,412,787.57 |
| Appropriation of endowment assets for expenditure | | ( 1,044,435.52) | ( 1,044.435.52) |
| Other changes: | | | |
| Transfers to create board-designated endowment funds | | | |
| Other (list) | | | |
| Endowment net assets, end of year | | $ 46,672,871.10 | $ 46,672,871.10 |

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or the Act requires the foundation to retain as a fund of perpetual duration. Deficiencies of this nature exist in 24 donor-restricted endowment funds, which together have an original gift value of $2,062,337.25, a current fair value of $ 1,781,660.91, and a deficiency of $280,676.34 as of June 30, 2023. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of new contributions for donor-restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the Foundation's Board.

Return Objectives and Risk Parameters

The foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the historical dollar value of the endowment assets.  Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s).  Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that will achieve a total return equivalent to or greater than the Foundation's financial requirements over the time horizon.  The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately CPI + 5% percent annually.  Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).  The foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk restraints.

Spending Policy and How the Investment Objectives Relate

The foundation has a policy of appropriating for distribution each year an amount equal to the product of the investment portfolio's average market value for the trailing twelve quarters ending June 30 multiplied by the spending rate.  In establishing this policy, the Foundation considered the long-term expected return on its endowment.  Accordingly, over the long-term, the foundation expects the current spending policy to allow its endowment to grow at an average of 3 percent annually. The Foundation currently chooses not to spend from underwater endowment funds.

Natural Classifications with Functional Classifications

The foundation's operating expenses by functional classification for the year ended June 30, 2023, are as follows:

| | Natural Classification | | | | | | |
|---|---|---|---|---|---|---|---|
| Functional Classification | Salaries | Benefits | Other Operating | Scholarship | Depreciation | Payments Made to or on Behalf of Institution | Total |
| Program services | | | $ 2,134,088.19 | $ 1,465,187.31 | $ 30,933.14 | | $ 3,630,208.64 |
| Support activities | $ 992,113.81 | $ 293,060.90 | 1,212,950.26 | | | | 2,498,124.97 |
| Payments to Inst. | | | | | | $ 2,451,139.14 | 2,451,139.14 |
| Total Expenses | $ 992,113.81 | $ 293,060.90 | $ 3,347,038.45 | $ 1,465,187.31 | $ 30,933.14 | $ 2,451,139.14 | $ 8,579,472.75 |

The foundation's financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include Other Operating which are allocated on the basis of whether they are gifts to Austin Peay State University or payments made to vendors.

Support from Austin Peay State University – During fiscal year 2023, the University paid certain payroll costs amounting to $2,498,124.97 for University personnel who also performed services supporting the Foundation. These support costs paid by the University are reflected in the statement of revenues, expenses, and changes in net position as University Support, with a like amount included in expenses. The University provides office space and the use of certain common facilities and services to the foundation at no cost. These costs have not been recorded as University Support because they are not considered to be significant to the operations of the Foundation.

Subsequent Event – The Foundation received endowments from Austin Peay State University following fiscal year end that have an approximate market value of $4,934,858. This transfer does not impact the fiscal year 2023 financial statements.

# SUPPLEMENTARY INFORMATION

**REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of Austin Peay State University Proportionate Share of the Net Pension Liability**

**Closed State and Higher Education Employee Pension Plan Within TCRS**
**Fiscal Year Ending June 30**

| | Institution's portion of the net pension liability | Institution's proportionate share of the net pension liability | Institution's covered payroll | Institution's proportionate share of the net pension liability as a percentage of covered payroll | Plan fiduciary net position as a percentage of the total pension liability |
|---|---|---|---|---|---|
| 2022 | 0.952609% | $ 11,349,007.00 | $ 19,869,736.00 | 57.12% | 93.80% |
| 2021 | 1.029379% | $ (6,298,233.00) | $ 21,726,582.00 | -28.99% | 103.30% |
| 2020 | 1.016135% | $ 16,647,443.00 | $ 22,492,291.00 | 74.01% | 90.58% |
| 2019 | 1.017035% | $ 14,362,206.00 | $ 22,931,218.00 | 62.63% | 91.67% |
| 2018 | 1.016202% | $ 16,415,849.00 | $ 23,515,634.00 | 69.81% | 90.26% |
| 2017 | 0.991027% | $ 17,735,423.00 | $ 23,775,606.00 | 74.60% | 88.88% |
| 2016 | 0.947590% | $ 17,289,398.00 | $ 23,130,871.00 | 74.75% | 87.96% |
| 2015 | 0.924943% | $ 11,925,125.00 | $ 24,152,304.00 | 49.37% | 91.26% |
| 2014 | 0.872721% | $ 6,021,329.00 | $ 23,842,038.00 | 25.26% | 95.11% |

(1) This is a ten year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future years until ten years of information is available.

(2) To correspond with the measurement date,the amounts presented were determined as of June 30 of the prior fiscal year.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of Austin Peay State University Proportionate Share of the Net Pension Liability (Asset)**

**State and Higher Education Employee Retirement Plan Within TCRS**
**Fiscal Year Ending June 30**

| | Institution's portion of the net pension liability | Institution's proportionate share of the net pension liability | Institution's covered payroll | Institution's proportionate share of the net pension liability as a percentage of covered payroll | Plan fiduciary net position as a percentage of the total pension liability |
|---|---|---|---|---|---|
| 2022 | 1.191960% | $ (297,260.00) | $ 17,389,723.00 | -1.71% | 104.81% |
| 2021 | 1.135002% | $ (961,875.00) | $ 14,369,002.00 | -6.69% | 121.71% |
| 2020 | 1.080308% | $ (380,412.00) | $ 12,364,961.00 | -3.08% | 112.90% |
| 2019 | 1.010865% | $ (419,282.00) | $ 9,474,144.00 | -4.43% | 122.36% |
| 2018 | 0.982392% | $ (378,939.00) | $ 7,146,320.00 | -5.30% | 132.39% |
| 2017 | 0.924782% | $ (191,786.00) | $ 4,809,389.00 | -3.99% | 131.51% |
| 2016 | 0.773375% | $ (65,153.00) | $ 2,393,213.00 | -2.72% | 130.56% |
| 2015 | 0.912527% | $ (25,377.00) | $ 993,707.00 | -2.55% | 142.55% |

(1) This is a ten year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future years until ten years of information is available.

(2) To correspond with the measurement date,the amounts presented were determined as of June 30 of the prior fiscal year.

## REQUIRED SUPPLEMENTARY INFORMATION
### Schedule of Austin Peay State University's Contributions
### Closed State and Higher Education Employee Pension Plan Within TCRS
### Fiscal Year Ended June 30

| | Contractually Determined Contributions | Contributions in Relation to Contractually Determined Contributions | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|---|---|---|---|---|---|
| 2023 | $ 4,419,845.41 | 4,419,845.41 | - | $ 20,200,387.79 | 21.88% |
| 2022 | 4,073,296.27 | 4,073,296.27 | - | 19,869,736.00 | 20.23% |
| 2021 | 4,395,287.70 | 4,395,287.70 | - | 21,726,582.00 | 20.23% |
| 2020 | 4,421,984.00 | 4,421,984.00 | - | 22,492,290.00 | 20% |
| 2019 | 4,409,673.00 | 4,409,673.00 | - | 22,931,218.00 | 19% |
| 2018 | 4,437,401.00 | 4,437,401.00 | - | 23,515,634.00 | 19% |
| 2017 | 3,571,096.00 | 3,571,096.00 | - | 23,775,606.00 | 15% |
| 2016 | 3,476,570.00 | 3,476,570.00 | - | 23,130,871.00 | 15% |
| 2015 | 3,630,093.00 | 3,630,093.00 | - | 24,152,304.00 | 15% |
| 2014 | 3,583,459.00 | 3,583,459.00 | - | 23,842,038.00 | 15% |
| 2013 | 3,397,024.00 | 3,397,024.00 | - | 22,601,620.00 | 15% |

## REQUIRED SUPPLEMENTARY INFORMATION
## Schedule of Austin Peay State University's Contributions
## State and Higher Education Employee Retirement Plan Within TCRS
## Fiscal Year Ended June 30

| | Contractually Determined Contributions | Contributions in Relation to Contractually Determined Contributions | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|---|---|---|---|---|---|
| 2023 | $ 554,350.76 | $ 554,350.76 | - | $ 22,349,216.11 | 2.48% |
| 2022 | $ 329,993.80 | $ 329,993.80 | - | $ 17,389,723.00 | 1.80% |
| 2021 | $ 258,666.87 | $ 258,666.87 | - | $ 14,369,002.00 | 1.80% |
| 2020 | $ 213,929.00 | $ 213,929.00 | - | $ 12,364,968.00 | 2% |
| 2019 | $ 157,410.00 | $ 157,410.00 | - | $ 9,474,144.00 | 2% |
| 2018 | $ 281,580.00 | $ 281,580.00 | - | $ 7,146,320.00 | 4% |
| 2017 | $ 184,655.00 | $ 184,655.00 | - | $ 4,809,389.00 | 4% |
| 2016 | $ 82,865.00 | $ 82,865.00 | - | $ 2,393,213.00 | 3% |
| 2015 | $ 38,457.00 | $ 38,457.00 | - | $ 993,707.00 | 3.87% |

(1) This is a ten year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future years until ten years of information is available.

(2) In 2021, the following assumptions were changed: decreased inflation rate from 2.50% to 2.25%; decreased the investment rate of return from 7.25% to 6.75%; decreased the cost-of-living adjustment from 2.25% to 2.125%; and modified mortality assumptions. In 2017, the following assumptions were changed: decreased inflation rate from 3.00% to 2.50%; decreased the investment rate of return from 7.50% to 7.25%; decreased the cost-of-living adjustment from 2.50% to 2.25%; and decreased the salary growth graded ranges from an average of 4.25% to an average of 4.00%, and modified mortality assumptions.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of the Employer Proportionate Share of the Collective Total OPEB Liability**

**State Employee Group OPEB Plan**

Fiscal Year Ending June 30

| | Institution's proportion of the collective total OPEB liability | Institution's proportionate share of the collective total OPEB liability | Institution's covered-employee payroll | Instittition's proportionate share of the collective total OPEB liability as a percentage of it's covered payroll | OPEB plans fiduciary net position as a percentage of the total OPEB liability |
|---|---|---|---|---|---|
| 2023 | 0.881200% | $ 6,238,685.00 | $ 36,652,166.07 | 17.021327% | 39.00% |
| 2022 | 0.877228% | $ 6,254,913.00 | $ 40,811,329.18 | 15.36% | 39.00% |
| 2021 | 0.825824% | $ 6,912,963.00 | $ 42,223,130.34 | 16.37% | 25.20% |
| 2020 | 0.808664% | $ 7,699,943.00 | $ 43,958,494.00 | 17.52% | 18.00% |
| 2019 | 0.909877% | $ 12,603,967.00 | $ 45,681,109.00 | 27.59% | N/A |
| 2018 | 0.829092% | $ 11,130,891.00 | $ 45,521,829.00 | 24.45% | N/A |

(1) This is a ten year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future years until ten years of information is available.

(2) The amounts reported for each fiscal year were determined as of the prior fiscal year-end.

(3) During fiscal year 2019, the EGOP transitioned from a pay-as-you-go OPEB plan to a prefunding arrangement where assets are accumulated in a qualifying trust and benefits are paid from that trust. The transition resulted in a significant increase to the discount rate from 3.6 percent to 6 percent. This change would be reflected in the June 30, 2020 reporting period due to the one year lookback on OPEB measurement.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of the Employer Proportionate Share of the Collective Total OPEB Liability**

**Tennessee OPEB Plan**

Fiscal Year Ending June 30

| | Institution's proportion of the collective total OPEB liability | Primary government's share of the collective total OPEB liability related to institution | Institution's covered-employee payroll | Primary government's share of the collective total OPEB liability related to institution as a percentage of covered-employee payroll |
|---|---|---|---|---|
| 2023 | 0.000000% | $ 1,573,138.00 | $ 42,590,455.23 | 0.000000% |
| 2022 | 0.000000% | $ 1,797,675.00 | $ 43,124,795.76 | 0.000000% |
| 2021 | 0.000000% | $ 1,902,453.00 | $ 48,689,413.59 | 0.000000% |
| 2020 | 0.000000% | $ 1,586,016.00 | $ 50,750,527.00 | 0.000000% |
| 2019 | 0.000000% | $ 1,693,979.00 | $ 51,616,916.00 | 0.000000% |
| 2018 | 0.000000% | $ 1,625,789.00 | $ 52,030,211.00 | 0.000000% |

(1) This is a ten year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future years until ten years of information is available.

(2) The amounts reported for each fiscal year were determined as of the prior fiscal year-end.

(3) There are no assets accumulating in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 related to this OPEB plan.

**REQUIRED SUPPLEMENTARY INFORMATION**
**Schedule of Austin Peay State University's Contributions to State of Tennessee Postemployment Benefits Trust**
**State Employee Group OPEB Plan**
**Fiscal Year Ended June 30**

| | Actuarially Determined Contributions | Contributions in Relation to Actuarially Determined Contributions | Contribution Deficiency (Excess) | Covered-employee Payroll | Contributions as a Percentage of Covered-employee Payroll |
|---|---|---|---|---|---|
| 2023 | $ 1,191,074.00 | $ 1,191,074.00 | - | $ 36,652,166.07 | 3.25% |
| 2022 | $ 1,277,085.00 | $ 1,277,085.00 | - | $ 37,377,257.20 | 3.42% |
| 2021 | $ 1,467,034.00 | $ 1,467,034.00 | - | $ 40,811,329.18 | 3.59% |
| 2020 | $ 1,389,363.00 | $ 1,389,363.00 | - | $ 42,223,130.34 | 3% |
| 2019 | $ 1,292,124.00 | $ 1,115,408.00 | 176,716.00 | $ 45,681,109.00 | 2% |

(1) This is a ten year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future years until ten years of information is available.

(2) Actuarially determined contribution rates are determined based on valuations as of June 30 two years prior to the fiscal year in which the contributions are reported.

**Austin Peay State University**
**Supplementary Information**
**Supplementary Schedule of Cash Flows - Component Unit**
**for the Year Ended June 30, 2023**

| | | Component Unit | MEAC/ UOM Research Foundation |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Tuition and fees | | $ - | $ - |
| Gifts and contributions | | 8,192,780.56 | - |
| Endowment income per spending plan | | - | - |
| Grants and contracts | | 20,000.00 | - |
| Sales and services of educational activities | | - | - |
| Sales and services of other activities | | - | - |
| Collection from patient charges | | - | - |
| Payments to suppliers and vendors | | (2,714,158.80) | - |
| Payments to employees | | - | - |
| Payments for benefits | | - | - |
| Payments for scholarships and fellowships | | (1,465,187.31) | - |
| Payments to Austin Peay State University | | (2,451,139.14) | - |
| Loans issued to students | | - | - |
| Collection of loans from students | | - | - |
| Interest earned on loans to students | | - | - |
| Funds received for deposits held for others | | - | - |
| Funds dispersed for deposits held for others | | - | - |
| Auxiliary enterprise charges: | | | |
| Residence halls | | - | - |
| Bookstore | | - | - |
| Food services | | - | - |
| Wellness facility | | - | - |
| Other auxiliaries | | - | - |
| Other receipts (payments) | | 128,845.31 | - |
| Net cash provided (used) by operating activities | | $ 1,711,140.62 | $ - |
| **CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES** | | | |
| State appropriations | | $ - | $ - |
| Proceeds from noncapital debt | | - | - |
| Gifts and grants received for other than capital | | | |
| or endowment purposes, including | $ - | | |
| from (component unit) to the institution and | $ - | | |
| from MEAC to the ETSU Foundation) | | - | - |
| Private gifts for endowment purposes | | 993,237.83 | - |
| Federal student loan receipts | | - | - |
| Federal student loan disbursements | | - | - |
| Principal paid on noncapital debt | | - | - |
| Interest paid on noncapital debt | | - | - |
| Other non-capital financing receipts (payments) | | | |
| (Includes payments from MEAC to ETSU and | | | |
| ETSU Foundation of | $ - | (31,981.41) | - |
| Net cash provided (used) by non-capital financing activities | | $ 961,256.42 | $ - |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | |
| Proceeds from capital debt | | $ - | $ - |
| Capital - state appropriation | | - | - |
| Capital grants and gifts received, including | $ - | | |
| from (component unit) | | - | - |
| Proceeds from sale of capital assets | | - | - |
| Purchase of capital assets and construction | | (407,473.71) | - |
| Principal paid on capital debt and lease | | - | - |
| Interest paid on capital debt and lease | | - | - |
| Bond issue costs paid on new debt issue | | - | - |
| Deposit with trustee | | - | - |
| Other capital and related financing receipts (payments) | | - | - |
| Net cash provided (used) by capital and related financing activities | | $ (407,473.71) | $ - |

**CASH FLOWS FROM INVESTING ACTIVITIES**

| | | | | |
|---|---|---|---|---|
| Proceeds from sales and maturities of investments | $ | 109,615.27 | $ | - |
| Income on investments | | (267,327.41) | | - |
| Purchase of investments | | (897,554.10) | | - |
| Other investing receipts (payments) | | 17,424.65 | | - |
| Net cash provided (used) by investing activities | $ | (1,037,841.59) | $ | - |
| Net increase (decrease) in cash and cash equivalents | | 1,227,081.74 | | - |
| Cash and cash equivalents - beginning of year | | 14,967,636.09 | | - |
| Cash and cash equivalents - end of year (Note _ ) | $ | 16,194,717.83 | $ | - |

**RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

| | | | | |
|---|---|---|---|---|
| Operating income/(loss) | $ | 1,344,197.64 | $ | - |
| Adjustments to reconcile operating loss to net cash provided (used) by operating activities: | | | | |
| Noncash operating expenses | | 2,529,058.11 | | - |
| Endowment income per spending plan | | (1,044,435.52) | | - |
| Other adjustments | | - | | - |
| Change in assets, liabilities, and deferrals: | | | | |
| Receivables, net | | - | | - |
| Due from component unit/primary government | | - | | - |
| Inventories | | - | | - |
| Prepaid items | | (1,497.00) | | - |
| Net pension asset | | - | | - |
| Other assets | | - | | - |
| Deferred outflows of resources | | - | | - |
| Accounts payable | | (578,573.61) | | - |
| Accrued liabilities | | - | | - |
| Due to component unit/primary government | | - | | - |
| Unearned revenues | | (39,350.00) | | - |
| Deposits | | - | | - |
| Compensated absences | | - | | - |
| Net pension liability | | - | | - |
| Net OPEB liability | | - | | - |
| Due to grantors | | - | | - |
| Loans to students | | - | | - |
| Deferred inflows of resources | | - | | - |
| Other | | (498,259.00) | | - |
| Net cash provided (used) by operating activities | $ | 1,711,140.62 | $ | - |

**Non-cash investing, capital, and financing transactions**

| | | |
|---|---|---|
| Gifts in-kind - capital | - | - |
| Unrealized gains/(losses) on investments | 1,771,716.93 | - |
| Gain/(loss) on disposal of capital assets | - | - |
| Trade-in allowance | - | - |
| Transfer of capital asset to institution | - | - |
| Change in value of split interest agreement | - | - |
| Proceeds of capital debt | - | - |
| Capital appropriation | - | - |
| Purchase and construction of capital assets | - | - |
| Other capital receipts/(expenses) | - | - |
| Acquisition of right-to-use lease assets | - | - |
| Lease liabiity | - | - |
| SBITA liability | - | - |
| PPP liability | - | - |
| (Other- please list separately) | - | - |
| Change in pledges | (498,259.00) | - |
| | - | - |
| | - | - |
| | - | - |

Austin Peay
State University
CLARKSVILLE TENNESSEE

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