WVPE-FM RADIO

(A Public Telecommunications Entity Operated as a
Department of the Elkhart Community Schools)
Elkhart, Indiana

FINANCIAL STATEMENTS

December 31, 2023

WVPE-FM RADIO
(A Public Telecommunications Entity Operated as a
Department of the Elkhart Community Schools)
Elkhart, Indiana

FINANCIAL STATEMENTS
December 31, 2023

CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
WVPE-FM Radio
Elkhart, Indiana

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the financial statements of the governmental activities and the major fund of the WVPE-FM Radio (Department), a department of the Elkhart Community Schools (District), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the WVPE-FM Radio's (Department) basic financial statements as listed in the table of contents.

Qualified Opinion on Governmental Activities

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Governmental Activities of the Department of the District, as of December 31, 2023, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion on the Major Fund

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the major fund of the Department of the District, as of December 31, 2023, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

(Continued)

Matter Giving Rise to Qualified Opinion on Governmental Activities

As discussed in Note 6 to the financial statements, the Department has not recorded an estimated liability related to a postemployment benefit other than pension in governmental activities and, accordingly, has not recorded an expense for the current period change in that liability. Accounting principles generally accepted in the United States of America requires a liability be recorded in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The amount by which this departure would affect liabilities, deferred outflows and deferred inflows of resources, net position, and expenses of the governmental activities has not been determined.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Department of the District are intended to present the financial position, and the changes in financial position, of only that portion of the governmental activities and each major fund of the District that is attributable to the transactions of the Department. They do not purport to, and do not, present fairly the financial position of the District, as of December 31, 2023, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

(Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Proportionate Share of Net Pension Liability for Indiana Public Employee's Retirement Fund and the Schedule of Employer Pension Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis and the other postemployment benefit related schedules that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
June 18, 2024

STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
December 31, 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current assets:	
Cash	$ 1,060,446
Contribution receivables, less allowance for doubtful accounts	39,588
Prepaid expenses	37,373
Total current assets	1,137,407
Noncurrent assets:	
Right-to-use lease asset, net	8,525
Capital assets	805,521
Less accumulated depreciation	(776,995)
	37,051
Total assets	1,174,458
Deferred outflows of resources:	
Pension related	190,182
Total assets and deferred outflows of resources	$ 1,364,640
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
Current liabilities:	
Accounts payable and other liabilities	$ 79,739
Payroll and accrued compensation liabilities	127,277
Lease liability	9,190
Total current liabilities	216,206
Noncurrent liabilities:	
Net pension liability	436,016
Total liabilities	652,222
Deferred inflows of resources:	
Pension related	5,405
Net position:	
Net investment in capital assets	37,051
Unrestricted	669,962
Total net position	707,013
Total liabilities, deferred inflows of resources and net position	$ 1,364,640

WVPE-FM RADIO
(A Public Telecommunications Entity Operated as a Department of the Elkhart Community Schools)
STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenue Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities:			
Program services	$ 953,731	$ 729,079	$ (224,652)
Supporting services	973,494	-	(973,494)
Total governmental activities	$ 1,927,225	$ 729,079	(1,198,146)
General revenues:			
Membership contributions			928,552
Total general revenues			928,552
Change in net position			(269,594)
Net position			
Beginning of year			976,607
End of year			$ 707,013

See accompanying notes to financial statements.

WVPE-FM RADIO
(A Public Telecommunications Entity Operated as a Department of the Elkhart Community Schools)
BALANCE SHEET – GOVERNMENTAL FUND AND RECONCILIATION
TO THE STATEMENT OF NET POSITION
December 31, 2023

ASSETS	
Cash	$ 1,060,446
Contribution receivables, less allowance for doubtful accounts	39,588
Prepaid expenses	37,373
Total assets	$ 1,137,407
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Current liabilities	
Accounts payable and other liabilities	$ 29,739
Accrued payroll	66,917
Unearned revenue	50,000
Total liabilities	146,656
Deferred inflows of resources:	
Unavailable revenue	19,696
Fund balance:	
Nonspendable	37,373
Assigned for radio station	933,682
Total fund balance	971,055
Total liabilities, deferred inflows of resources and fund balance	$ 1,137,407

Reconciliation of Balance Sheet – Governmental Fund to the Statement of Net Position

Amounts reported for governmental activities in the statement of net position are different because:

Fund balance – governmental fund	$ 971,055
Capital assets used in governmental activities are not financial resources and, therefore, are not reported at the fund level	28,526
Right-to-use asset, net	8,525
Other items are not available to pay for current period expenditures and, therefore, are reported as deferred inflow of resources – unavailable revenue in the funds	19,696
Pension related deferred outflows of resources and deferred inflows of resources are not due and payable in the current year and, therefore, not reported in the fund as follows:	
Deferred outflows of resources – Pension	190,182
Deferred inflows of resources – Pension	(5,405)
Long-term liabilities are not due and payable in the current period end and, therefore, not reported in the fund:	
Net pension liability	(436,016)
Accrued compensated absences	(60,360)
Lease Liability	(9,190)
Net position of governmental activities	$ 707,013

See accompanying notes to financial statements.

WVPE-FM RADIO
(A Public Telecommunications Entity Operated as a Department of the Elkhart Community Schools)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUND AND RECONCILIATION TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

Revenues	
Grants from state and local agencies	$ 66,039
Public broadcasting grants	162,848
Special project grants	54,197
Underwriting support	453,706
Membership contributions	928,552
Total revenue	1,665,342
Expenditures	
Current	
Program services:	
Local programming and production	755,508
Program information	85,532
Broadcasting	68,546
Supporting services:	
Fundraising	151,870
Management and general	808,099
Total expenditures	1,869,555
Change in fund balance	(204,213)
Fund balance, beginning of year	1,175,268
Fund balance, end of year	$ 971,055

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund to the Statement of Activities

Net change in fund balances – governmental fund	$ (204,213)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense and amortization expense:	
Depreciation expense	(29,609)
Amortization expense	(27,646)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund	(7,711)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund:	
Compensated absences expense	(12,439)
Pension expense	(15,400)
Payments of lease payable	27,424
Changes in net position of governmental activities	$ (269,594)

See accompanying notes to financial statements.

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization: WVPE-FM Radio (the Department) is a public radio station operated by the Elkhart Community Schools (the District) as a noncommercial public radio station. The financial statements reflect only the activity of the Department and are not intended to present fairly the financial position of the District and the results of its operations.

Economic Dependence: The Department is economically dependent on the District, which provides office and studio space and holds the license to operate the radio station.

Donated Facilities and Services from the District: Donated facilities from the District consist of office and studio space together with related occupancy costs and are recorded in revenue and expense at estimated fair rental values. Donated services consist of allocated financial and department costs and certain other expenses incurred by the District at December 31, 2023 was approximately $105,000. Donated facilities from the District at December 31, 2023 was approximately $119,000.

Other Contributed Items and Services: Donated items are recorded as revenue based on retail value at the time of donation. Donated services requiring specific expertise are recorded as revenue and expense at estimated fair value of the services provided. Other contributed items and services at December 31, 2023 was approximately $58,000.

Corporation for Public Broadcasting Community Service Grants: The Corporation for Public Broadcasting (CPB) is a private, nonprofit grant making organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual Community Service Grants (CSGs) to qualifying public broadcasting entities. CSGs are used to augment the financial resources of public broadcasting entities and thereby to enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated, Section 396(k)(7). In any event, each grant must be expended within two years of the initial grant authorization. Also, the grants may be used to sustain activities begun with CSGs awarded in prior years.

A portion of funds are restricted and must be used exclusively for the acquisition, production, promotion and/or distribution of national programming. Remainder of funds may be used at the discretion of recipients.

Certain general provisions must be satisfied in connection with application for and use of the grants to maintain eligibility and meet compliance requirements. These general provisions pertain to the use of grant funds, record keeping, audits, financial reporting, mailing lists, and licensee status with the Federal Communications Commission.

The CSGs are reported in the accompanying fund financial statements as public broadcasting grant revenue.

Significant Accounting Policies: The financial statements of the Department conform with generally accepted accounting principles (GAAP) applicable to state and local government units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. GASB statements and interpretations constitute GAAP for governments.

Department-wide Financial Statements: The statement of net position and the statement of activities present information about the financial activities of the Department.

Governmental activities are financed primarily through grants and contribution revenue.

(Continued)

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Department's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (1) fees and charges to recipients for goods or services provided by various activities and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including unrestricted donor contributions, are presented as general revenues. When both restricted and unrestricted resources are available for use, it is the Department's policy to use restricted resources first and then unrestricted resources.

Fund Financial Statements: The fund financial statements provide information about the Department's WVPE fund, which is a special revenue fund of the District.

Governmental Fund – The WVPE fund is the only governmental fund of the Department. It is classified as a major fund for the Department and accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Measurement Focus, Basis of Accounting:

Department-wide Financial Statements – The Department-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place.

Nonexchange transactions, in which the Department gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the fiscal year in which eligibility requirements have been satisfied.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Department considers all revenues reported in the governmental fund to be available if the revenues are collected within ninety days after year-end.

Intergovernmental grant and contract revenues are recognized when all applicable eligibility requirements have been met, subject to availability criterion. Other revenues that are determined to be susceptible to accrual include contributions and underwriting support.

Expenditures are generally recorded when the related liability is incurred. Claims and judgments, pension, and compensated absences, are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as Capital Outlay expenditures in governmental funds.

(Continued)

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables: The Department's receivables consist primarily of amounts pledged from corporate underwriters. Management periodically reviews the underwriting receivables aging and writes off any accounts that appear to be uncollectible. Underwriting receivables are considered past due after thirty days beyond contract pledge date and are written off when deemed uncollectible. Recoveries of these receivables previously written off are recorded when received. The allowance for doubtful underwriting pledged accounts as of December 31, 2023, was approximately $4,000.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items by the Department.

Capital Assets: The capitalization threshold for capital assets is $5,000 or greater and a useful life in excess of one year. Capital assets are recorded at cost at the date of purchase or acquisition value at the date of contribution in the case of gifts. Donated capital assets from the District are recorded by the Department at net book value of the District. Depreciation expense is computed using the straight-line method over the following estimated useful lives:

	Depreciable Life in Years
Master control studio equipment	5-10
Production studio equipment	5-15
Studio and other broadcast equipment	5-25

Deferred Outflows of Resources: In addition to assets, the statements of net position report a separate section for deferred outflows of resources, which represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources consist of unrecognized items not yet charged to pension expense and contributions from the Department to the pension plan after the measurement date but before the end of the Department's reporting period.

Compensated Absences: Compensated absences represents: 1) actual earned personal leave, vacation, and sick time for eligible employees who qualify for termination or retirement benefits; and 2) unused vacation time awarded during the year to eligible employees that can be used within six months after year-end. Employees who reach the age of 55 and have 10 or more consecutive years of employment qualify for termination or retirement benefits. These benefits are vested and paid out according to District policy at termination or retirement. Compensated absences were $60,360 as of December 31, 2023.

Deferred Inflows of Resources: In addition to liabilities, the statement of net position and balance sheet report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. Department-wide statements include pension deferred inflows, which are unrecognized items not yet charged to pension expense. The governmental fund reports unavailable revenues from underwriter fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

(Continued)

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions: The Department has recorded a net pension liability reflecting their proportionate share of the difference between the total pension liabilities and the fiduciary net positions of the Indiana Public Retirement System Perf Plan. For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, pension expense, information about the fiduciary net position of the INPRS and additions to/deductions from INPRS fiduciary net position have been determined on the same basis as they are reported by INPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

- Net investment in capital assets consists of the Department's capital assets, such as equipment, net of accumulated depreciation.
- Restricted: Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by donors, creditors, grantors or state or federal laws or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position includes all other net position that does not meet the definition of restricted or investment in capital assets. When an expense is incurred for which both restricted and unrestricted resources are available, the Department's policy is to apply restricted resources first.

Fund Balance: In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable: Amounts which cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Assigned: Amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body, an official or body to which the governing body delegates the authority.
- Unassigned: All amounts not included in other spendable classifications.

When an expenditure is incurred in governmental funds which can be paid using either restricted or unrestricted resources, the Department's procedure is to pay the expenditure from restricted resources and then from less-restrictive classifications – committed, assigned and then unassigned fund balances.

Use of Estimates: In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts in the financial statements and related note disclosures during the reporting period. Actual results could differ from those estimates.

New Accounting Pronouncements: The Governmental Accounting Standards Board has issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements, effective for fiscal years beginning after June 15, 2022. This pronouncement was applicable; however, had no material impact on the financial statements as of December 31, 2023, therefore, no changes in reporting or material presentation was made for this year.

(Continued)

NOTE 1 – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases: Beginning January 1, 2022, the Department accounts for leases in accordance with GASB Statement No. 87, Leases (GASB Statement No. 87). At the inception of an arrangement, the Department determines if an arrangement is a lease based on all relevant facts and circumstances. Leases are classified as operating or finance leases at the lease commencement date. Operating leases are included in right to use lease assets, short-term lease liabilities and long-term lease liabilities in the statement of net position. Leases are classified between current and long-term liabilities based on their payment terms. Lease expense for operating leases is recognized on a straight-line basis over the lease term. Leases with a term of 12 months or less (short-term leases) are not recorded on the balance sheet.

Right to use lease assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Right to use lease assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term.

As the implicit rate is generally not readily determinable for all of the leases, the risk-free rate practical expedient was used in determining the discount rate.

Lease and non-lease components of these leases are accounted for as a single lease component.

The balance of the right-to-use lease asset was $8,525 and the lease liability was $9,190 as of December 31, 2023.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to December 31, 2023, to determine the need for any adjustments or disclosures to the financial statements for the year ended December 31, 2023. Management has performed their analysis through June 18, 2024, the date the financial statements were available to be issued.

NOTE 2 – CASH

The Department maintains no directly held bank accounts. Rather, the Department's funds are held and managed by the District in the District's general account. The Department's "demand deposits" were held at the District in the amount of $1,060,446 for the year ended December 31, 2023.

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Deposit Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the District to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units. As of December 31, 2023, the Department did not hold any investments.

(Continued)

NOTE 3 – CAPITAL ASSETS

Capital assets include both purchased and donated assets. There were no donated capital assets during 2023. Capital asset activity for the year ended December 31, 2023 was as follows:

	Balance January 1, 2023	Additions	Disposals and Adjustments	Balance December 31, 2023
Capital assets being depreciated:				
Master control studio equipment	$ 99,249	$ -	$ -	$ 99,249
Production studio and other broadcast equipment	706,272	-	-	706,272
Subtotal	805,521	-	-	805,521
Accumulated depreciation:				
Master control studio equipment	99,249	-	-	99,249
Production studio and other broadcast equipment	647,694	30,052	-	677,746
Subtotal	746,943	30,052	-	776,995
Net capital assets	$ 58,578	$ (30,052)	$ -	$ 28,526

Depreciation was charged to programs of the primary government as follows:

Governmental Activities:	
Program services	$ 29,277
Supporting services	775
Total governmental activities	$ 30,052

NOTE 4 – LEASES

The Department entered into an agreement to lease tower space to broadcast its signal. The lease is included in the right-to-use lease asset and lease liability on the accompanying December 31, 2023 statement of net position.

Right of use assets represent the Department’s right to use an underlying asset for the lease term and lease liabilities represent the related obligation to make lease payments arising from the lease. Right-to-use lease assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Department utilized a risk-free rate in line with the applicable lease term as the discount rate.

(Continued)

NOTE 4 – LEASES (Continued)

A summary of amounts reported within the consolidated balance sheet as of December 31, 2023, is as follows:

Assets	Right-to-use lease asset, net of accumulated amortization of $55,292	$	8,525
Liabilities	Current portion of lease liability	$	9,190

At January 1, 2023, the weighted average discount rate was 0.81%.

Estimated future minimum lease payments under non-cancelable leases in accordance with GASB 87 as of December 31, 2023, are as follows:

2024	$	9,200
Less: imputed interest		(10)
Total liabilities	$	9,190

NOTE 5 – INDIANA PUBLIC EMPLOYEES' RETIREMENT FUND

The District is a participant of the Public Employees' Retirement Fund (PERF) and the Department has been allocated a proportionate share based on contributions to PERF, which is administered by the Indiana Public Retirement System (INPRS).

Public Employees' Retirement System – Defined Benefit Plan

Plan Description: PERF Defined Benefit (DB) is a cost-sharing, multiple-employer defined benefit fund providing retirement, disability, and survivor benefits to fulltime employees of the State of Indiana not covered by another plan and those political subdivisions (counties, cities, townships, and other governmental units) that elect to participate in the retirement fund. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.3, and 35 IAC 1.2.and other Indiana pension law. PERF DB is a component of the Public Employees Hybrid plan (PERF Hybrid).

PERF Hybrid consists of two components: PERF DB, the employer-funded monthly defined benefit component, along with the Public Employees' Hybrid Members Defined Contribution Account (see Defined Contribution Plans section), a member-funded account. First time new employees hired by the State or a participating political subdivision who offers a choice, have a one-time election to join either the PERF Hybrid or the PERF My Choice: Retirement Savings Plan for Public Employees (PERF MC DC) which is covered in the Defined Contribution Plans section. A new hire that is an existing member of PERF Hybrid and was not given the option for PERF MC DC is given the option to elect PERF MC DC or remain in PERF Hybrid.

(Continued)

NOTE 5 – INDIANA PUBLIC EMPLOYEES' RETIREMENT FUND (Continued)

Members who have at least one year of service in both PERF DB and the Teachers Retirement Fund (TRF Pre-'96 DB or TRF '96 DB) have the option of choosing from which of these funds they would like to retire.

Retirement Benefits Provided:

Full Retirement Benefit –

- At age 65 with at least 10 years of creditable service (eight years for certain elected officials).
- At age 60 with at least 15 years of creditable service.
- At age 55 if age and creditable service total at least 85 ("Rule of 85").
- At age 55 with 20 years of creditable service and active as an elected official in the PERF-covered position.
- At age 70 with 20 years of creditable service and still active in the PERF-covered position.

Early Retirement Benefit – Age 50 and minimum of 15 years of creditable service (44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59).

Disability Benefit – An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of $180 per month).

Survivor Benefit – If a member dies after June 30, 2018, a spouse or dependent beneficiary of a member with a minimum of 10 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death. If a member dies while receiving a benefit, a beneficiary receives the benefit associated with the member's selected form of payment Five Year Certain & Life, Joint with 100 percent Survivor Benefits, Joints with Two-Thirds Benefits, or Joint with One-Half Survivor Benefits.

The lifetime annual benefit equals years of creditable service multiplied by the average highest five-year annual salary multiplied by 1.1 percent (minimum of $180 per month). Average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than $2,000 received from the employer in severance.

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the INPRS Board. Historically, eligible members receive a one-time check (13^{th} check) with the dollar amount tied to years of service.

Contributions: Contributions are determined by the INPRS Board of Trustees based on an actuarial valuation. During fiscal year 2022, all participating employers were required to contribute 11.2 percent of covered payroll for Hybrid members, with 0.44 percent funding a supplemental reserve account for postretirement benefits. Contributions from employers with PERF MC DC plan members, who either currently offer or have offered PERF Hybrid, fund PERF DB's unfunded liability at 8.0 percent of covered payroll for the State and 7.2 percent for political subdivisions. No member contributions are required. Employer contributions made to the DB plan were $86,124 during the year ended December 31, 2023.

(Continued)

NOTE 5 – INDIANA PUBLIC EMPLOYEES' RETIREMENT FUND (Continued)

Financial Report: INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Actuarial Assumptions: The total pension liability is determined by INPRS actuaries in accordance with GASB No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

- Measurement Date – June 30, 2023
- Asset valuation date – June 30, 2023
- Liability valuation date – June 30, 2022 - Member census data as of June 30, 2022 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2022 and June 30, 2023. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2022 to the June 30, 2023 measurement date.
- Actuarial cost method (accounting) – Entry age normal (level percent of payroll)
- Experience study date – Period of 5 years ended June 30, 2019
- Investment rate of return – 6.25%, includes inflation and net of investment expenses
- COLA – Members in pay were granted a 1.0% COLA on January 1, 2022 and no COLA on January 1, 2023. Therefore, the COLA assumption will be 0.4% beginning on January 1, 2024, 0.5% beginning on January 1, 2034, and 0.6% beginning on January 1, 2039.
- Future salary increases, including inflation – 2.65% - 8.65% based on service
- Inflation – 2.00%
- Mortality assumptions – Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

There were no changes in assumptions from the prior year measurement date.

The most recent comprehensive experience study, based on member experience between June 30, 2014 and June 30, 2019 was completed in February 2020. The demographic assumptions were approved by the Board in June 2020 and were used beginning with the June 30, 2020 actuarial valuation. Economic assumptions were updated and approved by the Board in May 2021 following the completion of an Asset-Liability student and first used in the June 30, 2021 actuarial valuation.

Legislation granted a 1.00% cost-of-living adjustment effective January 1, 2022 to paid from the Supplemental Reserve Account. No supplement benefits were granted for fiscal year 2023. This replaces the COLA assumption of 0.4% for Fiscal Years 2022 and 2023 but does not change the assumption for future years.

(Continued)

NOTE 5 – INDIANA PUBLIC EMPLOYEES' RETIREMENT FUND (Continued)

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

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

	Target Asset Allocation*	Geometric Basis Long-Term Expected Real Rate of Return
	2023	2023
Public Equity	20.0%	3.7%
Private Markets	15.0%	6.4%
Fixed Income – Ex Inflation-Linked	20.0%	2.2%
Fixed Income – Inflation-Linked	15.0%	0.5%
Commodities	10.0%	1.1%
Real Estate	10.0%	3.4%
Absolute Return	5.0%	1.6%
Risk Parity	20.0%	5.9%
Cash and Cash Overlay	-	N/A

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

Discount Rate: Total pension liability for each defined benefit pension plan was calculated using the discount rate of 6.25 percent for 2023. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State (the non-employer contributing entity) would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.25 percent for 2023). Based on these assumptions, the PERF defined benefit pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the plan.

(Continued)

NOTE 5 – INDIANA PUBLIC EMPLOYEES' RETIREMENT FUND (Continued)

Sensitivity of the Department's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability of the defined benefit pension plan calculated using the discount rate of 6.25 percent for 2023, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate (in thousands of dollars):

	1% Decrease (5.25%)	Current Rate (6.25%)	1% Increase (7.25%)
2023	$ 710,568	$ 436,016	$ 207,094

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in a stand-alone financial report of INPRS that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (in thousands of dollars): At December 31, 2023, the Department reported a liability of $436,016 for its proportionate share of the net pension liability. The Department's proportionate share of the net pension liability was based on contributions reported by the department relative to the collective contributions of the District reported to the plan. The Department represented a 2.69% of the District. The Department's proportionate share of the overall PERF DB plan used at the June 30, 2023, and June 30, 2022, measurement date was 0.012%.

For the year ended December 31, 2023, the Department recognized pension expense of $88,633, which included net amortization of deferred outflows of resources and deferred inflows of resources.

At December 31, 2023, the Department reported deferred outflows of resources and deferred inflows of resources (in thousands) related to the PERF Hybrid Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8,921	$ -
Net difference between projected and actual earnings on pension plan investments	99,936	-
Changes in assumptions	23,777	-
Changes in proportion and differences between the Department's contributions and proportionate share of contributions	14,066	5,405
Total that will be recognized in pension expense based on table below	146,700	5,405
Department's contributions subsequent to measurement date	43,482	-
Total	$ 190,182	$ 5,405

(Continued)

NOTE 5 – INDIANA PUBLIC EMPLOYEES' RETIREMENT FUND (Continued)

Deferred outflows of resources resulting from employer contributions subsequent to the June 30, 2023, measurement date are recognized as a reduction of net pension liability in the year ending December 31, 2023. Deferred inflows of resources resulting from the differences between projected and actual investment earnings on Plan investments are amortized over a 5-year period. A change in an employer's proportionate share represents the change as of the current year measurement date versus the prior year measurement date and is amortized over the average expected remaining service lives of the plan. The difference between an employer's contributions and the employer's proportionate share of the collective contributions is amortized over the average expected remaining service lives of the plan. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending December 31, 2023 (In thousands)	Amount
2024	$ 50,451
2025	12,098
2026	65,133
2027	13,612
	$ 141,294

Public Employees' Retirement Fund – Defined Contribution Plan

PERF DC is a multiple employer defined contribution plan providing retirement benefits to full-time employees of the State of Indiana not covered by another plan and those political subdivisions (counties, cities, townships, and other governmental units) that elect to participate in the retirement fund. Administration of the account is in accordance with IC 5-10.2, IC 5-10.3, 35 IAC 1.2 and other Indiana pension law.

The plan provides supplemental defined contribution benefits under the PERF Hybrid plan.

First time new employees hired by the State of Indiana or a political subdivision that offers a choice have a one-time election to join either the PERF Hybrid Plan or PERF My Choice. A state rehire that is an existing member of the PERF Hybrid Plan and was not given the option for PERF My Choice is given the option to elect PERF My Choice or remain in PERF Hybrid.

PERF DC consists of two tiers:

The Public Employees' Hybrid Members Defined Contribution Account (PERF Hybrid DC) is the defined contribution component of the Public Employees' Hybrid Plan. The Public Employees' Defined Benefit Account (see Defined Benefit Plans section) is the other component of the Public Employees' Hybrid Plan. Member contributions are set by statute at three percent of compensation, and the employer may choose to make these contributions on behalf of the member. Members are 100 percent vested in their account balance, which includes all contributions and earnings.

NOTE 5 – INDIANA PUBLIC EMPLOYEES' RETIREMENT FUND (Continued)

My Choice: Retirement Savings Plan for Public Employees (My Choice) is for members who are full-time employees of the State of Indiana or a participating political subdivision that elected to become members of My Choice. Member contributions are set by statute at three percent of compensation, plus these members may receive additional employer contributions in lieu of the Public Employees' Defined Benefit Account.

Members are 100 percent vested in all member contributions and are vested in employer contributions (see Contributions section), which includes all employer contributions and earnings as follows:

One (1) year of participation	20%
Two (2) years of participation	40%
Three (3) years of participation	60%
Four (4) years of participation	80%
Five (5) years of participation	100%

My Choice

The My Choice retirement and termination benefit is that after a 30-day separation from employment, the member is entitled to the sum total of vested contributions plus earnings. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements). Upon providing proof of the member's qualification for social security disability benefits, the member is entitled to the sum total of vested contributions plus earrings. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements).

The survivor benefit is that the beneficiary is entitled to the sum total of vested contributions plus earnings. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements).

Investments in the members' accounts are self-directed as participants direct the investment of their account balances among several investment options of varying degrees of risk and return potential. There are eight investment options available to My Choice members: Stable Value Fund, Fixed Income Fund, Inflation-Linked Fixed Income Fund, Money Market Fund, Small/Mid Cap Equity Fund, Large Cap Equity Index Fund, International Equity Fund and Target Date Funds. Members may make changes to their investment directions daily, and investments of the plan are reported at fair value.

PERF Hybrid DC and My Choice members contribute three percent of covered payroll to their annuity savings account, which is not used to fund the defined benefit pension for PERF Hybrid. For PERF Hybrid, the employer may elect to make the contributions on behalf of the member. The Department pays the member's contributions on behalf of the member employed by the Department that participate in My Choice. Political subdivisions may choose to pay part or all of the member's contributions on behalf of the member for My Choice. In addition, members of PERF Hybrid and My Choice may elect to make additional voluntary contributions, under certain criteria, of up to 10 percent of their compensation into their annuity savings accounts, political subdivisions that participate in My Choice may elect to match voluntary contributions at a rate of 50 percent.

The Department makes payments on behalf of employees of 3% of covered payroll each year which approximated $23,000 during 2023.

(Continued)

NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS OBLIGATION AND DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The District offers eligible Department employees a postretirement benefit to continue participation in the group insurance plan offered to active employees at the same total premium amount. This constitutes an implicit subsidy benefit since premiums are not age-adjusted. This benefit should be evaluated for a liability measured as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service. Management has not obtained the information necessary to determine this liability. Accounting principles generally accepted in the United States of America require that the liability be measured and recognized annually in the governmental activities financial statements. The effect of this departure from accounting principles generally accepted in the United States of America on the Department's financial statements of the governmental activities, as of and for the year ended December 31, 2023, has not been determined.

REQUIRED SUPPLEMENTARY INFORMATION

WVPE-FM RADIO
(A Public Telecommunications Entity Operated as a Department of the Elkhart Community Schools)
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR INDIANA PUBLIC EMPLOYEE'S RETIREMENT FUND (LAST 10 YEARS[1])
December 31, 2023

	2023	2022	2021	2020	2019	2018	2017
Public Employees' Retirement Fund							
Department's proportionate of the net pension liability	0.012%	0.012%	0.013%	0.001%	0.001%	0.001%	0.001%
Department's proportionate share of the net pension liability	$ 436,016	$ 368,068	$ 167,709	$ 329,769	$ 331,866	$ 330,804	$ 393,832
Department's covered payroll	776,698	671,653	704,504	589,427	549,611	524,950	523,562
Department's proportionate share of the net pension liability as a percentage of its covered payroll	56.14%	54.80%	23.81%	55.95%	60.38%	63.02%	75.22%
Plan fiduciary net position as a percentage of the total pension liability	80.83%	82.50%	92.51%	81.40%	80.10%	78.90%	72.70%

[1] GASB Statement 68 requires disclosure of a 10-year schedule. The financial statement information was not available for years prior to those presented. Additional years will be included in future reports as data becomes available.

See note to required supplementary information – pension liability.

* Effective January 1, 2018, funds previously known as annuity savings accounts (which had been reported within defined benefit funds) were recategorized as defined contribution funds based on Internal Revenue Service Private Letter Rulings PLR-193-2016 and PLR-110249-18. DC member balances previously reported within PERF DB fund totals were transferred to the appropriate DC fund as of January 1, 2018.

WVPE-FM RADIO
(A Public Telecommunications Entity Operated as a Department of the Elkhart Community Schools)
SCHEDULES OF EMPLOYER PENSION CONTRIBUTIONS (LAST 10 YEARS[1])
December 31, 2023

	2023	2022	2021	2020	2019	2018	2017
Public Employees' Retirement Fund							
Statutorily required contribution	$ 86,124	$ 74,159	$ 77,846	$ 68,749	$ 70,613	$ 60,690	$ 56,377
Contributions in relation to the actuarial determined contribution	(86,124)	(74,159)	(77,846)	(68,749)	(70,613)	(60,690)	(56,377)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	768,964	662,134	695,304	613,826	630,475	541,871	503,368
Contributions as a percentage of covered payroll	11.20%	11.20%	11.20%	11.20%	11.20%	11.20%	11.20%

[1] GASB Statement 68 requires disclosure of a 10-year schedule. The financial statement information was not available for years prior to those presented. Additional years will be included in future reports as data becomes available.

See note to required supplementary information – pension liability.

Notes to Schedules: The amounts presented for each fiscal year were determined as of the June 30 year end (measurement date) that occurred within the calendar year for the schedule of proportionate share of the net pension liability.

Actuarial Assumptions:

Valuation date: Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial cost method: Entry age normal (Level Percent of Payroll)
Amortization method: Level dollar
Remaining amortization period: 20 years, closed
Asset valuation method: 5 year smoothing of gains and losses on the market value of assets subject to a 20% corridor.
Inflation: 2.0%
Salary increases: 2.65% – 8.65% based on service
Investment rate of return: 6.25%
Mortality: Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.