FINANCIAL REPORT

2017-2018

IVY TECH
COMMUNITY COLLEGE

IVY TECH
COMMUNITY COLLEGE OF INDIANA

2017-18 FINANCIAL REPORT

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DEAR FRIENDS OF IVY TECH,

On behalf of the Trustees of Ivy Tech Community College of Indiana, I am pleased to present the College's 2017-18 Financial Report.

The 2017-18 year was an exciting time for the College. In December 2017, the College launched its strategic plan, entitled "Our Communities. Your College. Pathways for Student Success and a Stronger Indiana." The strategic plan is the College's map to achieving the vision of students earning 50,000 high-quality certifications, certificates, and degrees per year aligned with the needs of Indiana's workforce.

The goals and their corresponding strategies outlined in the plan focus on student success, recruitment and enrollment, completion, placing students in high-demand, high-wage jobs, becoming a great place to work, ensuring the College has sufficient financial resources to achieve its mission, and effectively engaging with and serving Indiana's unique communities. Much work has already begun towards these seven goals. Related to Goal One, Student Success, a train-the-trainer model has been implemented statewide to expand coaching and is on track to develop 100 in-house coaches by the end of 2018. Additionally, 8 week courses have been developed and will be launched in Fall 2018. The second goal in the strategic plan focuses on recruitment and enrollment. As part of Goal Two, the College has worked to best equip our student- and recruit-facing teams with the tools to have meaningful, impactful conversations with prospective and current students. Using the Dimensions of Professional Communication model, our teams across the state now have a systematic method of engaging students, which will lead to higher outcomes. Goal Three focuses on student completion, and in only six months, a statewide MOU for reverse transfer has already been signed. In alignment with Goal Four, to place students in high-wage, high-demand jobs, the College has developed a partnership with Ascend Indiana and financial supporters to build robust career development strategy, including focus on placements, work and learn experiences. Progress on Goal Six, ensuring the College has sufficient financial resources to achieve its mission, has also been made. A new internal campus allocation methodology was presented to the Chancellors and is effective for FY19, and the College is gathering data in preparation to re-negotiate leases with the aim of reducing operating costs. Lastly, 6,000 community leaders statewide were surveyed to provide feedback critical to Goal Seven and in determining how the College can more effectively engage with and serve out communities.

These are only a few examples of the great progress and initiatives throughout the College. As evidenced by this financial report, Ivy Tech remains well positioned fiscally thanks to the work of College faculty and staff. It is increasingly important that the College continues to be fiscally strong in order to maintain affordability and achieve the goals set forth in the strategic plan.

We thank our donor, employer, community, and state partners for their continued support. Your support has been critical in the accomplishments of 2017-18. More importantly, it is positioning our students for success and the state to achieve the Big Goal that 60% of the state's workforce will have a high-value, post-secondary degree or credential by 2025. This means a brighter, stronger Indiana for all of us.

Respectfully,

Sue Ellspermann, PhD
President, Ivy Tech Community College

PRESIDENT

Dr. Susan Ellspermann

STATE BOARD OF TRUSTEES

Board listing as of June 30, 2018

October 25, 2018

TO THE PRESIDENT AND STATE BOARD OF TRUSTEES OF IVY TECH COMMUNITY COLLEGE OF INDIANA:

I am pleased to present the Ivy Tech Community College of Indiana Annual Financial Report for the year ended June 30, 2018, including an opinion on pages 5-7 from the Indiana State Board of Accounts.

This financial report incorporates data from the College's 19 campuses, 25 educational sites, and 78 courses only locations. The financial statements have been prepared in accordance with Governmental Accounting Standards Board (GASB) statements and the accompanying notes and Management Discussion and Analysis are integral components of the report.

An analysis is included herein which compares the College's financial position for the fiscal years ended June 30, 2018, and 2017 with comparative information for fiscal year 2016. This demonstrates the College's continued fiscal strength despite challenging times for community colleges and in the higher education sector nationwide.

The College is committed to ensuring the institution has sufficient financial resources to achieve its mission of providing accessible and affordable world-class education and adaptive learning. This is evidenced by the College's efforts to increase efficiencies and maximize support received from State appropriations, student fees, donor contributions, grants, and contracts.

This report is a complete and permanent record of Ivy Tech Community College of Indiana's financial status for the period stated therein.

Respectfully submitted,

William M. Hawkins
Senior Vice President, Chief Financial Officer, and Treasurer

STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF IVY TECH COMMUNITY COLLEGE OF INDIANA, INDIANAPOLIS, INDIANA

Report on the Financial Statements

We have audited the financial statements of the business-type activities and the discretely presented component unit of Ivy Tech Community College of Indiana (College), a component unit of the State of Indiana, as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Ivy Tech Foundation, Inc. (Foundation), a component unit of the College as described in Note I, which represents 100 percent, 100 percent, and 100 percent, respectively, of the total assets, net position and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation were audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with *Government Auditing Standards.*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of June 30, 2018 and 2017, and the respective changes in financial position and, where applicable, cash flows thereof and for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note XIII to the financial statements, in fiscal year 2018, the College adopted new accounting guidance GASB Statement 75 *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of College's Other Postemployment Benefits, Changes in Assumptions and Benefit Terms, Schedule of the College's Proportionate Share of the Net Pension Liability, Schedule of the College's Contributions, and Public Employees' Retirement Plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The accompanying President's Letter, State Board of Trustees, Schedules of Annual Bond Requirements for Outstanding Debts, Schedule of Student Financial Aid Expenditures, and Five Year Trend in Student Enrollment are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The President's Letter, State Board of Trustees, Schedules of Annual Bond Requirements for Outstanding Debts, Schedule of Student Financial Aid Expenditures, and Five Year Trend in Student Enrollment have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2018, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

October 25, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

This section of Ivy Tech Community College of Indiana's (Ivy Tech) annual financial report presents a discussion and analysis of the financial performance of the College for the fiscal year ending June 30, 2018 and 2017 along with comparative data for the year ending June 30, 2016. The management's discussion and analysis provides summary level financial information; therefore, it should be read in conjunction with the accompanying financial statements and note disclosures. The management's discussion and analysis is designed to focus on current activities, significant changes, and currently known facts. The financial statements, notes, and this discussion are the responsibility of management.

Using this Annual Report

This annual report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*, an Amendment of GASB Statement No. 34 *Basic Financial Statements and Management's Discussion and Analysis—for State and Local Governments.* The financial statements focus on the financial condition of the College, the results of operations, and cash flows of the College as a whole.

One of the most important questions asked about the College's finances is whether the College is better or worse as a result of this year's activity. The keys to understanding that question are the Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These statements present financial information in a form similar to that used by corporations. The College's net position is one indicator of the College's financial strength. Over time, increases or decreases in net position is one indicator of the improvement or erosion of the College's financial health when considered with non-financial facts such as enrollment levels and the condition of facilities.

The Statement of Net Position includes all assets and liabilities. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service to the College, regardless of when cash is exchanged.

The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. The authoritative financial reporting model classifies State appropriations and gifts as nonoperating revenues; therefore, such a classification results in an operating deficit being shown in this statement. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

Another important factor to consider when evaluating financial viability is the College's ability to meet financial obligations as they mature. The Statement of Cash Flows presents the information related to cash inflows and outflows summarized by operating, capital, and noncapital financing and investing activities.

Financial Highlights

In return for providing the resources necessary for the operations of the College, Ivy Tech's students and the taxpayers of Indiana demand careful stewardship of State appropriations, student fees, grants and contracts, donor contributions, and other funds. This Annual Financial Report for the 2017-18 fiscal year reflects that commitment.

Overall, the College's financial position continues to be strong. During fiscal year 2017-18 the College's net position increased by a total of $60.5 million or 9.2% compared to the restated previous year. During the last five years, the College's net position has grown from $531.2 million to $717.0 million, an increase of 35.0%. Unrestricted net position also grew in 2017-18 by $43.7 million or 13.2% compared to the restated 2016-17. Unrestricted net position has grown from $273.0 million to $375.7 million, a 37.6% increase in five years. This performance has allowed the College to continue to fully fund internally designated funds to offset liabilities for accrued vacation, sick leave, defined benefit pension, and other postemployment benefits (OPEB) while also maintaining reserves for operations, self-insurance, repair and rehabilitation and technology related infrastructure.

Overall, liabilities decreased by $6.1 million. Current liabilities increased $24.7 million due to the $20.5 million increase in the current portion of debt obligation related to Series L financing and a $5.4 million increase in accounts payable and accrued liabilities, offset by a $1.8 million decrease in deposits held in custody for others. Noncurrent liabilities, however, decreased by $30.8 million due to the $25.8 million reduction on principal payments on bonds payable, a $3.5 million decline in net pension liability, and a $1.6 million decline in compensated absences.

Operating revenue increased slightly in 2017-18 by 0.1%. There was a minimal decrease in net student tuition and fees due to a modest decline in enrollment during 2017-18 as compared to 2016-17. Net nonoperating revenues increased 2.8% primarily due to an increase in state appropriations offset by a decrease in Federal Grants and Contracts due to a reduction in the number of Federal Pell grant recipients.

Operating expenses totaled $523.6 million, a decrease of 1.5% compared to 2016-17. This decline was primarily attributable to a decrease in scholarship expense of $4.7 million and a decrease in salaries and benefits totaling $7.2 million offset by an increase in supplies and other services of $3.7 million.

Condensed Statement of Net Position

June 30	2018	Restated 2017	2016
Current assets	$240,781,381	$194,758,438	$216,270,394
Noncurrent assets			
Capital assets, net	596,358,745	610,269,702	619,569,500
Other noncurrent assets	284,658,217	258,752,014	246,957,417
Total assets	**1,121,798,343**	**1,063,780,154**	**1,082,797,311**
Deferred outflows of resources	**4,977,771**	**7,856,302**	**8,795,049**
Current liabilities	107,326,013	82,598,307	114,293,149
Noncurrent liabilities	295,267,663	326,104,677	335,775,585
Total liabilities	**402,593,676**	**408,702,984**	**450,068,734**
Deferred inflows of resources	**7,209,885**	**6,459,186**	**4,529,091**
Net position			
Net investment in capital assets	329,464,818	316,907,188	289,604,409
Restricted	11,857,004	7,584,988	16,057,486
Unrestricted	375,650,731	331,982,110	331,332,640
Total net position	**$716,972,553**	**$656,474,286**	**$636,994,535**

*Fiscal year 2017 data was restated in accordance with GASB Statement No. 75.

Assets

CURRENT ASSETS

Current assets are comprised of cash, cash equivalents which are primarily investments with maturity dates of 0-90 days at date of purchase as of June 30, 2018, and other assets that can be converted into cash within one year from the date of the Statement of Net Position. Overall, current assets increased by $46 million or 23.6% in 2018 compared to a $21.5 million or 9.9% decrease in 2017 and a $2.3 million or 1.0% decrease in 2016. The increase in current assets in 2017-18 is due primarily to a $51.2 million increase in cash and cash equivalents, a $21.7 million increase in cash with fiscal agent, offset by a $25.9 million decrease in short-term investments.

Cash and cash equivalents increased by $51.2 million or 74.7%. Short-term investments decreased by $25.9 million or 35.8%, which include those investments with maturity dates of 91-365 days as of June 30, 2018. These changes resulted from investment decisions based on market opportunities throughout the year.

Cash with fiscal agent is primarily attributable to the cash held for the annual debt principal and interest payment due on July 1 of the new fiscal year. In 2018, this category increased by $21.7 million or 80.4% due to the receipt of proceeds from the Series U bond issue for the refunding of the Series L bonds on July 1, 2018.

Accounts receivable are related, but not limited to, student and contract tuition and fees, grants, and financial aid. Accounting standards typically require the establishment of an allowance for doubtful accounts in the Statement of Net Position to reflect receivables that are likely to be uncollectible. The College policy is that all accounts receivable greater than one year old are to be written off unless payments are currently being made. The net accounts receivable decreased $554 thousand from the previous year or 2.1% due primarily to lower student receivables as a result of decreased enrollment.

Prepaid expenses are payments made in the current or a previous fiscal year of which the full value has not been realized during fiscal year 2017-18. This category decreased by $382 thousand or 41.1% due to current year expenditures exceeding current year additions.

NONCURRENT ASSETS

Noncurrent assets are assets not expected to be converted into cash within one year from the date of the Statement of Net Position. Noncurrent assets increased by $12.0 million or 1.4% in 2018 compared to $2.5 million or 0.3% increase in 2017 and a $47.8 million or 5.8% increase in 2016.

In 2018, long-term investments increased by $25.9 million or 10.0% from the previous year. This increase is a combination of a shift from short-term to long-term investments in response to market opportunities and investment income.

Net capital assets decreased $13.9 million or 2.3% primarily due to the increase in the disposal of assets related to the biennial inventory verification and fewer completed construction or repair and rehabilitation projects in 2017-18 as compared to the previous year.

Deferred Outflows of Resources

Deferred outflows of resources represent consumption of resources applicable to a future reporting period. Deferred outflows decreased $2.9 million or 36.6% in 2018 compared to a $939 thousand or 10.7% decrease in 2017. This is due to several factors, including projected and actual investment contributions, changes in assumptions, and fewer participants in the pension plan. Additional information about this item can be found in Note IX, section B.

Liabilities

CURRENT LIABILITIES

Current liabilities are obligations that are due within one year from the date of the Statement of Net Position and will require the use of a current asset or will create another current liability. This category increased by $24.7 million or 29.9% compared to a decrease of $31.7 million or 27.7% in 2017 and a $29.7 million or 35.2% increase in 2016. The net change in current liabilities is largely due to the reclassification of Series L from long term debt to current.

Accounts payable and accrued liabilities increased $5.4 million or 20.7% in 2018 compared to a decrease of $3.0 million or 10.3% in fiscal year 2017. The primary reason for the increase was due to a change in pay frequency from semi-monthly to a bi-weekly lag for exempt administrative staff during the 2018 fiscal year. This change resulted in $7.0 million in additional accruals for wages and benefits payable for time worked in June and not paid out until July. This increase was offset by a $2.1 million reclassification of an old, unclaimed accounts payable to income.

Unearned revenue represents monies received in the current year for services, tuition and fees, or goods to be provided by the College in a future period and not applicable with GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Unearned revenue increased $502 thousand or 4.2% as compared to the prior year. This increase was due primarily to an $851 thousand increase in unearned summer revenue. This increase was offset by a $182 thousand reduction in unearned revenue in restricted grants and contracts and a $182 thousand reduction in unearned non-credit summer revenue as compared to the prior year.

The current portion of debt obligation is the portion of the College's long-term debt which is payable within the next fiscal year. This category increased by $20.5 million or 72.8% primarily due to reclassification of Series L from long-term debt to current.

NONCURRENT LIABILITIES

Noncurrent liabilities will be paid one year or later from the date of the Statement of Net Position. The College's noncurrent liabilities include compensated absences, long-term debt and other obligations, net pension liability, and other postemployment benefits. Implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Other Postemployment Benefits (OPEB) Other Than Pensions*, required recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense.

Overall, noncurrent liabilities decreased by $30.8 million or 9.5%. The 2018 change in noncurrent liabilities was due primarily to a $25.8 million decrease in long-term debt from the principal payments on bonds payable, a $3.5 million decrease in net pension liability, and $1.6 million decrease in compensated absences.

OUTSTANDING DEBT AT YEAR END

Leases, Notes, and Bonds Payable	6/30/2018	6/30/2017	6/30/2016
Revenue Bonds Payable:			
Series H student fee bonds	$11,200,000	$11,200,000	$11,200,000
Series J student fee bonds	9,245,000	9,245,000	9,245,000
Series K student fee bonds	-	-	33,085,000
Series L student fee bonds	26,570,000	29,640,000	32,575,000
Series N student fee bonds	58,470,000	62,515,000	66,450,000
Series O student fee bonds	9,200,000	9,200,000	9,200,000
Series P student fee bonds	24,070,000	25,120,000	26,135,000
Series Q student fee bonds	-	2,785,000	5,640,000
Series R student fee bonds	50,705,000	55,815,000	60,670,000
Series S student fee bonds	-	2,290,000	4,570,000
Series T student fee bonds	24,680,000	27,410,000	27,730,000
Series U student fee bonds	20,550,000	-	-
Total bonds payable	**234,690,000**	**235,220,000**	**286,500,000**
Premium on bonds—H, I, J, K, L , P, R, T, U	15,176,163	12,990,911	14,428,238
Lease obligations	27,212,784	31,709,434	35,371,320
Notes payable	2,004,685	4,457,349	5,714,517
Total leases, notes, and bonds payable	**$279,083,632**	**$284,377,694**	**$342,014,075**

Deferred Inflows of Resources

Deferred inflows of resources represent acquisition of resources applicable to a future reporting period as required by GASB Statement No. 68, GASB Statement No. 71, and GASB Statement No. 75. Deferred inflows related to pensions totaled $3.9 million, a decrease of $504 thousand or 11.5% from 2017. Deferred inflows related to other postemployment benefits totaled $3.3 million, an increase of $1.3 million or 60.1% over the restated 2017 amount. Additional information about this item can be found in Notes VII, IX and XIII.

Net Position

Net position represents the difference between the College's assets and liabilities. Net position increased $60.5 million or 9.2% in 2018 over restated 2017 compared to an increase of $19.5 million or 3.1% in 2017, and $39.0 million or 6.5% in 2016.

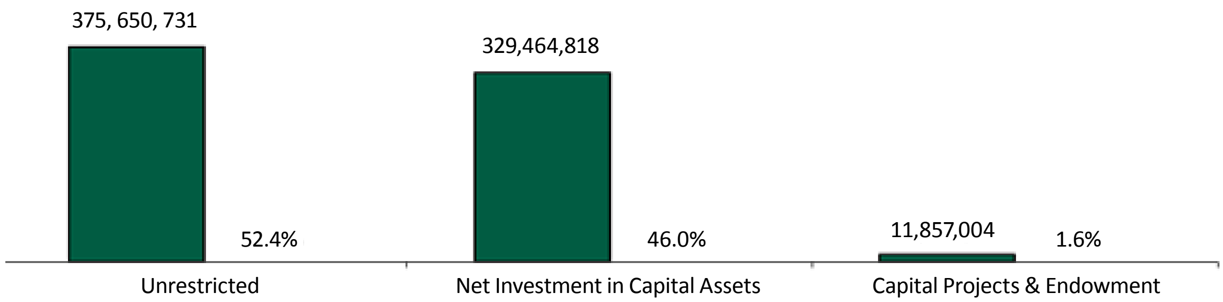
The classification "net investment in capital assets," which includes building and equipment less depreciation, land owned by the College, and construction work in progress, increased by $12.6 million or 4.0% compared to the prior year. This increase was mainly due to the capitalization of repair and rehabilitation projects as well as other building projects.

The restricted "capital projects" classification increased by $4.3 million or 56.8% from the prior year primarily due to a $3.7 million increase in cash for the plant fund projects.

Unrestricted net position increased by $43.7 million or 13.2% in FY18. The increase is mainly attributable to increases in state appropriations as well as reductions in total operating expenses, primarily within salaries and benefits.

The net position is comprised of 52.4% unrestricted net position, 46.0% net investment in capital assets, and 1.6% capital projects and endowments.

2018 ANALYSIS OF NET POSITION



Internally Designated Reserves of Unrestricted Funds

The College ended the fiscal year with an unrestricted net position balance of $375.7 million. This was an increase of $43.7 million or 13.2% over the 2017 restated unrestricted net position compared to a $649 thousand or 0.2% increase from FY16 to the restated FY 17 unrestricted net position balance of $332.0 million, and a $23.9 million or 7.8% increase in 2016. The following provides additional information concerning the allocation of the Unrestricted Net Position.

Description	FY 2018 Amount	Restated FY 2017 Amount	FY 2016 Amount
Self-insurance	$16,962,620	$12,309,231	$9,487,732
Bookstore commissions	47,239,497	45,374,312	44,211,937
Economic development revolving loan	5,787,000	5,787,000	5,787,000
Student accounts receivable	11,389,206	11,670,312	12,733,645
Insurance stabilization	910,147	910,133	909,951
Parking lot repair and replacement	3,975,907	4,286,741	4,384,181
Compensated absences reserve	16,662,068	16,662,068	16,272,478
Other postemployment benefits	46,521,238	25,514,773	23,982,614
Pension accounting	16,727,780	16,727,780	16,727,780
Enterprise software enhancements	3,302,889	3,302,889	3,302,889
Unclaimed property	2,597,758	2,630,245	2,628,303
Student loan fund	44,735	44,735	45,038
Institutional R&R reserve	21,086,983	21,202,219	22,922,628
Operating budget	182,442,903	165,559,672	167,936,464
Total	**$375,650,731**	**$331,982,110**	**$331,332,640**

The College administers health insurance for all benefits eligible employees. Under the self-insurance plan, claims are paid directly by the College in the month incurred. A reserve in the amount of $17.0 million represents the excess of employer contribution over claims expense.

The College bookstores are leased to Follett Higher Education Group, Inc. The College maintains a reserve from the commissions to be used for various one-time expenditure needs. Expenditures from this reserve are approved by the Senior Vice President, Chief Financial Officer.

The Economic Development Revolving Loan Fund is primarily used within the College to acquire equipment necessary to rapidly implement training programs relative to economic development as well as other College initiatives. This fund is a revolving fund and is paid back over time by the College site originally granted the loan.

The College does not recognize certain student accounts receivable balances for budget purposes. After they have been collected, they are recognized for budgetary purposes and therefore available for expenditure. These funds are held in the Student Accounts Receivable reserve.

The insurance stabilization reserve was established in the fiscal year ending June 30, 1994. The interest earned on this reserve has been used to reduce the amount of health insurance increases that are passed on to the employees of the College.

The parking lot repair and replacement reserve is funded with a College designated portion of student fee collections. Currently seventy-five cents ($0.75) per student credit hour is designated to assist the funding of repairing, maintaining, and providing new parking lots throughout the College. The amount listed is the available cash balance for this reserve as of June 30, 2018.

The compensated absences reserve was established to offset the College's compensated absences liability. The total amount of unrestricted monies set aside is $1.5 million more than the total liability of $15.2 million. This benefit is discussed in more detail in the Notes to the Financial Statements, page 49. The amount listed is the available cash balance for this reserve as of June 30, 2018.

The other postemployment benefits (OPEB) cash reserve was established in fiscal year 2005-06 to offset the College's other postemployment benefit liability. An actuarial estimate was obtained by the College as of June 30, 2018. As a result of this estimate and in accordance with GASB Statement No. 75, the College reported an OPEB liability in the amount of $43.2 million and deferred inflows in the amount of $3.3 million as of June 30, 2018. This cash reserve is equal to the corresponding liability plus deferred inflows. The amount listed is the available cash balance for this reserve as of June 30, 2018.

Pension accounting cash reserve was established in fiscal year 2014-15 to offset the College's net pension liability. GASB Statement No. 68 required the recognition of net pension liability for defined benefit pension plans. An actuarial estimate was provided to the College from the Public Employees' Retirement Fund with a measurement date of June 30, 2017. As a result of this estimate, the College maintained a cash reserve of $16.7 million in fiscal year 2017-18. This was $1.3 million greater than the net pension liability plus deferred inflows related to pensions less deferred outflows related to pensions.

The enterprise software enhancement reserve has been established to assist the College in maintaining and enhancing the enterprise-wide software programs.

Prior to the repeal of Indiana Code Title 4, Article 10, Chapter 10 in July 2014, the College maintained unclaimed property which consisted of checks that have not been cashed and are greater than two years old. The payees may claim these checks upon the filing of a claim and proof of identity. As of June 30, 2015, checks that have not been cashed are now reported and remitted to the State's Unclaimed Property division in accordance with the dormancy periods outlined in the State's unclaimed property laws.

The College maintains a loan fund for the purpose of making short-term loans to students. The funds are derived from a number of different sources.

The College has unrestricted reserves for potential R&R projects within the College.

The operating budget is the remaining amount of the unrestricted net position available for expenditure.

Capital Assets, Net, At Year-End

	2018	2017	2016
Construction work in progress	$11,614,947	$11,008,641	$22,238,899
Land	33,419,704	33,566,492	31,607,504
Land improvements and infrastructure	11,950,049	11,916,071	11,923,158
Buildings	516,058,598	527,304,242	527,212,907
Furniture, fixtures, and equipment	22,890,719	26,016,963	26,090,636
Library materials	424,728	457,293	496,396
Totals	**$596,358,745**	**$610,269,702**	**$619,569,500**

During fiscal year 2018, net capital assets decreased by $13.9 million or 2.3% compared to a $9.3 million or 1.5% decrease in 2017 and a $10.1 million or 1.7% increase in 2016. The decrease in 2017-18 is mainly due to the increase in accumulated depreciation in buildings related to construction and repair and rehabilitation projects completed in 2016-17. The $3.1 million or 12.0% decrease in Furniture, fixtures and equipment can be attributed to the mandatory statewide physical inventory conducted during fiscal year 2018 which resulted in campuses identifying and disposing of equipment no longer in use.

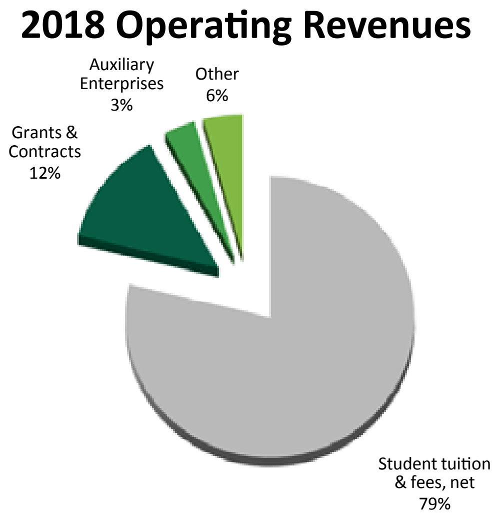
Condensed Statement of Revenues, Expenses and Changes in Net Position

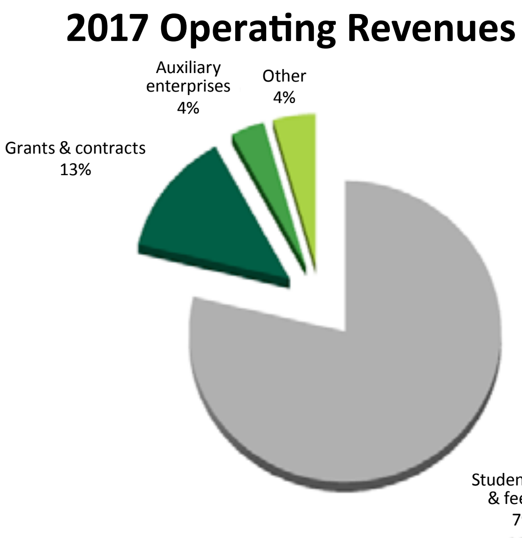
Year Ended June 30	2018	Restated 2017	2016
Operating revenues	$166,090,169	$165,867,457	$174,988,088
Operating expenses	(523,552,179)	(531,598,649)	(549,933,555)
Total operating losses	(357,462,010)	(365,731,192)	(374,945,467)
Nonoperating revenues	417,024,007	405,602,748	421,242,808
Nonoperating expenses	(11,138,470)	(10,847,289)	(15,817,794)
Income before other revenues, expenses, gains, or losses	48,423,527	29,024,267	30,479,547
Other revenues	12,074,740	10,165,211	8,517,854
Increase in net position	60,498,267	39,189,478	38,997,401
Net position, beginning of year	656,474,286	636,994,535	597,997,134
Net position, end of year before change in accounting standard		676,184,013	
Prior period adjustment due to change in accounting standard – See Note XIII		(19,709,727)	
Net position, end of year	**$716,972,553**	**$656,474,286**	**$636,994,535**

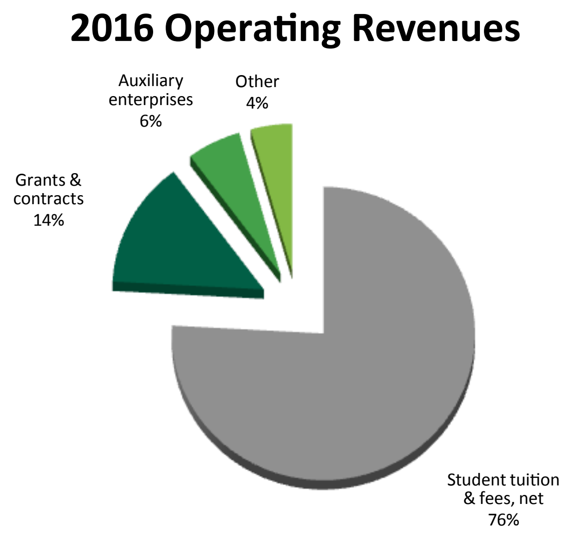
*Fiscal year 2017 data was restated in accordance with GASB Statement No. 75. Additionally, gains (losses) on sale and disposal of capital assets has been reclassified from other revenues, expenses, gains or losses to nonoperating revenues and expenses for financial statement presentation purposes in fiscal year 2016-2018. For FY18, the amount was a loss of ($628,779), loss of ($46,681) for FY17, and loss of ($3,431,826) for FY16.

Operating Revenues

Total operating revenues for 2018 increased $223 thousand or 0.1% compared to a decrease of $9.1 million or 5.2% in 2017 and a $8.4 million or 5.1% increase in 2016. The following chart and analysis illustrate the 2017-18 operating revenues.







TUITION AND FEES

Student tuition and fees, which include all fees assessed for educational purposes, increased by $2.3 million or 1.1% mainly due to an increase in tuition rates and a modest decline in enrollment. Scholarship discounts and allowances represent the difference between the stated fee rates and the amount that is paid by third party payers. The vast majority of the scholarship discounts are paid to the College in the form of Federal and State student financial aid. The scholarship discounts increased by $2.4 million or 3.0% compared to fiscal year 2017 due to the change in student aid expense. The net student tuition and fees decreased by $151 thousand or 0.1%.

GRANTS AND CONTRACTS

Grants and contracts include restricted revenues made available by federal, state, local, and nongovernmental grants and contracts. As outlined on the chart below, Federal sources increased by $424 thousand or 15.4% due to an increase in federal grant spending. State and local sources decreased by $205 thousand or 1.5% mainly due to a difference in Perkins funding. During FY17, there was an additional allocation of approximately $300,000 in Perkins funding; there was not an additional allocation in FY18. Nongovernmental sources decreased $2.4 million or 40.1% due to a decline in spending as activities funded by nongovernmental grants, contracts, and agreements neared completion. In total, revenue from grants and contracts decreased by 9.7%.

	2018	2017	2016
Federal grants and contracts	$3,180,299	$2,756,738	$3,029,844
State and local grants and contracts	13,327,296	13,532,770	12,868,810
Nongovernmental grants and contracts	3,538,997	5,908,380	8,555,640
	$20,046,592	$22,197,888	$24,454,294

Auxiliary Enterprises

Auxiliary enterprises are intended to be self-supporting and supplement the operations of the College. The total auxiliary enterprise revenue was $5.1 million. The primary revenue source is the commission on bookstore sales. This category decreased by $720 thousand or 12.4% in 2017-18 primarily due a $569 thousand reduction in bookstore sales commissions.

Operating Expenses

Total operating expenses decreased by $8.0 million or 1.5% in 2018 compared to an $18.3 million or 3.3% decrease in 2017 and a $7.6 million or 1.4% decrease in 2016. In 2018, a $7.2 million decrease in salaries and benefits and a $4.7 million decrease in scholarships and fellowships offset by a $3.7 million increase in supply and other service expenses accounted for the majority of the change in total operating expenses. Changes to operating expenses during 2018 are noted below.

COMPENSATION

Salary and wages expense decreased by $2.4 million or 1.0% and benefits expense decreased $4.8 million or 6.2%. There were workforce reductions at certain campuses that resulted in the salary and wage expense decreasing. The two primary factors for the reduction in benefit expenses were exempt staff's use of accrued vacation time during the pay transition to two weeks in arrears and surplus self-insurance contributions.

SCHOLARSHIPS AND FELLOWSHIPS

Scholarships and fellowships decreased $4.7 million or 6.5% in 2017-18 due to a reduction in enrollment and the number of degree seeking students receiving Federal financial aid.

UTILITIES

Utilities increased $281 thousand or 2.5% compared to 2016-17.

SUPPLIES AND OTHER SERVICES

Supplies and other services increased $3.7 million or 3.7%. The largest increases were attributable to IncludED expenses of $1.6 million, $683 thousand in professional services and fees, $678 thousand in apprentice contract expenses, $588 thousand in building repair and rehabilitation costs and $415 thousand in media advertising.

DEPRECIATION

Depreciation expense increased by $33 thousand or 0.1% in 2018.

Nonoperating Revenues and Expenses

This category consists of State and Federal appropriations, investment income, interest on capital asset-related debt, governmental grants and contracts, gains (losses) on sale and disposal of capital assets, gifts and student government support.

Gains (losses) on sale and disposal of capital assets has been reclassified from other revenues, expenses, gains or losses to nonoperating revenues and expenses for financial statement presentation purposes. For FY18, the amount was a loss of ($628,779), loss of ($46,681) for FY17, and loss of ($3,431,826) for FY16.

Nonoperating revenues increased by $11.4 million or 2.8% in 2018 compared to a decrease of $15.6 million or 3.7% in 2017 and a $27.3 million or 6.1% decrease in 2016. The major factor for the increase was a $13.2 million increase in State appropriations and $1.5 million increase in State grants, which is offset by a decrease in Federal grants and contracts.

In fiscal year 2017-18, Federal grants and contracts totaled $114.0 million, a reduction of $4.2 million or 3.5% from the previous year. State aid awards increased by $1.5 million or 5.2% from the previous year. The reduction in Federal awards was due to the decline in enrollment and a reduction of degree-seeking students receiving financial aid. The increase in State aid awards was driven by the new workforce ready grant and higher O'Bannon grants tied to an eligibility change.

Investment income increased by $270 thousand or 9.3%. This increase can be attributed to market conditions.

Gift revenues increased $775 thousand or 156.6% due to the establishment of gift funds in fiscal year 2017-18 to better account for revenues and expenses that were previously accounted for in the operating fund or within non-governmental grants and contracts.

Nonoperating expenses increased $291 thousand or 2.7% during fiscal year 2018. This is primarily due to an increase in losses from sale and disposal of capital assets offset by a reduction of interest expense on capital asset related debt.

OTHER REVENUES, EXPENSES, GAINS, OR LOSSES

Total other revenues, expenses, gains, or losses consist of capital gifts, grants, and capital appropriations. In total, this category increased by $1.9 million in 2018.

In fiscal year 2018, capital appropriations increased by $3.3 million due to the $3.0 million cash appropriation for Fort Wayne's Harshman Hall. Capital gifts and grants decreased by $1.4 million or 22.3% primarily due to a decrease in donated capital assets to the College compared to 2016-2017.

Statement of Cash Flows

Another way to assess the financial condition of an institution is to look at the Statement of Cash Flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows also helps users evaluate:

- an entity's ability to generate future net cash flows
- its ability to meet its obligations as they come due
- its need for external financing

Condensed Statement of Cash Flows

Year Ended June 30	2018	2017	2016
Cash provided (used) by:			
Operating activities	($319,817,167)	($324,932,972)	($335,879,702)
Noncapital financing activities	409,944,726	401,040,507	418,254,709
Capital and related financing activities	(42,548,906)	(49,540,851)	(56,780,645)
Investing activities	3,583,201	(29,476,956)	(38,963,517)
Net increase (decrease) in cash	**51,161,854**	**(2,910,272)**	**(13,369,155)**
Cash and cash equivalents, beginning of the year	68,448,794	71,359,066	84,728,221
Cash and cash equivalents, end of the year	**$119,610,648**	**$68,448,794**	**$71,359,066**

For the College's financial statement purposes, cash and cash equivalents are comprised of cash (in banks and on hand) and investments with maturity dates of 0-90 days at date of purchase as of June 30, 2018. Cash and cash equivalents increased $51.2 million or 74.7% this fiscal year. The changes resulted from investment decisions based on market opportunities throughout the year.

Cash used for operating activities decreased by $5.1 million or 1.6% in 2018 compared to a decrease of $10.9 million in 2017 and a $48.8 million decrease from 2015 to 2016. The decrease in payments to and on behalf of employees and payments to students accounted for the decrease in operating outflows in 2018.

Cash provided from noncapital financing activities increased by $8.9 million or 2.2% in 2018 compared to a decrease of $17.2 million in 2017 and a $22.9 million decrease in 2016. The largest increase in cash was from State appropriations.

Cash used for capital and related financing activities decreased by $7.0 million or 14.1% compared to a decrease of $7.2 million in 2017 and a $17.8 million increase from 2015 to 2016. The largest decrease in the use of cash in 2018 was for the purchase of capital assets.

Cash used for investing activities decreased by $33.1 million in 2018 compared to a decrease of $9.5 million in 2017 and a $53.3 million increase in cash used from 2015 to 2016. The decrease was due to holding a higher cash balance in response to market opportunities.

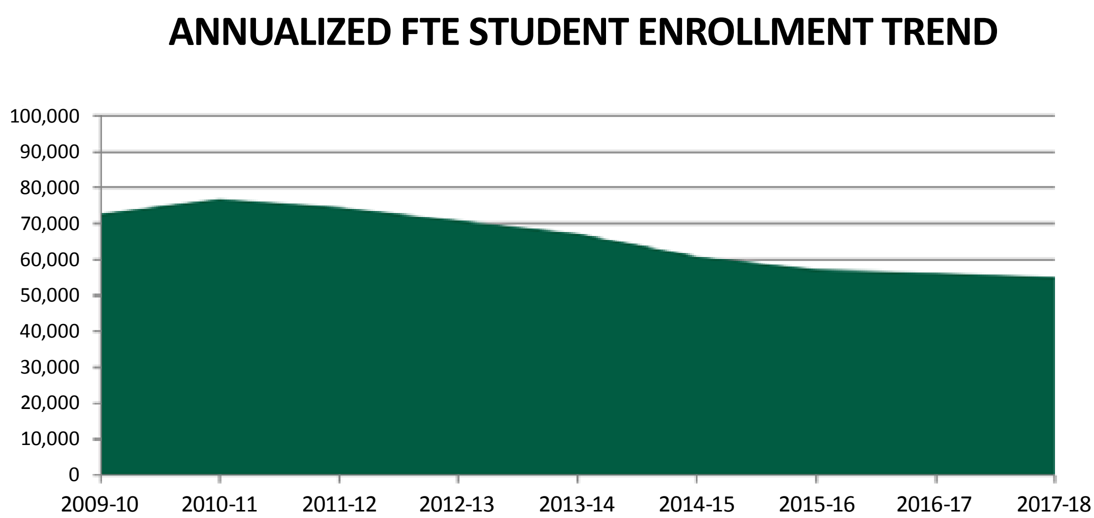
According to the authoritative guidance from the GASB, State appropriations and Federal and State financial aid proceeds are to be shown as a non-capital financing activity and not as cash provided by operating activities. This resulted in showing more cash being used for operating activities than cash being provided.

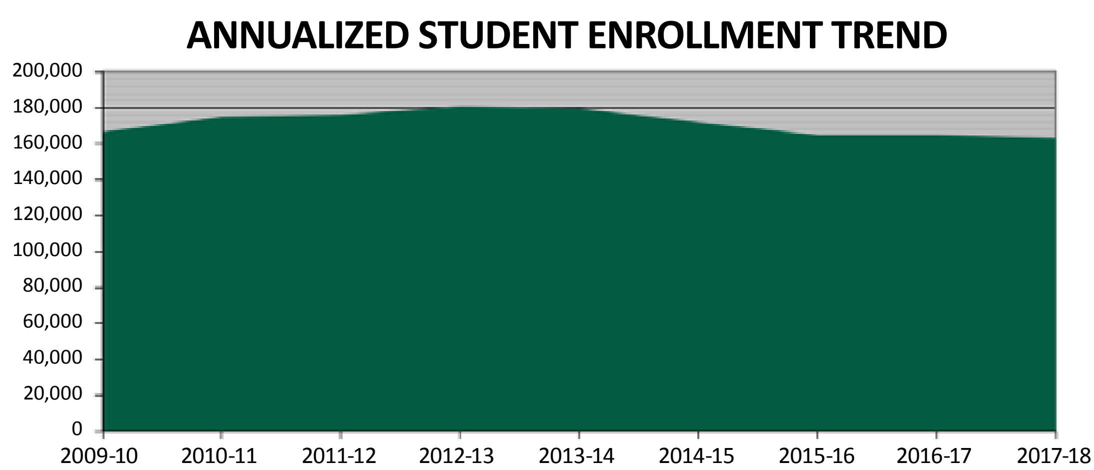
Factors Impacting Future Periods

Ivy Tech continues to maintain financial strength and is well positioned to continue to serve the educational and training needs of Hoosiers. Net position continues to grow and the College consistently operates with a positive operating margin. Key financial ratios are strong as evidenced by the Higher Learning Commission's financial ratios. Both Standard and Poor's and Fitch Ratings maintain an 'AA' with a stable outlook bond rating for the College's long-term debt.

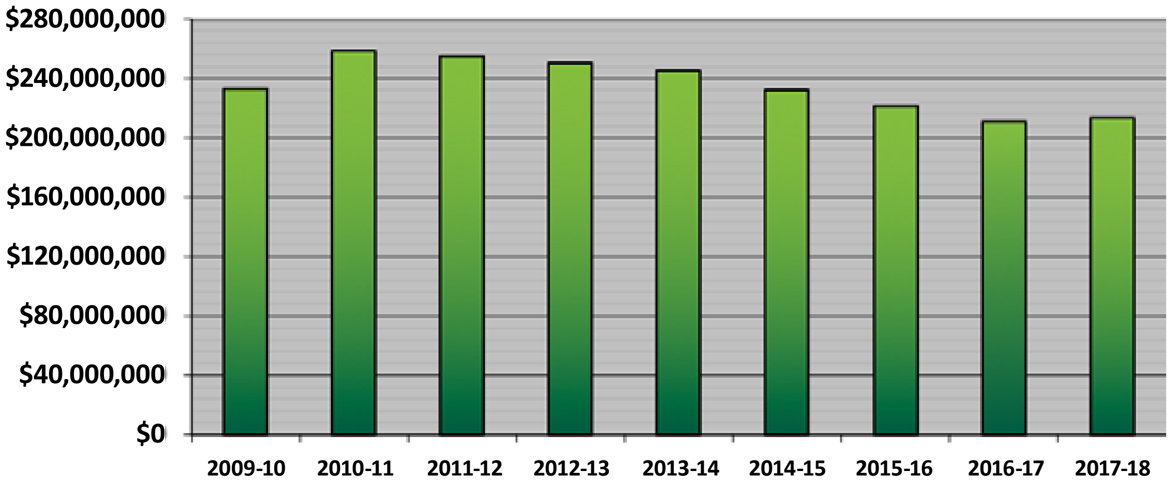
State of Indiana general fund revenues increased 1.9% compared to the prior year. The state's largest source of revenue – sales and use taxes – grew 2.3% compared to fiscal year 2017, and individual income tax revenue increased 7.2%. The State ended fiscal year 2018 with reserves totaling $1.785 billion and a $100.4 million operating surplus. The most recent economic and revenue forecast (December 2017) projects revenue growth of 3.6% in fiscal year 2019. The most recent projection from the Indiana State Budget Agency projects a $24.6 million operating surplus for the State of Indiana in 2018-19 and combined balances of $1.9 billion. Similar to 2017-18, during fiscal year 2018-19, the College has targeted a significant portion of increased tuition revenues and state operating funds toward improving student outcomes; recruitment and retention, enhancing workforce alignment and increasing the number of credentials and degrees awarded. The College continues to post strong results under Indiana's performance funding formula which is used to allocate operating funds to the state's public universities and colleges. Based on this formula, the College's state operating appropriation is set to increase 1.73% in 2018-19.

Enrollment at Ivy Tech declined in 2017-18, reflecting a continuation of the modest declines for the College in prior years, and consistent with national trends for community colleges. Historical annual unduplicated headcount and FTE are reflected in the following charts.





GROSS STUDENT FEE REVENUE



Authorized Facilities

In the 2017 General Assembly, the College received a capital bonding allocation of $78.9 million and cash appropriations of $3.0 million for capital renovations. Projects receiving bonding include Kokomo $40.2 million and Muncie $38.7 million. In addition, the College received a cash appropriation of $3.0 million for Fort Wayne Harshman Hall. Prior to proceeding with any of these projects, the College received authorization from the Commission for Higher Education, the State Budget Committee, and the Governor. Construction on the Muncie and Kokomo projects began in late spring of 2018. Tax exempt fee replacement bonds will be issued in July 2018 for the total $78.9 million pursuant to authority granted in HEA 1001-2017.

Ivy Tech Community College of Indiana
Statement of Net Position

June 30, 2018 With Comparative Figures at June 30, 2017

	2018	Restated 2017
ASSETS		
Current assets		
Cash and cash equivalents	$119,610,648	$68,448,794
Cash with fiscal agent	48,803,255	27,060,200
Short-term investments	46,504,334	72,449,934
Accounts receivable	29,873,759	30,922,782
Allowance for doubtful accounts	(4,572,889)	(5,067,825)
Inventories	15,948	16,318
Prepaid expenses	546,326	928,235
Total current assets	**240,781,381**	**194,758,438**
Noncurrent assets		
Long-term investments	284,658,217	258,752,014
Capital assets, net	596,358,745	610,269,702
Total noncurrent assets	**881,016,962**	**869,021,716**
TOTAL ASSETS	**1,121,798,343**	**1,063,780,154**
Deferred outflows of resources		
Deferred outflows related to pension	4,977,771	7,856,302
Total deferred outflows of resources	**4,977,771**	**7,856,302**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	31,673,218	26,248,504
Compensated absences	9,946,569	9,844,283
Deposits held in custody for others	4,562,575	6,405,729
Unearned revenue	12,377,122	11,875,223
Current portion of debt obligation	48,766,529	28,224,568
Total current liabilities	**107,326,013**	**82,598,307**
Noncurrent liabilities		
Compensated absences	5,246,693	6,817,785
Long-term debt and other obligations	230,317,103	256,153,126
Other postemployment benefits – Note XIII	43,178,310	43,136,472
Net pension liability	16,525,557	19,997,294
Total noncurrent liabilities	**295,267,663**	**326,104,677**
TOTAL LIABILITIES	**402,593,676**	**408,702,984**
Deferred inflows of resources		
Deferred inflows related to pension	3,866,957	4,371,158
Deferred inflows related to OPEB – Note XIII	3,342,928	2,088,028
Total deferred inflows of resources	**7,209,885**	**6,459,186**
NET POSITION		
Net investment in capital assets	329,464,818	316,907,188
Restricted for: Capital projects	11,793,225	7,521,210
Restricted for: Endowment	63,779	63,778
Unrestricted – Note XIII	375,650,731	331,982,110
TOTAL NET POSITION	**$716,972,553**	**$656,474,286**

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

Ivy Tech Foundation, Inc.
Consolidated Statements of Financial Position
June 30, 2018 and 2017

	2018	2017
ASSETS		
Cash and equivalents	$5,272,783	$6,520,756
Investments	17,648,071	16,721,652
Pledges receivable	11,952,799	9,404,543
Prepaid expenses and other assets	401,500	970,614
Property and equipment, net	49,235,459	52,947,283
Receivable from related party	162,051	1,167,801
Net investment in direct financing lease with related party	5,461,870	5,881,644
Note receivable from bank	23,510,509	23,510,509
Beneficial interest in trusts	236,289	209,880
Assets restricted for permanent endowment	32,679,088	31,513,630
TOTAL ASSETS	$146,560,419	$148,848,312
LIABILITIES		
Accounts payable and accrued expenses	$1,079,152	$1,175,195
Accounts payable— related party	611,834	1,200,780
Line of credit borrowings	1,664,255	2,712,407
Interest rate swap liability	161,356	248,195
Notes payable and capital lease obligation, net	46,054,476	47,108,516
Other liabilities	363,378	369,794
TOTAL LIABILITIES	**49,934,451**	**52,814,887**
NET ASSETS		
Unrestricted	8,928,349	7,984,330
Restricted:		
Temporarily restricted	55,018,531	56,535,465
Permanently restricted	32,679,088	31,513,630
Total restricted	87,697,619	88,049,095
TOTAL NET ASSETS	**96,625,968**	**96,033,425**
TOTAL LIABILITIES AND NET ASSETS	$146,560,419	$148,848,312

See accompanying notes

Ivy Tech Community College of Indiana
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2018 With Comparative Figures at June 30, 2017

	2018	Restated 2017
REVENUES		
Operating Revenues		
Student tuition and fees	$213,137,495	$210,876,978
Scholarship allowances	(82,730,668)	(80,319,394)
Net student tuition and fees	130,406,827	130,557,584
Federal grants and contracts	3,180,299	2,756,738
State and local grants and contracts	13,327,296	13,532,770
Nongovernmental grants and contracts	3,538,997	5,908,380
Sales and services of educational departments	2,091,529	1,970,774
Auxiliary enterprises	5,105,247	5,824,883
Other operating revenues	8,439,974	5,316,328
TOTAL OPERATING REVENUES	**166,090,169**	**165,867,457**
EXPENSES		
Operating Expenses		
Salaries and wages	236,285,222	238,665,227
Benefits	72,632,911	77,430,881
Scholarships and fellowships	66,709,610	71,364,259
Utilities	11,659,827	11,378,956
Supplies and other services	103,602,337	99,912,711
Depreciation and amortization	32,662,272	32,629,615
Amortization of deferred loss on refunding	-	217,000
TOTAL OPERATING EXPENSES	**523,552,179**	**531,598,649**
Operating income (loss)	(357,462,010)	(365,731,192)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	267,570,136	254,383,944
Federal appropriations	1,083,804	1,189,496
Investment income	3,179,694	2,909,708
Interest on capital asset-related debt	(9,828,754)	(10,146,503)
Governmental grants and contracts – federal	114,004,836	118,182,006
Governmental grants and contracts – state	29,914,888	28,442,329
Gain (loss) on sale and disposal of capital assets	(680,937)	(46,681)
Gifts	1,270,649	495,265
Student government support	(628,779)	(654,105)
NET NONOPERATING REVENUES	**405,885,537**	**394,755,459**
Income (loss) before other revenues, expenses, gains, or losses	48,423,527	29,024,267
Capital gifts and grants	4,756,088	6,118,013
Capital appropriations	7,318,652	4,047,198
Total other revenues and gains	**12,074,740**	**10,165,211**
INCREASE IN NET POSITION	**60,498,267**	**39,189,478**
Net position—beginning of year	656,474,286	636,994,535
Net Position—end of year before change in accounting standard	**-**	**676,184,013**
Prior period adjustment to net position change in accounting standard – Note XIII	-	(19,709,727)
Adjusted net position—end of year	**$716,972,553**	**$656,474,286**

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

Ivy Tech Foundation, Inc.
Consolidated Statements of Activities
Years Ended June 30, 2018 and 2017

	2018			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE, GAINS AND SUPPORT				
Contributions:				
Cash and pledges	$806,240	$4,731,300	$839,379	$6,376,919
College assistance for property	500,000	923,332	-	1,423,332
Non-cash	-	800,772	-	800,772
Grant revenue	-	4,767,906	-	4,767,906
Total contributions	1,306,240	11,223,310	839,379	13,368,929
In-kind contributed operational services	3,485,087	-	-	3,485,087
Investment income	1,335,411	2,081,956	32,554	3,449,921
Vending and royalty income	663,502	1,906	-	665,408
Special events income (loss), net of expenses of $444,785 in 2018 and $628,188 in 2017	(8,733)	368,593	110,250	470,110
Real estate rental income	2,193,180	-	-	2,193,180
Gain (loss) on sale of property and equipment	-	314,583	-	314,583
Uncollectible pledges	(1,231)	(45,975)	-	(47,206)
Miscellaneous revenue	29,192	20,462	-	49,654
	9,002,648	13,964,835	982,183	23,949,666
Net assets released from restrictions	15,298,494	(15,298,494)	-	-
Reclassification of donor intent	-	(183,275)	183,275	-
Total Revenue, Gains and Support	**24,301,142**	**(1,516,934)**	**1,165,458**	**23,949,666**
EXPENSES				
Financial aid to students	3,888,522	-	-	3,888,522
Building improvements, supplies and equipment	5,509,535	-	-	5,509,535
Faculty and staff development	137,753	-	-	137,753
Special programs	1,682,169	-	-	1,682,169
Community outreach/promotional expense	1,145,699	-	-	1,145,699
Donations to Ivy Tech Community College	291,973	-	-	291,973
Donated property to Ivy Tech Community College	-	-	-	-
In-kind expense	1,009,389	-	-	1,009,389
Real estate rental expenses	4,964,830	-	-	4,964,830
Other program expenses	51,687	-	-	51,687
Total College Assistance Program expenses	18,681,557	-	-	18,681,557
Administrative expenses	1,873,120	-	-	1,873,120
Fundraising expenses	2,889,285	-	-	2,889,285
Total Expenses	**23,443,962**	**-**	**-**	**23,443,962**
INCREASE (DECREASE) IN NET ASSETS BEFORE GAIN ON INTEREST RATE SWAPS	857,180	(1,516,934)	1,165,458	505,704
Gain on interest rate swaps	86,839	-	-	86,839
INCREASE (DECREASE) IN NET ASSETS	**944,019**	**(1,516,934)**	**1,165,458**	**592,543**
NET ASSETS				
Beginning of Year	7,984,330	56,535,465	31,513,630	96,033,425
End of Year	$8,928,349	$55,018,531	$32,679,088	$96,625,968

See accompanying notes

	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE, GAINS AND SUPPORT				
Contributions:				
Cash and pledges	$1,145,450	$3,153,194	$720,843	$5,019,487
College assistance for property	-	-	-	-
Non-cash	-	3,085,787	-	3,085,787
Grant revenue	-	1,209,982	-	1,209,982
Total contributions	1,145,450	7,448,963	720,843	9,315,256
In-kind contributed operational services	3,472,593	-	-	3,472,593
Investment income (loss)	1,795,760	3,226,987	67,616	5,090,363
Vending and royalty income	687,308	-	-	687,308
Special events income, net of expenses of $444,785 in 2018 and $628,188 in 2017	61,924	401,404	6,038	469,366
Real estate rental income	2,550,091	-	-	2,550,091
Gain (loss) on sale of property and equipment	(25,043)	-	-	(25,043)
Uncollectible pledges	-	(77,216)	(7,650)	(84,866)
Miscellaneous revenue	548	36,559	-	37,107
	9,688,631	11,036,697	786,847	21,512,175
Net assets released from restrictions	19,927,443	(19,927,443)	-	-
Reclassification of donor intent	-	873,806	(873,806)	-
Total Revenue, Gains and Support	**29,616,074**	**(8,016,940)**	**(86,959)**	**21,512,175**
EXPENSES				
Financial aid to students	4,108,634	-	-	4,108,634
Building improvements, supplies and equipment	3,632,758	-	-	3,632,758
Faculty and staff development	103,887	-	-	103,887
Special programs	2,620,699	-	-	2,620,699
Community outreach/promotional expense	1,071,100	-	-	1,071,100
Donations to Ivy Tech Community College	287,586	-	-	287,586
Donated property to Ivy Tech Community College	8,210,137	-	-	8,210,137
In-kind expenses	1,985,167	-	-	1,985,167
Real estate rental expenses	5,446,128	-	-	5,446,128
Other program expenses	64,970	-	-	64,970
Total College Assistance Program expenses	27,531,066	-	-	27,531,066
Administrative expenses	1,435,143	-	-	1,435,143
Fundraising expenses	3,166,201	-	-	3,166,201
Total Expenses	**32,132,410**	**-**	**-**	**32,132,410**
INCREASE (DECREASE) IN NET ASSETS BEFORE GAIN ON INTEREST RATE SWAPS	(2,516,336)	(8,016,940)	(86,959)	(10,620,235)
Gain on interest rate swaps	147,233	-	-	147,233
INCREASE (DECREASE) IN NET ASSETS	**(2,369,103)**	**(8,016,940)**	**(86,959)**	**(10,473,002)**
NET ASSETS				
Beginning of Year	10,353,433	64,552,405	31,600,589	106,506,427
End of Year	**$7,984,330**	**$56,535,465**	**$31,513,630**	**$96,033,425**

See accompanying notes

Ivy Tech Community College of Indiana
Statement of Cash Flows
For the Year Ended June 30, 2018 With Comparative Figures at June 30, 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and fees	$132,187,567	$133,513,038
Gifts, grants and contracts	18,777,751	27,681,463
Auxiliary enterprises	4,999,328	5,687,096
Sales and services of educational departments	2,091,529	1,970,774
Payments to suppliers	(116,185,456)	(112,902,962)
Payments to or on behalf of employees	(303,418,250)	(314,834,450)
Payments to students	(66,709,610)	(71,364,259)
Other receipts (payments)	8,439,974	5,316,328
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**(319,817,167)**	**(324,932,972)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal and state scholarships & grants	143,919,724	146,624,335
State appropriations	267,570,136	254,383,944
Receipts from direct federal loan proceeds	64,907,484	80,822,027
Payments from direct federal loan proceeds to students/financial institutions	(66,928,832)	(80,698,390)
Gifts	1,104,993	495,265
Other nonoperating receipts (payments)	(628,779)	(586,674)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	**409,944,726**	**401,040,507**
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital/federal appropriations	8,402,457	5,236,694
Capital grants/gifts	4,437,059	4,861,997
Deposit with trustee	417,816	228,297
Deferred outflows - loss on refunding	-	-
Proceeds from issuance of capital debt	24,534,837	-
Purchase of capital assets	(19,595,886)	(22,187,912)
Proceeds from sale of capital assets	482,662	-
Principal paid on capital-related debt	(49,789,314)	(25,999,053)
Interest paid on capital-related debt	(11,438,537)	(11,680,874)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	**(42,548,906)**	**(49,540,851)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of investments	-	(35,000,000)
Proceeds from sales and maturities of investments	39,397	2,606,445
Income on investments	3,543,804	2,916,599
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	**3,583,201**	**(29,476,956)**
Net increase (decrease) in cash	51,161,854	(2,910,272)
Cash and cash equivalents–beginning of year	68,448,794	71,359,066
Cash and cash equivalents–end of year	**$119,610,648**	**$68,448,794**

RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	2018	2017
Net Operating Income (Loss)	(357,462,010)	(365,731,192)
Adjustments to reconcile net operating expenses to cash used by operating activities:		
Depreciation	32,662,272	32,629,615
Amortization	-	-
Deferred ouflow – amortization of the loss on refunding	-	217,000
Deferred outflow – pension	2,878,531	721,746
Deferred inflow – pension	750,699	(157,934)
Allowance for doubtful accounts	494,936	2,471,507
CHANGES IN ASSETS AND LIABILITIES:		
Accounts receivable	(542,948)	5,396,231
Cash with fiscal agent	(92,418)	(124,891)
Prepaid expense	381,909	(20,742)
Inventories	370	15,333
Accounts payable and accrued liabilities	5,550,136	(415,110)
Net pension liability	(3,471,737)	(672,684)
Compensated absences	(1,468,806)	389,591
Unearned revenue	501,899	348,558
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	($319,817,167)	($324,932,972)
SIGNIFICANT NONCASH TRANSACTIONS		
Donated assets	75,864	1,256,017
Unrealized gain/(loss) on investments	(2,956,561)	(1,404,763)

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

Ivy Tech Foundation, Inc.
Consolidated Statements of Cash Flows
Years Ended June 30, 2018 and 2017

	2018	2017
OPERATING ACTIVITIES		
Increase (decrease) in net assets	$592,543	$(10,473,002)
Adjustments to reconcile increase (decrease) in net assets to net cash used by operating activities:		
Depreciation of property and equipment	3,084,229	3,350,303
Amortization of debt issuance costs	19,624	63,999
Gain (loss) on sales of property and equipment	(314,583)	25,043
Net realized and unrealized gains on investments	(1,822,722)	(3,577,829)
In-kind contribution of property	-	(1,060,000)
Contribution of property to Ivy Tech Community College	-	8,210,137
Gain on interest rate swap	(86,839)	(147,233)
Increase in value of beneficial interest in trusts	(58,963)	(92,174)
(Increase) decrease in certain operating assets:		
Pledges receivable	(2,548,256)	2,121,199
Prepaid expenses and other assets	569,114	(165,331)
Receivable from related party	1,005,750	3,222,353
Increase (decrease) in certain operating liabilities:		
Accounts payable and accrued expenses	(96,043)	150,772
Accounts payable—related party	(588,946)	(1,985,605)
Contributions restricted for long-term purposes	(982,183)	(786,847)
Net cash used by operating activities	**(1,227,275)**	**(1,144,215)**
INVESTING ACTIVITIES		
Proceeds from note receivable from related party	-	33,000
Proceeds from sales of property and equipment	942,178	5,022,750
Proceeds from direct financing lease with related party	419,774	152,513
Purchases of investments	(7,103,282)	(6,412,445)
Sales and maturities of investments	7,054,067	8,723,342
Net cash provided by investing activities	**1,312,737**	**7,519,160**
FINANCING ACTIVITIES		
Net borrowings (repayments) on lines of credit	(1,048,152)	257,439
Payments on notes payable	(778,991)	(9,325,062)
Payments on capital lease obligations	(294,673)	(281,266)
Net change in other liabilities	(6,416)	(12,772)
Proceeds from contributions restricted for long-term purposes:		
Investment in permanently restricted endowment	794,797	778,458
Net cash used by financing activities	**(1,333,435)**	**(8,583,203)**
NET DECREASE IN CASH AND EQUIVALENTS	**(1,247,973)**	**(2,208,258)**
CASH AND EQUIVALENTS		
Beginning of Year	6,520,756	8,729,014
End of Year	$5,272,783	$6,520,756

See accompanying notes

IVY TECH FOUNDATION, INC. CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED) YEARS ENDED JUNE 30, 2018 AND 2017		
SUPPLEMENTAL DISCLOSURES	**2018**	**2017**
Interest paid	$1,064,260	$ 1,104,032
Noncash investing and financing activities:		
In-kind contribution of property	-	1,060,000
Contribution of property to Ivy Tech Community College	-	8,210,137
Receivable from related party related to property sale	-	972,750

See accompanying notes

IVY TECH COMMUNITY COLLEGE OF INDIANA NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

I. Summary of Significant Accounting Policies

A. GENERAL INFORMATION

Ivy Tech Community College of Indiana (Ivy Tech) serves the people of Indiana through accessible and affordable world-class education and adaptive learning. The College empowers students to achieve their career and transfer aspirations. Ivy Tech embraces the vision of economic transformation inspired by the education and earnings attainment of Indiana's citizens, the vitality of the workforce, and the prosperity of Indiana's unique and diverse communities. The Indiana General Assembly through IC 20-12-61-2 established Ivy Tech in 1963. In 2005 the General Assembly adopted Senate Bill 296 which broadened the institution's mission to include serving as the state's community college system. Ivy Tech's official name changed to "Ivy Tech Community College of Indiana." Ivy Tech is governed by a board of trustees, composed of 15 members, appointed by the governor. According to Indiana law, each Trustee must have knowledge or experience in one or more of the following areas: manufacturing, commerce, labor, agriculture, state and regional economic development needs, and/or Indiana's educational delivery system. Appointments are made for three year terms on a staggered basis. Ivy Tech has 19 campuses and 25 educational sites located across the State of Indiana. The President's office and other statewide administrative offices are located in Indianapolis, Indiana.

Ivy Tech Foundation (the Foundation) was incorporated on June 9, 1969, under The Indiana Foundations and Holding Companies Act of 1921 as a corporation organized exclusively for charitable, educational and scientific purposes. The Foundation, whose principal activity is to promote educational, scientific and charitable purposes in connection with or at the request of Ivy Tech Community College (the College), commenced its financial activities with the receipt of various unrestricted contributions in October 1970 and recorded $18.7 million of expenditures assisting the College during fiscal year 2017-18. The Foundation currently operates under the Indiana Nonprofit Corporations Law of 1971 as amended, which is codified as IC 23-17. As required by the GASB Statement No. 39 *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61 *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, the audited financial statements of the Foundation are discretely presented with the College's financial statements. The Foundation's fiscal year reporting period is from July 1 through June 30. Further information regarding the Foundation may be obtained at Ivy Tech Foundation; 50 West Fall Creek Parkway Drive North, Indianapolis, IN 46208-5752 or http://ivytech.edu/giving.

With the implementation of GASB Statement No. 35 *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*, Ivy Tech is considered a special purpose government. The College has elected to report as a business type activity using proprietary fund accounting and financial reporting model. The College is considered to be a component unit of the State of Indiana.

As such, there is a close relationship between the College and the State of Indiana. The College receives appropriations, program approvals and grants from the State.

The financial statements have been prepared to incorporate all fund groups utilized internally by Ivy Tech. These statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB Statements No. 34 and 35. These Statements require the College to report revenues net of discounts and allowances. The following components of the College's financial statements are also required by GASB Statements No. 34 and 35:

- Management's Discussion and Analysis
- Basic financial statements including a Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows for the College as a whole
- Notes to the financial statements

There were new GASB statements that were effective for the fiscal year 2017-18. The new standards were reviewed and required changes were incorporated. Specifically GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* was implemented. The implementation of GASB Statement No. 75 required recognition of the entire OPEB liability, a more comprehensive measure of OPEB expense, and deferred outflows or inflows.

B. BASIS OF ACCOUNTING, MEASUREMENT FOCUS, AND FINANCIAL STATEMENT PRESENTATION

The College's financial statements have been prepared in accordance with generally accepted accounting principles accepted in the United States of America, as prescribed by the GASB. The College follows all applicable GASB pronouncements. The College's 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 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. Eliminations have been made to prevent the double counting of internal activities.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The College utilizes the accounting standard of the establishment of an allowance for doubtful accounts in the Statement of Net Position to reflect receivables that are likely to be uncollectible.

C. OPERATING AND NONOPERATING REVENUES AND EXPENSES

Operating revenues are generated by the primary activities of the College and consist of tuition and fees, non-financial aid grants and contracts, sales and services of educational activities and bookstore commission revenues. Transactions related to financial aid grants, capital and related financing activities, non-capital financing activities, investing activities, State appropriations and gifts are components of nonoperating income. Operating expenses are incurred in carrying out the College's day-to-day activities, and consist of salaries and wages, fringe benefits, scholarships and fellowships, utilities, supplies and other services, depreciation, and the amortization of deferred loss on refunding. Nonoperating expenses consist of interest on capital asset related debt and student government support.

D. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of cash (in banks and on hand) and investments with maturity dates of 0-90 days at date of purchase as of June 30, 2018.

E. INVESTMENTS

Investments are valued at fair value using the 3 levels of measuring fair value in accordance with the GASB Statement No. 72.

F. PREPAID EXPENSES

Prepaid expenses are payments made in the current or a previous fiscal year, which the College has not realized the full value of through fiscal year 2017-18.

G. INVENTORIES

Inventories are valued at cost.

H. DEFERRED OUTFLOWS OF RESOURCES

A deferred outflow of resources is a consumption of net position by the College that is applicable to a future reporting period and is reported in a separate section in the Statement of Net Position. Recognition of deferred outflows of resources is limited to those instances identified by the GASB in authoritative pronouncements. The deferred outflow of resources consists of resources related to the College's defined benefit pension plan and if applicable, the College's other postemployment benefits plan.

I. COMPENSATED ABSENCES

Liabilities for compensated absences are recorded for eligible employees' vacation time and for employees meeting eligibility criteria, sick leave as of June 30, 2018. Accrued time for vacation and sick leave vests to a maximum and is equal to the amount accrued during the preceding 18 months. Unused vacation time is paid out upon termination regardless of age or years of service. The sick leave maximum is equal to 1,056 hours. Unused sick leave is paid out upon retirement only if the employee's age is a least fifty-five years and their age plus years of service equal seventy-five or more. Employees eligible for this benefit are paid at a rate of one-half the accumulated time up to an accumulated maximum of 100 days.

J. NET PENSION LIABILITY AND RELATED ITEMS

The College participates in the State of Indiana's Public Employee Retirement Fund (PERF) for full-time support employees hired prior to July 1, 2014. Net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense are reported based on the College's allocation provided by PERF and reported in conformance with GASB Statement No. 68.

K. OTHER POSTEMPLOYMENT LIABILITY AND RELATED ITEMS

The College has a regular other postemployment benefits plan and a 75 plan available to eligible retirees. Other postemployment benefits liability, deferred inflows of resources related to OPEB, and OPEB expense are reported based on an actuarial report for the College's plan and reported in conformance with GASB Statement No. 75.

L. DEFERRED INFLOW OF RESOURCES

A deferred inflow of resources is the acquisition of net position by the College that is applicable to a future reporting period and is reported in a separate section in the Statement of Net Position. Recognition of deferred inflows of resources is limited to those instances identified by the GASB in authoritative pronouncements. The deferred inflow of resources consists of resources related to the College's defined benefit pension and other postemployment benefits plans.

M. CAPITAL ASSETS ACCOUNTING POLICY DISCLOSURE

The College's capitalization threshold is defined as any non-expendable item, or group of items making up one unit, with a useful life of more than one year, and a unit acquisition cost of $3,000 or more. Library books costing $35 or more are generally capitalized as a group, with the detail maintained and updated periodically as new acquisitions are made or other items are removed.

College capital equipment and facilities are depreciated on a straight line basis dividing the cost of the asset by the appropriate useful life. Building improvements are depreciated over the remaining life of the facilities to which they pertain. Leasehold improvements are depreciated over the remaining life of the asset for capital leases and over the remaining life of the lease for operating leases.

Land improvements	10 years
Buildings	40 years
Building improvements	Remaining life of the building
Furniture, fixtures, and equipment	3-8 years
Library books and materials	5 years

Ivy Tech has a minimal amount of infrastructure assets that are components of buildings or land improvements and are depreciated accordingly.

If both restricted and unrestricted resources are to be expended for the same purpose or project, the determination of the portion of the expenses paid from the restricted sources are made on a case-by-case basis.

II. Accrual of Loss Contingency

The College has been named a party in unasserted claims, assessments, and litigation. College management has reviewed these actions to determine if one (1) it is probable that as of the date of the financial statements, an asset has been impaired or a liability incurred, based on subsequent available information prior to the issuance of the financial statements, and two (2) the amount of the loss can be reasonably estimated.

No accrual of loss contingency has been established, as in the opinion of management, the above conditions do not exist in a material amount.

The College has one (1) active matter in litigation in County Superior Court. The College also has one (1) matter with the Equal Employment Opportunity Commission.

In the opinion of management, an unfavorable outcome in these matters will not have a material adverse effect on the balance sheet of the institution. Management is currently unable to assess the probability of an unfavorable outcome.

III. Lease Obligations

The College has entered into certain leases for facilities, office furniture and equipment, vehicles, and computing equipment. Many of these leases require payments in excess of one year from the date of initiation. In addition to other capital leases, the College has multiple lease obligations with Ivy Tech Foundation, Inc., meeting the requirements necessary to be recognized as capital leases and are reflected in the College's Statement of Net Position. The cost of facilities and equipment held under capital leases totaled $43,800,378 and $48,335,720 as of June 30, 2018 and 2017, respectively. Accumulated amortization of leased facilities and equipment totaled $8,398,296 and $7,965,696 at June 30, 2018 and 2017, respectively.

Scheduled lease payments for the years ending June 30 are as follows:

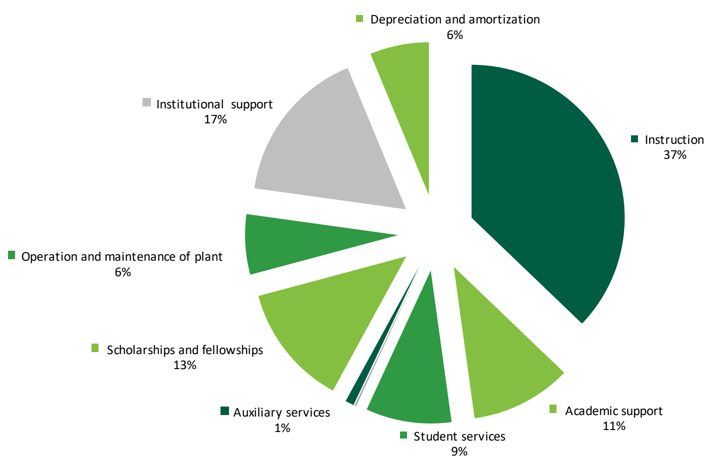
	Capital	Operating
2019	$4,041,191	$2,421,927
2020	4,041,926	2,139,274
2021	3,898,357	1,151,204
2022	3,152,263	509,108
2023	3,039,157	390,187
2024-2028	7,363,839	518,175
2029-2033	5,249,926	30,000
2034-2038	847,144	30,000
2039-2043	749,700	30,000
2044-2047	512,295	19,000
Total future minimum payments	32,895,798	7,238,875
Less: Interest	(5,683,014)	
Total Principal payments outstanding	**$27,212,784**	

IV. Operating Expenses

The operating expenses are presented on the financial statements using natural classifications: salaries and wages, benefits, scholarships and fellowships, utilities, supplies and other services, and depreciation and amortization. The following schedule shows expenses based on the College's functional categories.

Expenses by Function	Salaries & wages	Benefits	Scholar-ships	Utilities	Supplies & other services	Depreciation & amortization	2018 TOTAL	2017 TOTAL
Academic support	$33,167,774	$11,460,607	$210,075	$1,822	$10,922,400		$55,762,678	$55,947,382
Auxiliary services	321,627	87,970		322,190	4,067,583		4,799,370	4,823,754
Depreciation						$32,662,272	32,662,272	32,846,615
Institutional support	42,448,083	11,421,612		128,248	32,726,955		86,724,898	89,735,579
Instruction	127,127,489	37,014,452		191,762	30,276,301		194,610,004	196,353,368
Operations & maintenance of plant	7,706,837	2,897,698		11,015,805	11,716,640		33,336,980	33,691,469
Public services	391,621	104,088			369,368		865,077	936,891
Scholarships & fellowships	833,804	57,086	66,464,012		61,896		67,416,798	72,454,059
Student services	24,287,987	9,589,398	35,523		13,461,194		47,374,102	44,809,531
Total	**$236,285,222**	**$72,632,911**	**$66,709,610**	**$11,659,827**	**$103,602,337**	**$32,662,272**	**$523,552,179**	**$531,598,649**

2018 FUNCTIONAL EXPENSES



As a percentage of total expenses, student services increased 1% while scholarships and fellowships decreased 1%. All other functional expenses did not change from the prior year. In fiscal year 2017, academic support increased 2%, instruction increased 1% while operation and maintenance of plant decreased 2% and scholarships and fellowships decreased 1%. All other functional expense categories did not change from the prior year.

V. Natural Gas Procurement

Ivy Tech has entered into contracts to centralize the purchasing of natural gas through fixed and variable rate contracts. The contract period is October 1, 2016 through September 30, 2018. This allows the College to generate cost savings by protecting against increases in the market price of natural gas. In the event the College uses a higher volume than stated in the contract, market price is paid for the amount of the increase. If the quantity used is less than the amount stated in the contract, the remaining volume is sold.

VI. Investments

Indiana Code Title 21, Article 21, Chapter 3, Section .3 provides authorization for investment activity. IC 30-4-3.5 (Indiana Prudent Investor Act) requires the State Board of Trustees to act "as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill, and caution." The trustees have the responsibility to assure the assets are prudently invested in a manner consistent with the College's investment policy. The Board has delegated the day-to-day responsibilities for overseeing the investment program to the Sr. Vice President, Chief Financial Officer.

The College's current investment policy was approved by the Board of Trustees in August 2013 and revised in December 2015. The overall investment allocation is designed in accordance with the College's Investment Philosophy and Objectives, and the portfolio shall maintain a prudently diversified investment portfolio. The investment structure is divided into liquidity tiers to provide for income maximization while meeting the daily liquidity requirements of the College.

Authorized investments include certificates of deposit, interest-bearing deposit accounts, U.S. Government Treasury securities, U.S. Government agency securities, repurchase agreements, commercial paper, money market accounts, investment grade corporate bonds and notes, municipal bonds, and asset and mortgage backed securities.

A. FAIR VALUE MEASUREMENT

As mentioned previously, the mission of Ivy Tech is to serve the people of Indiana through accessible and affordable world-class education and adaptive learning. The College empowers students to achieve their career and transfer aspirations. Ivy Tech embraces the vision of economic transformation inspired by the education and earning attainment of Indiana citizens, the vitality of the workforce, and the prosperity of Indiana's unique and diverse communities. Ivy Tech's investment portfolio is a source of funds for current and future operations of the College. GASB Statement No. 72, Fair Value Measurement & Application, states that investments must be measured at fair value.

There are 3 levels of measuring fair value. Level 1 consists of quoted prices for identical assets or liabilities in an active market at the measurement date. Level 2 are prices other than those included within Level 1 that are observable, directly or indirectly, and consist of quoted prices for similar assets or liabilities in active or non-active markets. Level 3 are significant, unobservable inputs.

The market approach valuation technique was used. Publicly traded assets are valued in accordance with market quotation and valuation services provided by the College's investment custodian. Assets that are not publicly traded are valued based on other external sources or valuations provided by the College's investment custodian. The following chart provides the methodology and hierarchy level for each type of the College's assets.

Asset Type	Source(s)	Methodology	Hierarchy Level
Money Market Mutual Funds	Not applicable	$1 per share	2
Commercial Paper-Discounted	U.S. Bank Pricing Unit	Matrix pricing	2
U.S. Treasury Obligations	FT Interactive Data, Standard & Poor's, or Bloomberg	Institutional bond quotes	1
U.S. Government Agency Obligations	FT Interactive Data, Standard & Poor's, or Bloomberg	Institutional bond quotes	2
U.S. Government Agency Mortgage-Backed Pools	FT Interactive Data, Standard & Poor's, or Bloomberg	Mortgage-backed securities pricing	2
Government Agency REMICS	FT Interactive Data, Standard & Poor's, or Bloomberg	Collateralized mortgage obligation source	2
Corporate Bonds	FT Interactive Data, Standard & Poor's, or Bloomberg	Institutional bond quotes	2
Corporate Paydown Securities	FT Interactive Data, Standard & Poor's, or Bloomberg	Collateralized mortgage obligation source	2
Municipal Bonds	Standard & Poor's, FT Interactive Data, or Bloomberg	Evaluations based on various market and industry inputs	2
Foreign Bonds	FT Interactive Data—Extel Financial Ltd, Standard & Poor's, or Bloomberg	Evaluations based on various market factors	2

As of June 30, 2018, the difference between book value and fair value of the College's investment portfolio resulted in a decrease of $2,956,561. Based on the criteria outlined by GASB Statement No. 72, the breakdown by level of the College's investment portfolio is as follows:

	Fair Value	Level 1	Level 2	Level 3	Cash & Accrual
Demand deposits	$108,837,259	$ -	$ -	$ -	$108,837,259
Certificates of Deposit	-	-	-	-	-
Investment manager cash & cash equivalents	5,629,976	1,979,347	3,624,588	-	26,041
U.S. Treasury & agencies	66,222,752	57,659,625	8,299,720	-	263,407
Agency backed mortgages	19,022,117	896,030	18,085,534	-	40,553
Corporate bonds & notes	133,145,708	-	132,213,412	-	932,296
Structured securities	72,966,130	-	72,836,218	-	129,912
Foreign bonds (in U.S. Dollars)	30,298,582	-	30,116,834	-	181,748
Municipal bonds	9,507,261	-	9,432,948	-	74,313
Total	**$445,629,785**	**$60,535,002**	**$274,609,254**	**$ -**	**$110,485,529**

As of June 30, 2017, the College's investment portfolio by level is as follows:

	Fair Value	Level 1	Level 2	Level 3	Cash & Accrual
Demand deposits	$59,629,831	$ -	$ -	$ -	$59,629,831
Certificates of Deposit	5,000,000	-	-	-	5,000,000
Investment manager cash & cash equivalents	8,489,597	1,199,652	7,285,469	-	4,476
U.S. Treasury & agencies	59,910,903	50,835,524	8,959,340	-	116,039
Agency backed mortgages	28,539,057	386,901	28,090,752	-	61,404
Corporate bonds & notes	132,599,054	-	131,736,022	-	863,032
Structured securities	69,191,998	-	69,096,165	-	95,833
Foreign bonds (in U.S. Dollars)	23,537,853	-	23,417,532	-	120,321
Municipal bonds	12,423,082	-	12,335,419	-	87,663
Total	**$ 399,321,375**	**$52,422,077**	**$280,920,698**	**$ -**	**$65,978,600**

Separately issued financial statements are not available for the College's investment portfolio. The College's investments are included in the cash and equivalents and investments lines of the Asset section in the Statement of Net Position.

B. INTEREST RATE RISK

Interest rate risk refers to the fact that changes in market interest rates may adversely affect the fair value of an investment. Generally the longer the maturity of the investment, the greater the sensitivity of its fair value to changes in market interest rate. One of the ways that the College and its investment managers manage its exposure to interest rate risk is by limiting maturities and ensuring the total portfolio is properly diversified among shorter term and longer term investments.

Information about the sensitivity of the fair values of the College's investments to market interest rate fluctuations is provided by the following table showing the distribution of Ivy Tech's investments by maturity as of June 30, 2018:

	Fair Value	<1 year	1-5 years	6-10 years	More than 10 years
Demand deposits	$108,837,259	$108,837,259	$ -	$ -	$ -
Certificates of Deposit	-	-	-	-	-
Investment manager cash & cash equivalents	5,629,976	5,629,976	-	-	-
U.S. Treasury & agencies	66,222,751	14,317,844	51,904,907	-	-
Agency backed mortgages	19,022,117	832,012	12,381,231	3,587,257	2,221,617
Corporate bonds & notes	133,145,707	22,573,763	110,571,944	-	-
Structured securities	72,966,131	1,713,419	42,612,075	6,849,743	21,790,894
Foreign bonds (in U.S. Dollars)	30,298,582	3,970,327	26,235,107	93,148	-
Municipal bonds	9,507,262	3,096,969	5,907,684	111,632	390,977
Total	**$445,629,785**	**$160,971,569**	**$249,612,948**	**$10,641,780**	**$24,403,488**

As of June 30, 2017, the College's investments by maturity were as follows:

	Fair Value	<1 year	1-5 years	6-10 years	More than 10 years
Demand deposits	$59,629,831	$59,629,831	$ -	$ -	$ -
Certificates of Deposit	5,000,000	5,000,000	-	-	-
Investment manager cash & cash equivalents	8,489,597	8,489,597	-	-	-
U.S. Treasury & agencies	59,910,903	18,803,738	41,107,165	-	-
Agency backed mortgages	28,539,057	3,935,281	12,616,713	6,836,318	5,150,745
Corporate bonds & notes	132,599,054	33,438,498	99,160,556	-	-
Structured securities	69,191,998	476,846	42,770,867	4,666,106	21,278,179
Foreign bonds (in U.S. Dollars)	23,537,853	5,987,605	17,550,248	-	-
Municipal bonds	12,423,082	4,807,966	7,578,019	37,097	-
Total	**$399,321,375**	**$140,569,362**	**$220,783,568**	**$11,539,521**	**$26,428,924**

C. CREDIT RISK

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is addressed in the College's Investment Policy. The College's Investment Policy requires that all commercial paper investments have a Standard and Poor's rating of A-2 or better or a Moody's Investors Service rating of P-2. At least 85% of corporate bonds and notes, at time of purchase, must have a quality rating no less than Baa3 or BBB. At least 85% of municipal bonds, at time of purchase, must have a credit quality rating of no less than Baa3 or BBB. Asset and mortgage backed securities must be rated at least AA at time of purchase. At June 30, 2018, College investments had debt securities with associated credit ratings based on Moody's Investors Service as shown below.

	Fair Value	AAA	Aa and A*	Baa	Ba and B**	Caa	MIG	Cash and Short Term Liquid Investments	Not Rated
Demand deposits	$108,837,259	$ -	$ -	$ -	$ -	$ -	$ -	$108,837,259	$ -
Certificates of Deposit	-	-	-	-	-	-	-	-	-
Investment manager cash & cash equivalents	5,629,975	-	-	-	-	-	-	3,029,751	2,600,224
U.S. Treasury & agencies	66,222,751	62,241,302	-	-	-	-	-	-	3,981,449
Agency backed mortgages	19,022,117	4,336,467	-	-	-	-	-	-	14,685,650
Corporate bonds & notes	133,145,707	2,264,041	77,636,739	43,590,720	4,486,588	264,009	-	-	4,903,610
Structured securities	72,966,131	44,731,217	1,496,045	87,779	-	-	-	-	26,651,090
Foreign bonds (in U.S. Dollars)	30,298,583	3,101,310	22,336,431	3,140,035	1,489,162	-	-	-	231,645
Municipal bonds	9,507,262	62,253	4,487,228	594,011	66,150	-	793,860	-	3,503,760
Total	**$445,629,785**	**$116,736,590**	**$105,956,443**	**$47,412,545**	**$6,041,900**	**$264,009**	**$793,860**	**$111,867,010**	**$56,557,428**
As a percentage of total portfolio	-	26.2%	23.8%	10.6%	1.4%	0.1%	0.2%	25.1%	12.7%

*Aa and A is comprised of $28,872,550 in Aa; **Ba and B is comprised of $4,948,123 in Ba

At June 30, 2017, the College's investments with associated credit ratings based on Moody's Investors Service were as follows:

	Fair Value	AAA	Aa and A*	Baa	Ba and B**	MIG	Cash and Short Term Liquid Investments	Not Rated
Demand deposits	$59,629,831	$ -	$ -	$ -	$ -	$ -	$59,629,831	$ -
Certificates of Deposit	5,000,000	-	-	-	-	-	-	5,000,000
Investment manager cash & cash equivalents	8,489,597	1,202,155	-	-	-	-	7,287,442	-
U.S. Treasury & agencies	59,910,903	59,264,355	-	-	-	-	-	646,548
Agency backed mortgages	28,539,057	1,931,385	-	-	-	-	-	26,607,672
Corporate bonds & notes	132,599,054	2,323,733	74,787,135	48,039,714	4,180,633	-	-	3,267,839
Structured securities	69,191,998	45,091,985	622,232	-	-	-	-	23,477,781
Foreign bonds (in U.S. Dollars)	23,537,853	1,882,794	16,052,144	5,129,733	172,966	-	-	300,216
Municipal bonds	12,423,082	211,857	7,016,957	145,927	-	512,065	-	4,536,276
Total	**$399,321,375**	**$111,908,264**	**$98,478,468**	**$53,315,374**	**$4,353,599**	**$512,065**	**$66,917,273**	**$63,836,332**
As a percentage of total portfolio	-	28.0%	24.7%	13.4%	1.1%	0.1%	16.8%	16.0%

*Aa and A is comprised of $19,174,658 in Aa; **Ba and B is comprised of $2,012,715 in Ba

D. CONCENTRATION OF CREDIT RISK

In the allocation of assets, diversification of investments among asset classes that are not similarly affected by economic, political, or social developments is a highly desirable objective of credit risk. Thus to avoid undue risk concentrations in any single asset class or investment category, the College's policy requires that certificates of deposit at any one bank do not exceed twenty percent (20%) of the College's total investment portfolio at the time of investment. Commercial paper may not exceed sixty-five percent (65%) of total investments, and no more than one million ($1,000,000) or ten percent (10%) of the College's total investment, whichever is less, may be invested in any one company at one time. No more than twenty-five percent (25%) of the total commercial paper portfolio may be invested in a single industry. Corporate bonds and commercial paper shall not exceed sixty-five percent (65%) of the College's total investment portfolio, and no security of an individual corporate bond or note issuer shall exceed five percent (5%) of the College's total investment portfolio. Municipal bonds shall not exceed twenty-five percent (25%) of the College's investment portfolio, and no security of a municipal bond issuer shall exceed five percent (5%) of the College's total investment portfolio. Combined exposure to non-Government sectors, including commercial paper, corporates, municipal bonds, mortgage-backed, commercial mortgage-backed and asset-backed securities, shall not exceed eighty-five percent (85%) of the College's total investment portfolio.

The financial institutions that hold five percent (5%) or more of the College's investments at June 30, 2018:

Name of Institution	Amount	Percentage
Lake City Bank	$88,612,058	19.9%

As of June 30, 2017, the financial institutions holding five percent (5%) or more of the College's investments were as follows:

Name of Institution	Amount	Percentage
Lake City Bank	$59,629,831	14.9%

E. CUSTODIAL CREDIT RISK

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The College manages custodial credit risk through the types of investments that are allowed by the Investment Policy. As of June 30, 2018, Ivy Tech deposits with financial institutions held in uncollateralized accounts are insured up to $250,000 by the FDIC and in excess of $250,000 by the Indiana Public Deposits Insurance Fund. At June 30, 2017, the College held Certificates of Deposits, totaling $5,000,000, which were covered under the Indiana Public Deposits Insurance Fund as they were invested in financial institutions on the approved list of depositories for the Public Deposits Insurance Fund. As of June 30, 2018, the College no longer holds any Certificates of Deposits.

F. FOREIGN CURRENCY RISK

As of June 30, 2018 and June 30, 2017, all of the College's accounts are in U.S. dollars and not exposed to foreign currency risk.

G. ENDOWMENT AND FOUNDATION INVESTMENTS

The College's policy regarding the Endowment investments are the same as the College's investment policy, unless restricted by the Endowment Trustee. The College has two quasi-endowments, valued at $11,739 and $52,040 as of June 30, 2018 and $11,739 and $52,038 as of June 30, 2017, which are reported as restricted for endowment in the Statement of Net Position. Decisions regarding spending are made by the Board of Trustees and authority may be delegated to the Senior Vice President, Chief Financial Officer. Investment income was not spent during FY18.

Types of investments held by the College's Foundation, a component unit, are authorized by the Foundation's Board of Trustees. They include a broader selection of investments including domestic equities, international equities, corporate bonds, mutual funds, certain types of alternative investments (hedge funds, REITS, commodities), certificates of deposit, money market accounts, interest bearing demand deposits insured by FDIC, commercial paper, donated real and personal property, and U.S. Government notes, bills, bonds, and agencies.

VII. Postemployment Benefits Other Than Pensions (OPEB)

PLAN DESCRIPTION

Ivy Tech Community College Post-Retirement Medical/Dental Benefits Plan is a self-administered, single employer defined benefit OPEB plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Ivy Tech Community College Board of Trustees has the authority to establish and amend benefit provisions.

The Plan provides medical and dental benefits to eligible retirees and their spouses and/or dependents. Eligible retirees and their spouse and/or dependents are eligible for benefits under the Plan's following two tiers. Please note, retirees, spouses, and dependents may stay on the Plan once they are eligible for Medicare; however, Plan coverage is secondary to Medicare.

Regular Plan – All employees who retire between the age of fifty-five (55) and up to but not including sixty-five (65) with ten (10) years of benefits-eligible service with the College, or at the age of sixty-five (65) or later with five (5) years of benefits-eligible service with the College may continue participation in College group medical and/or dental benefits. Retirees pay 100% of the premium cost of an active employee.

75 Plan – All employees who retire between the age of fifty-five (55) and sixty-five (65), whose combined age and years of continuous benefit-eligible service equal at least seventy-five (75), were hired on or before December 31, 2008 and were benefits-eligible and continuously employed in a benefits-eligible position on or prior to December 31, 2008, may elect to remain in the College group medical and/or dental programs. Employees who meet the above requirements and remain in the 75 Plan pay the same premium as an active employee, which is subsidized by the College until they become eligible for Medicare at which time they may continue in the regular Plan. All participants in the 75 Plan must have been hired by December 31, 2008; the College is no longer accepting new participants into this Plan.

The expenditure is accrued and recognized under the terms of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

As of July 1, 2017 the Plan had 2,629 total participants, 2,476 which are active participants and 153 are inactive participants receiving benefits. As of July 2, 2016, the Plan had 2,801 total participants, 2,608 which were active participants and 193 were inactive participants receiving benefits. There are no inactive participants entitled to but not yet receiving benefits in the College's plan. The College contributed $3,181,966 to the Plan in fiscal year 2018 and $3,480,003 in fiscal year 2017.

SIGNIFICANT ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the June 30, 2018 measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2017 census data. Liabilities rolled forward to June 30, 2018 measurement date.
Experience study date	2013
Long-term rate of return on assets	Not applicable
Inflation	3.0%
Salary increases	3.0%
Discount rate	3.97% based on the Bond Buyer 20 General Obligation Index as of April 30, 2018
Ad hoc postemployment benefit changes	None
Healthcare cost trend rates	Years Pre-65 Medical Dental 2017 7.00% 5.00% 2018 6.00% 5.00% 2019 5.00% 5.00% The leveraging effect of co-pays, deductibles, and out of pocket limits on medical cost trend is assumed to be immaterial.
Projections of sharing benefit-related costs	Retiree contributions are based on the active premium rates without regard to the aging assumption. Per capita contribution rates are $1,470 for medical and $98 for dental for 75 Plan retirees ($10,068 for medical and $490 for dental for Regular retirees)
Mortality	RP-2014 White Collar Mortality Table with projection scale MP-2016

Since the prior measurement date, there have been no changes in plan terms. The discount rate, per capita claim cost, per capita contribution, and healthcare cost trend rates are reviewed annually and adjustments made as appropriate; these have been updated since the prior measurement date. The mortality assumption is updated annually to reflect the currently available mortality tables. The remaining assumptions are based on the 2013 experience study.

Total OPEB liability is sensitive to changes in both the discount rate and the health care cost trend rate. The following tables illustrate the potential impact of a one percentage point rate decrease or a one percentage point increase as of June 30, 2018.

Discount Rate		
1 % Decrease	Current	1 % Increase
$46,691,852	$43,178,310	$39,971,783

Health Care Cost Trend Rate		
1 % Decrease	Current	1 % Increase
$39,226,474	$43,178,310	$47,691,963

As of June 30, 2017, the potential impact of a one percentage point rate decrease or increase was as follows:

Discount Rate		
1 % Decrease	Current	1 % Increase
$46,694,667	$43,136,472	$39,894,814

Health Care Cost Trend Rate		
1 % Decrease	Current	1 % Increase
$39,121,764	$43,136,472	$47,738,251

TOTAL OPEB LIABILITY

In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the plan's total OPEB liability as of June 30, 2018, was $43,178,310, and as of June 30, 2017, the plan's total OPEB liability was $43,136,472. The College pays claims as incurred, and as a result, the plan does not have assets segregated. Total OPEB expense was $3,181,966 and $3,480,003 for June 30, 2018, and June 30, 2017 respectively.

Changes in the total OPEB liability during the 2018 fiscal year are as follows:

	Total OPEB Liability
Balance as of June 30, 2017	**$43,136,472**
Changes for the year:	
Service cost	1,905,089
Interest	1,563,656
Changes of benefit terms	-
Plan amendments	-
Differences between expected and actual experience	(1,073,714)
Changes in assumptions or other inputs	(467,965)
Benefit payments	(1,885,228)
Net Changes	41,838
Balance as of June 30, 2018	**$43,178,310**

During 2017, the changes in total OPEB liability were as follows:

	Total OPEB Liability
Balance as of June 30, 2016	**$43,753,369**
Changes for the year:	
Service cost	2,142,987
Interest	1,391,731
Changes of benefit terms	-
Plan amendments	-
Differences between expected and actual experience	(624,300)
Changes in assumptions or other inputs	(1,518,443)
Benefit payments	(2,008,872)
Net Changes	(616,897)
Balance as of June 30, 2017	**$43,136,472**

Deferred inflows and outflows of resources as of June 30, 2018 were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	($1,492,459)
Changes of assumptions	-	(1,850,469)
Totals	**$ -**	**($3,342,928)**

Deferred inflows and outflows of resources as of June 30, 2017, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	($569,585)
Changes of assumptions	-	(1,518,443)
Totals	**$ -**	**($2,088,028)**

As of June 30, 2018, the amortization schedule of deferred outflows and inflows of resources for the College is as follows:

Amortization of Net Deferred Outflows (Inflows) of Resources	
2019	($332,793)
2020	(332,793)
2021	(332,793)
2022	(332,793)
2023	(332,793)
Thereafter	(1,678,963)
Amount recognized as a reduction of total pension liability	**($3,342,928)**

GASB Statement No. 75 went into effect during 2018, and as a result, the amortization of net deferred inflows as of June 30, 2017, is not available.

Other than payments made by plan participants, the only contributions to the College's OPEB plan are made by the College; the plan does not have any nonemployer contributing entities. The College's OPEB plan does not issue a stand-alone financial report.

VIII. Risk Management

The College is exposed to various risks of loss, including torts, theft, damage or destruction of assets, errors or omissions, job-related illness or injuries to employees, and healthcare claims on behalf of employees and their eligible dependents. The College manages these risks through a combination of risk retention and commercial insurance, including coverage from internally maintained funds.

The College transfers risk through the purchase of the following insurance policies: Property, with a $1,000,000,000 policy limit and $50,000 retention for damage to buildings and building contents for most causes of loss; General Liability, with a $1,000,000 per occurrence limit, $3,000,000 general aggregate limit, and a $150,000 retention; Educators' Legal Liability, with a $25,000,000 per claim limit and $25,000,000 annual aggregate; Licensed Professional Liability, with a $1,000,000 per claim limit, $3,000,000 annual aggregate limit, and $10,000 retention; Auto Liability, with a $1,000,000 combined single limit; Foreign Liability, with a $1,000,000 per occurrence limit, a $2,000,000 annual aggregate for products/completed operations, and a $5,000,000 general aggregate; Umbrella Liability, with a $25,000,000 per occurrence limit; Crime, with a $2,000,000 per loss limit and a $25,000 retention; Fiduciary Liability with a $2,000,000 limit for all claims; Cyber Liability, with a $5,000,000 aggregate limit and $100,000 retention; Foreign Travel Accident & Sickness with a $250,000 per person benefit to cover student, staff and guest travelers; and Student Accident, with a $3,000 per injury/illness limit. The College also provides access to a healthcare insurance plan for international students.

The College is self-funded for the first $500,000 for each Worker's Compensation claim with the exception of pole climbing, which requires a $1,000,000 retention. Worker's Compensation claims above these amounts are covered by commercial insurance and are subject to statutory limits. The College has additional Worker's Compensation coverage for out-of-state claims through commercial insurance and are subject to statutory limits.

The College did not have a significant reduction in insurance coverage from coverage in the prior year. Additionally the College did not have any settlements exceeding insurance coverage for any of the prior three years. The following changes were made from June 30, 2017 to June 30, 2018:

- Property: Retention amount for damage to buildings and building contents for most causes of loss decreased from $100,000 in 2017 to $50,000 in 2018
- Crime: The $1,000,000 per loss limit increased to $2,000,000 per loss with the retention amount of $25,000 remaining the same.
- Additionally, the healthcare insurance plan for international students previously had a $1,000,000 maximum level.

The College has two healthcare plans for full-time benefit eligible employees. Additionally, the College has two healthcare plans for retirees not eligible for Medicare. All employee/retiree plans are self-funded.

At June 30, 2018, the unpaid claim liability was actuarially determined to be $3.1 million for the medical plan and $64 thousand for the dental plan compared to $3.2 million for the medical plan and $65 thousand for the dental plan as of June 30, 2017. The medical plan unpaid claim liability is estimated based upon Anthem's experience with standard claim payment lag time and a projected number of claims in lag. Additionally, the unpaid liability includes $1.0 million of medical and $90 thousand of dental expense incurred in June and not paid until July. As of June 30, 2017, the unpaid liability included $1.6 million of medical and $55 thousand of dental expense incurred in June and not paid until July.

Changes in the balance of claims liabilities are as follows:

	FY 2017–18	FY 2016–17
Unpaid claims, 7/01	$3,290,110	$2,690,431
Claims incurred	35,444,212	36,188,621
Claims paid	(35,525,758)	(35,588,942)
Unpaid claims, 6/30	**$3,208,564**	**$3,290,110**

The College has a reserve (the excess of employer share over claims paid) in the amount of $17.0 million as of June 30, 2018, and a reserve in the amount of $12.3 million as of June 30, 2017.

IX. Retirement Plans

Ivy Tech's State Board of Trustees has the authority to determine employee benefits and personnel policies. The following describes the retirement plans authorized by the College's State Board of Trustees.

The College sponsors a defined contribution plan under section 403(b) of the Internal Revenue Code for full-time faculty, administrative staff, and, for full-time support employees and eligible part-time support employees hired on or after July 1, 2014. The College also participates in the State of Indiana's defined-benefit pension plan for full-time support employees hired prior to July 1, 2014. The College also sponsors a defined contribution plan under section 457(b) of the Internal Revenue Code in which all employees are eligible to participate. Additionally, the College sponsors a defined contribution plan under section 401(a) for certain eligible employees of the College. This plan is a governmental plan as defined under section 414(d) and section 3(32) of the Employee Retirement Income Security Act of 1974. As part of this plan, the College adopted the Qualified Excess Benefit Arrangement (QEBA) under section 415(m) (3). The sole purpose of the Arrangement is to provide for contributions that would have been made to the 401(a) plan absent the limitations of section 415(c).

The College provided retirement plan coverage to 3,053 and 3,079 active employees as of June 30, 2018, and June 30, 2017, respectively.

A. IVY TECH COMMUNITY COLLEGE OF INDIANA DEFINED CONTRIBUTION RETIREMENT PLAN

Full-time faculty, administrative staff, full-time support employees hired after July 1, 2014 and eligible part-time support employees are eligible to receive a nonelective contribution to the defined contribution retirement plan sponsored by the College. The College contributes a fixed percentage of compensation on behalf of each eligible employee to the plan. The participation date for eligible employees is determined by their personnel position classification. The employee immediately vests, upon eligibility and participation in the plan.

During the fiscal year ending June 30, 2018, the College remitted $21.0 million to Transamerica, representing $148.3 million in total salaries compared to the $20.8 million remitted to Transamerica representing $145.3 million in salaries as of June 30, 2017. During both fiscal year 2017 and 2018, there were no forfeitures recognized by the College during the reporting period, and there are no assets held in a trust as defined in GASB Statement No. 73. On June 30, 2018, there were 2,620 employees participating in the defined contribution retirement plan compared to 2,561 employees participating on June 30, 2017.

All employees of the College are also eligible to voluntarily defer a portion of their salary to this retirement plan.

B. PUBLIC EMPLOYEES' RETIREMENT FUND

Plan Description

The Indiana Public Retirement System (INPRS) administers nine pension trust funds including eight defined benefit retirement plans and one defined contribution retirement plan, two other postemployment benefit funds and one agency fund. The College participates in the Public Employees' Retirement Fund (PERF) for full-time, non-exempt employees hired prior to July 1, 2014, which is one of the eight defined benefit retirement plans.

The PERF is a cost sharing multiple-employer defined benefit plan based on 35 IAC 21-1-1, 35 IAC 21-1-2 and amended IC 5-10.2-2-11(b). PERF was established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees. There are two tiers to the PERF Plan. The first is the Public Employees' Defined Benefit Plan (PERF Hybrid Plan) and the second is the My Choice: Retirement Savings Plan for Public Employees (My Choice), formerly known as Public Employees' Annuity Savings Account Only Plan (PERF ASA Only Plan). The College participates in the PERF Hybrid Plan.

The PERF Hybrid Plan was established by the Indiana Legislature in 1945 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.2, IC 5-10.3, and IC 5-10.5. There are two aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the annuity savings account (ASA) that supplements the defined benefit at retirement.

Complete financial statements for INPRS are available online at www.in.gov/inprs/annualreports.htm

Membership

PERF members are officers and employees of units of State and local governments in Indiana (referred to as political subdivisions), including counties, cities, towns, townships, libraries, and school corporations. The political subdivisions become participants by ordinance or resolution of the governing body, which specifies the classifications of employees who will become members of the plan. The ordinance or resolution is filed with and approved by INPRS. In order to be a member, employees hired after June 30, 1982, except employees of a participating school corporation, must occupy positions normally requiring performance of service of more than 1,000 hours during a year.

Contributions

The College is obligated by statute to make contributions to PERF, which are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. As PERF is a cost-sharing plan, all risks and costs, including benefit costs, are shared proportionately by the participating employers. During fiscal year 2018, the College was required to contribute 11.2% of covered payroll, which totaled $1,766,008. In fiscal year 2017, the College contributed $2,058,160. The PERF Hybrid Plan members contribute 3% of covered payroll to their annuity savings account, which is not used to fund the defined benefit pension for the PERF Hybrid Plan. The employer may elect to make the contributions to the annuity savings account on behalf of the member, which is the case with the College.

Retirement Benefits – Defined Benefit Pension

The PERF Hybrid Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's annuity savings account. Pension benefits (non ASA) vest after 10 years of creditable service. Members are immediately vested in their annuity savings account.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100% of the pension benefit component. This annual pension benefit is equal to 1.1% times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position. All 20 calendar quarters do not need to be continuous, but they must be in groups of four consecutive calendar quarters. Members may be eligible for reduced pension benefit based on age and years of service.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly. There was no COLA for the year ended June 30, 2017 or June 30, 2016. Eligible members received a one-time check in September 2016 and September 2015 with the amount of the one-time checks ranged from $150 to $450, depending upon a member's years of service, and was for a member who retired or was disabled on or before December 1, 2015 or 2014, and who was entitled to receive a monthly benefit on July 1, 2016 or 2015.

Disability and Survivor Benefits

The PERF Hybrid Plan also provides disability and survivor benefits. A member who has at least five years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement.

Upon the death in service of a member with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two or more years, or surviving dependent children under the age of 18.

Retirement Benefits – Annuity Savings Account

Members are required to participate in an Annuity Savings Account (ASA). The ASA consists of the member's contributions, set by statute at 3% of compensation as defined by IC 5-10.2-3-2 for PERF, plus the interest/earnings or losses credited to the member's account. A member's contributions and interest credits belong to the member and do not belong to the State or the College.

Investments in the members' annuity savings accounts are individually directed and controlled by plan participants who direct the investment of their account balances among eight investment options, with varying degrees of risk and return potential.

SIGNIFICANT ACTUARIAL ASSUMPTIONS

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations for the College's participation in PERF at June 30, 2018 and June 30, 2017 are below.

Valuation Date:	
Assets	June 30, 2017
Liabilities	June 30, 2016 – Member census data as of June 30, 2016 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2016 and June 30, 2017. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2016 to June 30, 2017.
Actuarial Assumptions:	
Experience study date	Period of 4 years ended June 30, 2014
Investment rate of return	6.75%, net of investment expense, including inflation
Cost of living increase	1.0%
Future salary increases	2.50%-4.25%
Inflation	2.25%
Mortality – Healthy	RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2006
Mortality – Disabled	RP-2014 Disabled Mortality Table, with Social Security Administration generational improvement scale from 2006

Valuation Date:	
Assets	June 30, 2016
Liabilities	June 30, 2015 – Member census data as of June 30, 2015 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2015 and June 30, 2016. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2015 to June 30, 2016.
Actuarial Assumptions:	
Experience study date	Period of 4 years ended June 30, 2014
Investment rate of return	6.75%, net of investment expense, including inflation
Cost of living increase	1.0%
Future salary increases	2.50%-4.25%
Inflation	2.25%
Mortality	RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2006

The long-term return expectation for the INPRS defined benefit plans has been determined using a building block approach and assumes a time horizon as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

Geometric Basis at June 30, 2017:

	Target Asset Allocation	Geometric Basis Long-Term Expected Real Rate of Return
Public equity	22.0%	4.9%
Private equity	14.0%	5.7%
Fixed income-ex inflation-linked	20.0%	2.3%
Fixed income-inflation-linked	7.0%	0.6%
Commodities	8.0%	2.2%
Real estate	7.0%	3.7%
Absolute return	10.0%	3.9%
Risk parity	12.0%	5.1%

Geometric Basis at June 30, 2016:

	Target Asset Allocation	Geometric Basis Long-Term Expected Real Rate of Return
Public equity	22.0%	5.7%
Private equity	10.0%	6.2%
Fixed income-ex inflation-linked	24.0%	2.7%
Fixed income-inflation-linked	7.0%	0.7%
Commodities	8.0%	2.0%
Real estate	7.0%	2.7%
Absolute return	10.0%	4.0%
Risk parity	12.0%	5.0%

DISCOUNT RATE

Total pension liability for each defined benefit plan was calculated using a discount rate of 6.75%. The projection of cash flows used to determine the discount rate assumed the contributions from employers would be at the actuarially determined required rates computed in accordance with the current funding policy adopted by the Board, and contributions required by the State of Indiana would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed rate of return of 6.75%. Based on those assumptions, each defined benefit pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. 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 each plan.

Net pension liability is sensitive to changes in the discount rate. The following table illustrates, as of June 30, 2017, the potential impact if the discount rate decreases by one percentage point or increases by one percentage point.

1% Decrease (5.75%)	Current (6.75%)	1% Increase (7.75%)
$24,101,859	$16,525,557	$10,227,542

The following table illustrates, as of June 30, 2016, the potential impact if the discount rate decreases by one percentage point or increases by one percentage point.

1% Decrease (5.75%)	Current (6.75%)	1% Increase (7.75%)
$28,720,849	$19,997,294	$12,746,701

PENSION PLAN'S FIDUCIARY NET POSITION

INPRS is a pension trust fund of the State of Indiana for financial statement reporting purposes. The financial statements of INPRS are prepared using the accrual basis of accounting in conformity with generally accepted accounting principles as applied to governments. Under the accrual basis, revenues are recognized when earned, and expenses are recognized when liabilities are incurred, regardless of the timing of related cash flows. INPRS applies all applicable GASB pronouncements in accounting and reporting for its operations.

Pension, disability, special death benefits, and distributions of contributions and interest are recognized when due and payable to members or beneficiaries. Benefits are paid once the retirement or survivor applications have been processed and approved. Distributions of contributions and interest are distributions from inactive, non-vested members' annuity savings accounts. These distributions may be requested by members or auto-distributed by the fund when certain criteria are met.

The pooled and non-pooled investments are reported at fair value. Fair value is the amount at which an investment could be exchange in a current transaction between willing parties, other than in a forced or liquidation sale.

Additional information regarding the plan's fiduciary net position may be found online at http://www.in.gov/inprs/annualreports.htm.

OTHER INFORMATION

Ivy Tech Community College's proportionate share of the collective net pension liability is $16,525,557, which is 0.3704% of PERF's total net pension liability. The College's proportion of the net pension liability was based on wages reported by employers relative to the collective wages of the plan. The measurement date of the collective net pension liability is June 30, 2017. The actuarial valuation date upon which the total pension liability is based, is June 30, 2016. Standard actuarial roll forward techniques were used to project the total pension liability computed as of June 30, 2016 to June 30, 2017.

The contribution rates were calculated as of June 30, and the newly calculated contribution rates will become effective either July 1, 2017 or January 1, 2018.

There are no changes between the measurement date and the employer's reporting date that are expected to have a significant impact on the employer's proportionate share of the collective net pension liability. Full-time, non-exempt employees hired after July 1, 2014, are no longer added to PERF; over time, this may impact the College's proportionate share of the collective net pension liability.

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, the College's net pension liability reported as of June 30, 2018, is $16,525,557 and $19,997,294 as of June 30, 2017. The College's total pension expense was $654,945 and $1,962,947 as of June 30, 2018 and 2017, respectively. Deferred inflows and outflows of resources were as follows. As of June 30, 2018:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$313,838	$12,825
Net difference between projected and actual earnings on pension plan investments	2,614,053	828,534
Changes of assumptions	265,331	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	18,541	3,025,598
Employer contributions subsequent to measurement date	1,766,008	-
Totals	**$4,977,771**	**$3,866,957**

As of June 30, 2017:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$448,014	$36,914
Net difference between projected and actual earnings on pension plan investments	4,398,323	1,125,171
Changes of assumptions	882,296	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	55,852	3,209,072
Employer contributions subsequent to measurement date	2,071,818	-
Totals	**$7,856,303**	**$4,371,157**

The amortization schedule of deferred outflows and inflows of resources for the College is as follows:

Amortization of Net Deferred Outflows (Inflows) of Resources	
2018	($1,062,539)
2019	204,638
2020	291,610
2021	(88,903)
2022	-
Thereafter	-
Total	**($655,194)**

C. IVY TECH COMMUNITY COLLEGE OF INDIANA 457(B) DEFERRED COMPENSATION PLAN

All employees of the College are eligible to voluntarily defer a portion of their salary to a defined contribution plan under section 457(b) of the Internal Revenue Code.

D. FEDERAL SOCIAL SECURITY ACT

All employees (except work-study students attending classes on a full-time basis) are members of and are covered upon employment by the Old Age and Survivors Insurance and Medical Insurance Provisions of the Federal Social Security Act.

X. Capital Assets

Property, buildings, and equipment are stated at cost on the date of acquisition or at fair market value at the time of donation. Assets used by the College which are subject to capital lease obligations are recorded at the net present value of the minimum lease payments of the asset at inception of the lease.

Capital asset activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	FY-Additions	FY-Retirements	Balance
Capital assets not being depreciated:				
Land	$33,566,492	$ -	$146,788	$33,419,704
Construction work in progress	11,008,641	14,393,768	13,787,462	11,614,947
Total capital assets not being depreciated	**44,575,133**	**14,393,768**	**13,934,250**	**45,034,651**
Capital assets being depreciated:				
Land improvements & infrastructure	29,504,131	1,542,737	113,238	30,933,630
Buildings	771,611,714	12,244,725	1,343,398	782,513,041
Furniture, fixtures & equipment	101,803,790	5,416,263	8,246,858	98,973,195
Library materials	4,061,824	156,984	22,650	4,196,158
Total capital assets being depreciated	**906,981,459**	**19,360,709**	**9,726,144**	**916,616,024**
Less accumulated depreciation:				
Land improvements & infrastructure	17,588,060	1,492,647	97,126	18,983,581
Buildings	244,307,472	22,930,009	783,038	266,454,443
Furniture, fixtures & equipment	75,786,827	8,050,590	7,754,941	76,082,476
Library materials	3,604,531	189,026	22,127	3,771,430
Total accumulated depreciation	**341,286,890**	**32,662,272**	**8,657,232**	**365,291,930**
Total capital assets being depreciated, net	**565,694,569**	**(13,301,563)**	**1,068,911**	**551,324,095**
Capital assets, net	**$610,269,702**	**$1,092,205**	**$15,003,162**	**$596,358,745**

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	FY-Additions	FY-Retirements	Balance
Capital assets not being depreciated:				
Land	$31,607,504	$1,958,988	$ -	$33,566,492
Construction work in progress	22,238,899	11,837,484	23,067,742	11,008,641
Total capital assets not being depreciated	**53,846,403**	**13,796,472**	**23,067,742**	**44,575,133**
Capital assets being depreciated:				
Land improvements & infrastructure	28,067,876	1,436,255	-	29,504,131
Buildings	751,617,621	22,552,492	2,558,399	771,611,714
Furniture, fixtures & equipment	94,794,863	8,503,683	1,494,756	101,803,790
Library materials	3,885,735	176,089	-	4,061,824
Total capital assets being depreciated	**878,366,095**	**32,668,519**	**4,053,155**	**906,981,459**
Less accumulated depreciation:				
Land improvements & infrastructure	16,144,719	1,443,341	-	17,588,060
Buildings	224,404,714	22,455,989	2,553,231	244,307,472
Furniture, fixtures & equipment	68,704,227	8,515,093	1,432,493	75,786,827
Library materials	3,389,339	215,192	-	3,604,531
Total accumulated depreciation	**312,642,999**	**32,629,615**	**3,985,724**	**341,286,890**
Total capital assets being depreciated, net	**565,723,096**	**38,904**	**67,431**	**565,694,569**
Capital assets, net	**$619,569,499**	**$13,835,376**	**$23,135,173**	**$610,269,702**

CONSTRUCTION WORK IN PROGRESS

The following table presents the construction projects in process as of June 30, 2018:

Greenhouse – Fort Wayne	$498,084
Harshman Hall – Fort Wayne	138,398
Construction Planning-Kokomo	1,525,488
Construction Series V-Kokomo	600,165
Greenhouse—Marion	13,385
Henry County Phase III	149,597
Series V Construction-Muncie	1,511,013
EDA Precision Agriculture - Terre Haute	622,460
Fairbanks Crawlspace - Lawrence	122,505
Greenhouse/Agriculture Lab - Richmond	60,849
Various Repair & Rehabilitation & Parking Lot Projects	6,373,003
Total construction work in progress	**$11,614,947**

The following table presents the construction projects in process as of June 30, 2017:

Greenhouse – Fort Wayne	$44,928
Unity Lease Agreement – Fort Wayne	11,784
Lawrenceburg Mfg. Training Center	4,758,221
Child Care Center - Evansville	110,627
Culinary 2015 Second Bakery	496,382
Cowen Road Improvements	184,871
Henry County Phase II	74,773
Insurance Refund	56,304
Greenhouse/Agri. Lab McDaniel Hall - Richmond	18,943
Library Conference Room Project - Lawrence	616,399
Fairbanks Crawlspace Project - Lawrence	122,504
Nursing Lab - Franklin	37,551
Construction Planning - Kokomo	39
Various Repair & Rehabilitation & Parking Lot Projects	4,475,314
Total construction work in progress	**$11,008,640**

XI. Long Term Liabilities

	June 30, 2017 – Original Ending Balance	July 1, 2017 – Restated Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Leases, Notes, and Bonds Payable:						
Lease obligations	$31,709,434	$31,709,434	$ -	$4,496,650	$27,212,784	$3,267,500
Notes payable–interim financing/mortgage	4,457,349	4,457,349	-	2,452,664	2,004,685	943,199
Total lease & notes payable	**36,166,783**	**36,166,783**	**-**	**6,949,314**	**29,217,469**	**4,210,699**
Series H student fee bonds—bond yield 1.32% - 3.96%	11,200,000	11,200,000	-	-	11,200,000	3,780,000
Series J student fee bonds—bond yield 4.25% - 4.47%	9,245,000	9,245,000	-	-	9,245,000	-
Series L student fee bonds—bond yield 3.76% - 4.74%	29,640,000	29,640,000	-	3,070,000	26,570,000	26,570,000
Series N student fee bonds—bond yield 3.51% - 6.155%	62,515,000	62,515,000	-	4,045,000	58,470,000	4,165,000
Series O student fee bonds—bond yield 3.25% - 3.55%	9,200,000	9,200,000	-	-	9,200,000	-
Series P student fee bonds—bond yield .28% - 4.11%	25,120,000	25,120,000	-	1,050,000	24,070,000	3,390,000
Series Q student fee bonds—bond yield .90%	2,785,000	2,785,000	-	2,785,000	-	-
Series R student fee bonds—bond yield .21% - 4.20%	55,815,000	55,815,000	-	5,110,000	50,705,000	2,080,000
Series S student fee bonds—bond yield .794%	2,290,000	2,290,000	-	2,290,000	-	-
Series T student fee bonds—bond yield .20% - 2.71%	27,410,000	27,410,000	-	2,730,000	24,680,000	2,855,000
Series U student fee bonds—bond yield .99% - 2.15%	-	-	20,550,000	-	20,550,000	-
Total bonds payable	**235,220,000**	**235,220,000**	**20,550,000**	**21,080,000**	**234,690,000**	**42,840,000**
Premium on Bonds–Series H, I, J, K, L, P, R, T, U	12,990,911	12,990,911	3,984,837	1,799,585	15,176,163	1,715,830
Total leases, notes, & bonds payable	**284,377,694**	**284,377,694**	**24,534,837**	**29,828,899**	**279,083,632**	**48,766,529**
Other liabilities:						
Compensated absences	16,662,068	16,662,068	8,235,084	9,703,890	15,193,262	9,946,569
Other postemployment benefits (Refer to Note XIII)	25,514,773	43,136,472	3,468,745	3,426,907	43,178,310	-
Net pension liability	19,997,294	19,997,294	8,237,865	11,709,602	16,525,557	-
Total other liabilities	**62,174,135**	**79,795,834**	**19,941,694**	**24,840,399**	**74,897,129**	**9,946,569**
Total long-term liabilities	**$346,551,829**	**$364,173,528**	**$44,476,531**	**$54,669,298**	**$353,980,761**	**$58,713,098**

A. NOTES PAYABLE

In previous years, the College entered into a tax exempt financing agreement with Key Government Finance in the amount of $4,776,072, signed a promissory note with the Foundation relating to the purchase of 43 acres in Elkhart, and initiated a qualified energy savings project as defined by the Indiana Code, which was financed with a Qualified Energy Conservation Promissory Note totaling $3,260,000. As of June 30, 2017, the principal balances were $2,731,129, $195,051, and $1,531,170, respectively. The principal balances as of June 30, 2018 were $1,842,634 for Key Government Finance and $162,051 for the Elkhart land. The Qualified Energy Conservation note was paid off during 2018.

As of June 30, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Key government finance CISCO/CDW	$2,731,129	$ -	$888,494	$1,842,634	$910,199
Note payable w/foundation 43 acres Elkhart land	195,051	-	33,000	162,051	33,000
Qualified energy savings–Indianapolis	1,531,170	-	1,531,170	-	-
Totals	$4,457,350	$ -	$2,452,664	$2,004,685	$943,199

As of June 30, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Key government finance CISCO/CDW	$3,620,213	$ -	$889,084	$2,731,129	$888,494
Note payable w/foundation 43 acres Elkhart land	228,051	-	33,000	195,051	33,000
Qualified energy savings–Indianapolis	1,866,253	-	335,083	1,531,170	1,531,170
Totals	$5,714,517	$ -	$1,257,167	$4,457,350	$2,452,664

Key Government Finance CDW/CISCO Tax Exempt Lease Purchase Agreement.

In July 2015, the College entered into a tax exempt financing agreement with Key Government Finance in the amount of $4,776,072. Under the terms of the agreement, the College pays an effective interest rate of 2.42%. The College financed the purchase of state-wide network equipment. Under the terms of the agreement, the College will enter into a five-year financing agreement to replace end of life networking gear with annual payments of $955,214 due on July 1, with the last payment due July 1, 2019.

KEY GOVERNMENT FINANCE CDW/CISCO TAX EXEMPT LEASE PURCHASE AGREEMENT $4,776,072 FINANCING AMOUNT				
Year Ending June 30	**Principal**	**Interest**	**Total**	**Balance**
2018	$ -	$ -	$ -	$1,842,634
2019	910,199	45,015	955,214	932,435
2020	932,435	22,779	955,214	-
Totals	$1,842,634	$67,794	$1,910,428	$ -

Foundation Elkhart Land Notes Payable.

In fiscal year 2012-13, the South Bend campus entered into a financing agreement to purchase 43 acres of land in Elkhart. The campus makes annual principal and interest payments to the Foundation, with the final payment occurring in fiscal year 2022-23. Interest is calculated on an annual basis. The property was deeded from the Foundation to the College in 2013.

SOUTH BEND PROMISSORY NOTE WITH FOUNDATION $327,051 FINANCING AMOUNT		
Year Ending June 30	**Principal**	**Outstanding Principal Balance**
2018	$ -	$162,051
2019	33,000	129,051
2020	33,000	96,051
2021	33,000	63,051
2022	33,000	30,051
2023	30,051	-
Totals	$ 162,051	$-

Qualified Energy Savings Project.

In August 2010, the College entered into a Qualified Energy Conservation Note in the amount of $3,260,000 with a maturity of January 10, 2021. Under terms of the loan agreement, the College pays a fixed interest rate of 4.80% per annum for the entire term of the loan. Under this financing mechanism, the College is eligible to receive an interest subsidy equal to 3.35% from the Federal government less an assumed Federal sequestration at 6.9% of the credit. The College makes principal and interest payments semi-annually. On July 1, 2017, the College called the bond and paid off the outstanding principal and interest due on July 10, 2017.

QUALIFIED ENERGY CONSERVATION NOTE $3,260,000 ORIGINAL LOAN AMOUNT						
Year Ending June 30	Principal	Interest	Total	Federal Interest Credit	Net Total	Outstanding Principal Balance
2018	$1,531,170	$36,952	$1,568,121	($23,981)	$1,544,140	$ -
Totals	$1,531,170	$36,952	$1,568,121	($23,981)	$1,544,140	$ -

B. BONDS

Authorization by the Indiana General Assembly enables the College to issue bonds for the purpose of financing facility construction and improvements or refinancing and refunding. Series H bonds were issued for construction and improvement projects on the Richmond, Evansville, Valparaiso, and Terre Haute campuses. Series J bonds were issued for projects on the Richmond and Marion campuses. The Valparaiso, Marion and Madison projects were completed through funding provided by the Series K bonds. The Fort Wayne, Logansport and Greencastle projects were completed using Series L bonds. The Series L bonds also supported the Fairbanks refinancing and Series E refunding. The Series N bonds support projects on the Elkhart, Sellersburg, Warsaw, and Indianapolis campuses. The Series O bonds supported the refunding of Series I. Projects on the Indianapolis and Muncie campuses, the Lafayette refinancing, and Series I & K refunds were supported by the Series P bonds. The Series Q bonds supported the Series G refinancing, and the Series R bonds supported projects at the Anderson, Bloomington, and Indianapolis campuses as well as the Series H & L partial refinancing. The Series S bonds supported the Series I refunding and Series T supported the Series K refunding. Series U issued during FY18 supported the Series L refunding.

The June 30, 2017, Premium on Bonds of $13.0 million includes the remaining balance from the sale of Series H, I, J, K, L, P, R, and T Student Fee Bonds. The ending balance at June 30, 2018, of $15.2 million includes the remaining balance from the sale of Series H, I, J, K, L, P, R, T and U Student Fee Bonds. It is amortized over the remaining life of the related bonds.

C. COMPENSATED ABSENCES

As of June 30, 2018, the accrued vacation benefit is $9.9 million and the eligible sick leave benefit is $5.3 million compared to $11.8 million of accrued vacation benefit and $4.9 million of eligible sick leave benefit as of June 30, 2017. The College has internally designated a portion of its unrestricted funds to offset the entire liability for compensated absences as identified on page 13 of the Management Discussion & Analysis section.

D. BOND SCHEDULES

IVY TECH COMMUNITY COLLEGE OF INDIANA SCHEDULE OF ANNUAL REQUIREMENTS FOR PRINCIPAL AND INTEREST Series H of 2003, Series J of 2005, Series L of 2009, Series N of 2010, Series O, Series P, Series Q of 2012, Series R of 2014, Series S of 2015, Series T of 2016 and Series U of 2017						
Year Ending June 30	Principal	Interest	Total	Series N 35% Federal Interest Credit*	Net Total	Outstanding Principal Balance
2019	$42,840,000	$10,514,724	$53,354,724	($1,055,868)	$52,298,856	$191,850,000
2020	19,890,000	8,981,755	28,871,755	(987,892)	27,883,863	171,960,000
2021	19,295,000	7,592,266	26,887,266	(915,834)	25,971,432	152,665,000
2022	16,490,000	7,187,736	23,677,736	(839,041)	22,838,695	136,175,000
2023	16,790,000	6,342,104	23,132,104	(755,035)	22,377,070	119,385,000
2024-2028	88,115,000	18,513,271	106,628,271	(2,322,691)	104,305,580	31,270,000
2029-2033	31,270,000	2,817,771	34,087,771	(166,707)	33,921,065	-
Totals	$234,690,000	$61,949,627	$296,639,627	($7,043,066)	$289,596,561	$ -

*Taxable bonds under the Build America Bond ("BAB") program, which receive a 35% interest reimbursement from the Federal government. Includes 6.2% sequestration reduction.

XII. Property Subject to Capital Leases

The College has multiple lease obligations with Ivy Tech Foundation, Inc. which were determined to meet the requirements necessary to be recognized as capital leases; thus requiring the recognition of long-term debt and capital assets on the College's Statement of Net Position. Ivy Tech Foundation, Inc. believes these leases are operating leases and that they own the property and therefore reports the assets in their financial statements. Therefore, the Foundation also shows these assets in their Statements of Assets, Liabilities, and Fund Balance, which are incorporated herein. Consequently, the College and the Foundation have reported the same capital assets on their respective financial statements.

XIII. Restatement of Prior Year Balances

Statement No. 75 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* revised and established new financial reporting requirements for postemployment benefits other than pensions effective for fiscal years beginning after June 15, 2017. The Statement required the recognition of a beginning balance adjustment for the Other Post Employment Benefits (OPEB) liability and any related Deferred Inflows or Deferred Outflows for fiscal year 2016-17.

The chart below illustrates the cumulative effect of the changes on the Statement of Net Position.

ADJUSTMENTS OF THE STATEMENT OF NET POSITION

Category	Fiscal Year 2017 Beginning Balance	Adjustment	Adjusted Beginning Balance
Other postemployment benefits	$25,514,773	$17,621,699	$43,136,472
Total noncurrent liabilities	308,482,978	17,621,699	326,104,677
Total Liabilities	391,081,285	17,621,699	408,702,984
Deferred inflows related to OPEB	-	2,088,028	2,088,028
Total deferred inflows of resources	4,371,158	2,088,028	6,459,186
Net position-unrestricted	351,691,837	(19,709,727)	331,982,110
Total net position	$676,184,013	($19,709,727)	$656,474,286

XIV. Subsequent Events

Student Fee Bonds Series V, in the amount of $69,205,000 were issued on July 18, 2018. The bonds will support the Kokomo and Muncie construction projects. Additionally, Ivy Tech's current agreement to centralize the purchasing of natural gas through fixed and variable rate contracts ends September 30, 2018. The College has signed a new agreement that will go into effect October 1, 2018, and continue through September 30, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COLLEGE'S OTHER POSTEMPLOYMENT BENEFITS	June 30, 2018	June 30, 2017
Total OPEB liability—beginning	$43,136,472	$43,753,369
Service cost	1,905,089	2,142,987
Interest	1,563,656	1,391,731
Changes of benefit terms	-	-
Difference between expected and actual experience	(1,073,714)	(624,300)
Changes of assumptions or other inputs	(467,965)	(1,518,443)
Benefit payments	(1,885,228)	(2,008,872)
Total OPEB liability-end	$43,178,310	$43,136,472
Covered employee payroll	$189,194,063	$189,812,818
Total OPEB liability as percentage of covered employee payroll	23%	23%

The schedule is presented to illustrate the requirements to show information for 10 years. However until a full 10 year trend is compiled, the information is presented for those years for which information is available.

Claims are paid as incurred, and as a result, there are no assets accumulated in the plan.

CHANGES IN ASSUMPTIONS AND BENEFIT TERMS

The discount rate, per capita claim costs, per capita retiree contributions, and the mortality table have been updated since the prior measurement date. No additional changes are anticipated between the measurement date and the College's reporting date of June 30, 2018.

As of January 1, 2009, the College is no longer accepting new participants into the 75 Plan. This is the portion of the College's other postemployment benefits plan where employees retiring between the age of fifty-five (55) and sixty-five (65), whose combined age and years of continuous benefit-eligible service equal at least seventy-five (75), were hired on or before December 31, 2008 and were benefits-eligible and continuously employed in a benefits-eligible position on or prior to December 31, 2008, may elect to remain in the College group medical and/or dental programs. The employees who met these requirements and remain in the 75 Plan pay the same premium as an active employee, which is subsidized by the College until they become eligible for Medicare at which time they may continue in the regular Plan. This is the only change in benefit terms, and as of June 30, 2018, no other changes to benefit terms are anticipated

SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	Measurement Date as of June 30, 2017	Measurement Date as of June 30, 2016	Measurement Date as of June 30, 2015	Measurement Date as of June 30, 2014
College's proportion of the net pension liability	0.370%	0.441%	0.508%	0.597%
College's proportionate share of the net pension liability (asset)	$16,525,557	$19,997,294	$20,669,978	$15,685,882
College's covered payroll	$18,376,394	$21,117,060	$24,308,288	$29,142,157
College's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	89.93%	94.70%	85.03%	53.83%
Plan fiduciary net position as a percentage of the total pension liability	76.60%	75.30%	77.30%	84.30%

This schedule is presented to illustrate the requirement to show information for 10 years. Until a full 10-year trend is compiled, information is presented for those years for which information is available.

SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS	2017	2016	2015	2014
Contractually required contribution	$2,058,160	$2,365,111	$2,729,685	$3,258,170
Contributions in relation to the contractually required contributions	(2,058,160)	(2,365,111)	(2,729,685)	(3,258,170)
Contribution deficiency (excess)	$ -	$ -	$ -	$-
College's covered-payroll	$18,376,394	$21,117,060	$24,308,288	$29,142,157
Contributions as a percentage of covered-payroll	11.20%	11.20%	11.23%	11.18%

This schedule is presented to illustrate the requirement to show information for 10 years. Until a full 10-year trend is compiled, information is presented for those years for which information is available.

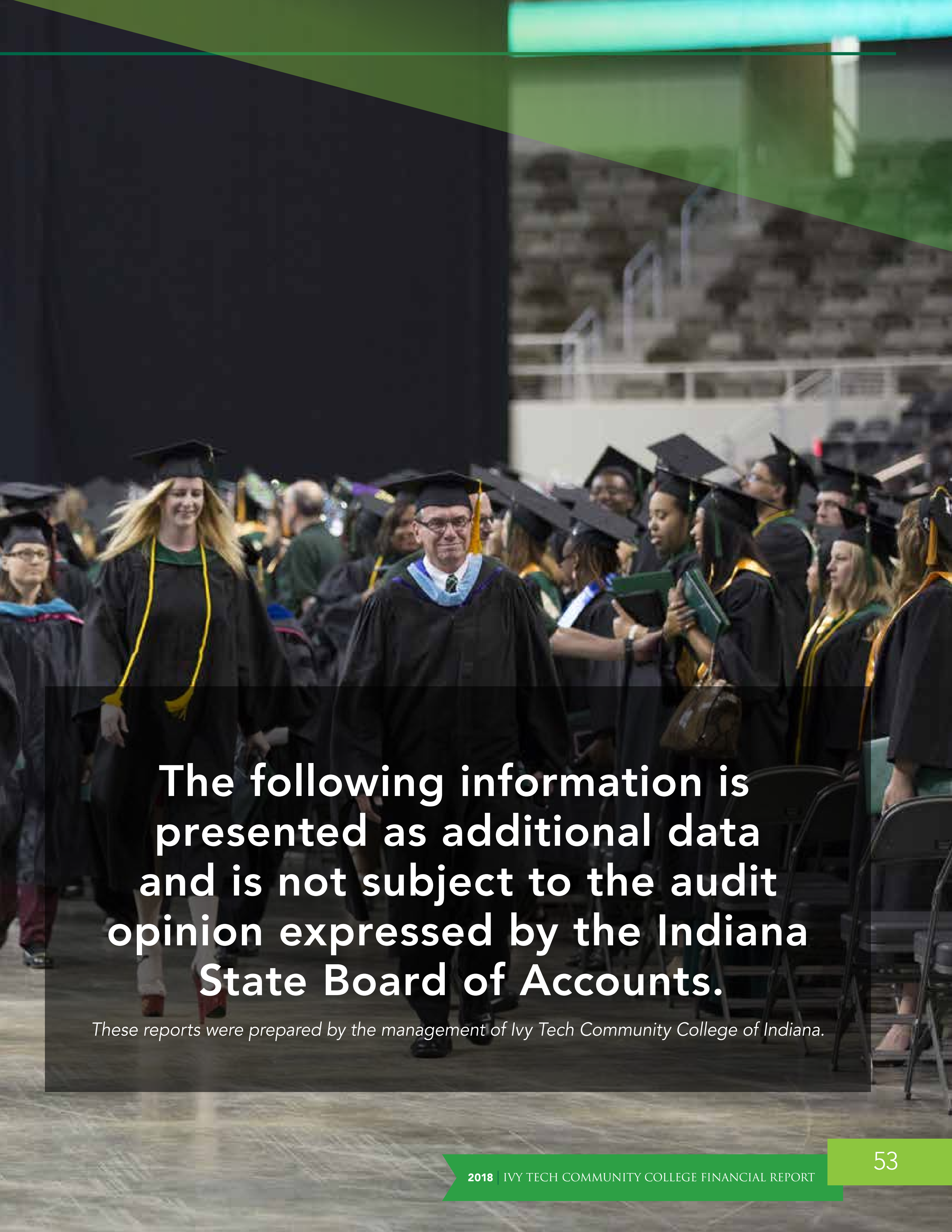
PUBLIC EMPLOYEES' RETIREMENT PLAN

According to the Indiana Public Retirement System's 2017 Comprehensive Annual Financial Report, an actuarial audit was completed which included updating the following assumptions:

- Adding a load on final average salary of $400 to reflect unused sick leave accumulated at termination of employment for active and inactive vested members.
- Additionally, for disabled members, the RP-2014 (with MP-2014 improvement removed) Disability Mortality tables are assumed instead of RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality tables.

There were no changes to the actuarial methods during the fiscal year, but it is important to note that ASA annuaitizations will be handled through a third party annuity provider beginning January 1, 2018, compared to the previous date of April 1, 2017.

Information regarding the annual money-weighted rate of returns on pension plan investments may be found on-line at https://www.in.gov/inprs/files/2017CAFRFinancialSection_Web.pdf.



The following information is presented as additional data and is not subject to the audit opinion expressed by the Indiana State Board of Accounts.

These reports were prepared by the management of Ivy Tech Community College of Indiana.

SCHEDULES OF ANNUAL BOND REQUIREMENTS FOR OUTSTANDING DEBTS

Ivy Tech Community College of Indiana
Schedule of Annual Requirements for Principal and Interest
Series H – Richmond Phase I, Evansville, Valparaiso, Terre Haute
Original Issue–$47,065,000

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2018	$ -	$588,000	$588,000	$11,200,000
2019	3,780,000	488,775	4,268,775	7,420,000
2020	3,985,000	284,944	4,269,944	3,435,000
2021	3,435,000	90,169	3,525,169	-
Totals	**$11,200,000**	**$1,451,888**	**$12,651,888**	**$ -**

Ivy Tech Community College of Indiana
Schedule of Annual Requirements for Principal and Interest
Series J – Richmond and Marion
Original Issue–$9,245,000

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2018	$ -	$462,250	$462,250	$9,245,000
2019	-	462,250	462,250	9,245,000
2020	-	462,250	462,250	9,245,000
2021	-	462,250	462,250	9,245,000
2022	2,780,000	392,750	3,172,750	6,465,000
2023	2,925,000	250,125	3,175,125	3,540,000
2024	3,075,000	100,125	3,175,125	465,000
2025	465,000	11,625	476,625	-
Totals	**$9,245,000**	**$2,603,625**	**$11,848,625**	**$ -**

Ivy Tech Community College of Indiana
Schedule of Annual Requirements for Principal and Interest
Series L – Fort Wayne, Logansport and Greencastle Projects; Fairbanks Refinancing and Series E Refunding
Original Issue–$65,095,000

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2018	$3,070,000	$1,391,969	$4,461,969	$26,570,000
2019	26,570,000	657,609	27,227,609	-
Totals	**$29,640,000**	**$2,049,578**	**$31,689,578**	**$ -**

Ivy Tech Community College of Indiana Schedule of Annual Requirements for Principal and Interest Series N (Taxable Build America–Direct Pay Option) – Elkhart, Sellersburg, Warsaw and Indianapolis Projects Original Issue–$70,290,000						
Year Ending June 30	Principal	Interest	Total	35% Federal Interest Credit*	Net Total	Outstanding Principal Balance
2018	$4,045,000	$3,406,714	$7,451,714	($1,118,424)	$6,333,290	$58,470,000
2019	4,165,000	3,216,167	7,381,167	(1,055,868)	6,325,299	54,305,000
2020	4,300,000	3,009,113	7,309,113	(987,892)	6,321,221	50,005,000
2021	4,440,000	2,789,625	7,229,625	(915,834)	6,313,791	45,565,000
2022	4,600,000	2,555,714	7,155,714	(839,041)	6,316,673	40,965,000
2023	4,760,000	2,299,832	7,059,832	(755,035)	6,304,797	36,205,000
2024	4,940,000	2,027,504	6,967,504	(665,630)	6,301,875	31,265,000
2025	5,135,000	1,739,514	6,874,514	(571,082)	6,303,431	26,130,000
2026	5,320,000	1,435,535	6,755,535	(471,286)	6,284,249	20,810,000
2027	5,545,000	1,110,208	6,655,208	(364,481)	6,290,727	15,265,000
2028	5,765,000	762,143	6,527,143	(250,212)	6,276,931	9,500,000
2029	6,000,000	400,075	6,400,075	(131,345)	6,268,730	3,500,000
2030	3,500,000	107,712	3,607,712	(35,362)	3,572,350	-
Totals	**$62,515,000**	**$24,859,855**	**$87,374,855**	**($8,161,491)**	**$79,213,365**	**$ -**

*Taxable bonds issued under the Build America Bond ("BAB") program, which receive a 35% interest reimbursement from the Federal government. Includes 6.2% sequestration reduction.

Ivy Tech Community College of Indiana Schedule of Annual Requirements for Principal and Interest Series O (Tax-Exempt) – Series I Refunding Original Issue–$9,200,000				
Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2018	$ -	$314,728	$314,728	$9,200,000
2019	-	314,728	314,728	9,200,000
2020	-	314,728	314,728	9,200,000
2021	-	314,728	314,728	9,200,000
2022	-	314,728	314,728	9,200,000
2023	-	314,728	314,728	9,200,000
2024	-	314,728	314,728	9,200,000
2025	2,250,000	278,161	2,528,161	6,950,000
2026	3,415,000	183,548	3,598,548	3,535,000
2027	3,535,000	62,746	3,597,746	-
Totals	**$9,200,000**	**$2,727,551**	**$11,927,551**	**$ -**

Ivy Tech Community College of Indiana
Schedule of Annual Requirements for Principal and Interest
Series P (Tax-Exempt) – Indianapolis & Muncie Projects, Lafayette Refinancing and Series I & K Refundings
Original Issue–$32,415,000

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2018	$1,050,000	$978,550	$2,028,550	$24,070,000
2019	3,390,000	877,525	4,267,525	20,680,000
2020	3,530,000	738,300	4,268,300	17,150,000
2021	5,235,000	581,825	5,816,825	11,915,000
2022	540,000	477,500	1,017,500	11,375,000
2023	555,000	458,375	1,013,375	10,820,000
2024	570,000	441,500	1,011,500	10,250,000
2025	965,000	417,269	1,382,269	9,285,000
2026	615,000	389,288	1,004,288	8,670,000
2027	5,035,000	263,700	5,298,700	3,635,000
2028	665,000	135,450	800,450	2,970,000
2029	700,000	104,737	804,737	2,270,000
2030	725,000	75,394	800,394	1,545,000
2031	760,000	46,600	806,600	785,000
2032	785,000	15,700	800,700	-
Totals	$25,120,000	$6,001,713	$31,121,713	$ -

Ivy Tech Community College of Indiana
Schedule of Annual Requirements for Principal and Interest
Series Q (Tax-Exempt) – Series G Refunding
Original Issue–$15,190,000

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2018	$2,785,000	$12,532	$2,797,532	$ -
Totals	$2,785,000	$12,532	$2,797,532	$-

Ivy Tech Community College of Indiana
Schedule of Annual Requirements for Principal and Interest
Series R (Tax-Exempt) – Anderson, Bloomington & Indianapolis Projects, Note Refinancing (Series H & L Partial Refundings)
Original Issue–$76,705,000

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2018	$5,110,000	$2,557,295	$7,667,295	$50,705,000
2019	2,080,000	2,377,545	4,457,545	48,625,000
2020	5,075,000	2,198,670	7,273,670	43,550,000
2021	2,290,000	2,014,545	4,304,545	41,260,000
2022	2,415,000	1,896,920	4,311,920	38,845,000
2023	2,540,000	1,773,045	4,313,045	36,305,000
2024	2,665,000	1,642,920	4,307,920	33,640,000
2025	5,545,000	1,437,670	6,982,670	28,095,000
2026	2,950,000	1,225,295	4,175,295	25,145,000
2027	3,095,000	1,074,170	4,169,170	22,050,000
2028	3,250,000	915,545	4,165,545	18,800,000
2029	3,425,000	748,670	4,173,670	15,375,000
2030	3,595,000	573,170	4,168,170	11,780,000
2031	3,770,000	407,895	4,177,895	8,010,000
2032	3,925,000	252,033	4,177,033	4,085,000
2033	4,085,000	85,785	4,170,785	-
Totals	**$55,815,000**	**$21,181,173**	**$76,996,173**	**$ -**

Ivy Tech Community College of Indiana
Schedule of Annual Requirements for Principal and Interest
Series S (Tax-Exempt) – Series I Refunding
Original Issue–$6,840,000

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2018	$2,290,000	$9,091	$2,299,091	$ -
Totals	**$2,290,000**	**$9,091**	**$2,299,091**	**$ -**

Ivy Tech Community College of Indiana
Schedule of Annual Requirements for Principal and Interest
Series T (Tax-Exempt) – Refunding Series K
Original Issue–$28,090,000

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2018	$2,730,000	$1,218,600	$3,948,600	$24,680,000
2019	2,855,000	1,092,625	3,947,625	21,825,000
2020	3,000,000	946,250	3,946,250	18,825,000
2021	710,000	853,500	1,563,500	18,115,000
2022	3,305,000	753,125	4,058,125	14,810,000
2023	3,475,000	583,625	4,058,625	11,335,000
2024	3,615,000	441,375	4,056,375	7,720,000
2025	3,760,000	292,000	4,052,000	3,960,000
2026	3,960,000	99,000	4,059,000	-
Totals	**$27,410,000**	**$6,280,100**	**$33,690,100**	**$ -**

Ivy Tech Community College of Indiana
Schedule of Annual Requirements for Principal and Interest
Series U (Tax-Exempt) – Refunding Series L
Original Issue–$20,550,000

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2018	$ -	$ -	$ -	$20,550,000
2019	-	1,027,500	1,027,500	20,550,000
2020	-	1,027,500	1,027,500	20,550,000
2021	3,185,000	947,875	4,132,875	17,365,000
2022	2,850,000	797,000	3,647,000	14,515,000
2023	2,535,000	662,375	3,197,375	11,980,000
2024	2,665,000	532,375	3,197,375	9,315,000
2025	-	465,750	465,750	9,315,000
2026	2,950,000	392,000	3,342,000	6,365,000
2027	3,105,000	240,625	3,345,625	3,260,000
2028	3,260,000	81,500	3,341,500	-
Totals	**$20,550,000**	**$6,174,500**	**$26,724,500**	**$ -**

Ivy Tech Community College of Indiana
Schedule of Annual Requirements for Principal and Interest

Series H of 2003, Series J of 2005, Series L of 2009, Series N of 2010, Series O, Series P, Series Q of 2012, Series R of 2014, Series S of 2015, Series T of 2016 and Series U of 2017

Year Ending June 30	Principal	Interest	Total	Series N 35% Federal Interest Credit*	Net Total	Outstanding Principal Balance
2018	$21,080,000	$10,939,729	$32,019,729	($1,118,424)	$30,901,305	$234,690,000
2019	42,840,000	10,514,724	53,354,724	(1,055,868)	52,298,856	191,850,000
2020	19,890,000	8,981,755	28,871,755	(987,892)	27,883,863	171,960,000
2021	19,295,000	7,592,266	26,887,266	(915,834)	25,971,432	152,665,000
2022	16,490,000	7,187,736	23,677,736	(839,041)	22,838,695	136,175,000
2023	16,790,000	6,342,104	23,132,104	(755,035)	22,377,070	119,385,000
2024	17,530,000	5,500,527	23,030,527	(665,630)	22,364,897	101,855,000
2025	18,120,000	4,641,992	22,761,992	(571,082)	22,190,910	83,735,000
2026	19,210,000	3,724,665	22,934,665	(471,286)	22,463,379	64,525,000
2027	20,315,000	2,751,449	23,066,449	(364,481)	22,701,968	44,210,000
2028	12,940,000	1,894,638	14,834,638	(250,212)	14,584,426	31,270,000
2029	10,125,000	1,253,483	11,378,483	(131,345)	11,247,138	21,145,000
2030	7,820,000	756,276	8,576,276	(35,362)	8,540,914	13,325,000
2031	4,530,000	454,495	4,984,495	-	4,984,495	8,795,000
2032	4,710,000	267,733	4,977,733	-	4,977,733	4,085,000
2033	4,085,000	85,785	4,170,785	-	4,170,785	-
Totals	**$255,770,000**	**$72,889,356**	**$328,659,356**	**($8,161,491)**	**$320,497,866**	**$ -**

Series H Bonds Principal Debt of $11,200,000
Series J Bonds Principal Debt of $9,245,000
Series L Bonds Principal Debt of $29,640,000
Series N Bonds Principal Debt of $62,515,000
Series O Bonds Principal Debt of $9,200,000
Series P Bonds Principal Debt of $25,120,000
Series Q Bonds Principal Debt of $2,785,000
Series R Bonds Principal Debt of $55,815,000
Series S Bonds Principal Debt of $2,290,000
Series T Bonds Principal Debt of $27,410,000
Series U Bonds Principal Debt of $20,550,000

*Taxable bonds issued under the Build America Bond ("BAB") program, which receive a 35% interest reimbursement from the Federal government. Includes 6.2% sequestration reduction.

SCHEDULE OF STUDENT FINANCIAL AID EXPENDITURES FOR YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE FIGURES AT JUNE 30, 2017	CURRENT UNRESTRICTED	CURRENT RESTRICTED	06/30/18 TOTAL	06/30/17 TOTAL
Workstudy	$-	$833,803	$833,803	$1,209,404
Scholarship/fellowship (1)	-	117,021,209	117,021,209	120,591,572
Grants	-	25,672,352	25,672,352	24,410,887
Fee remissions	5,952,425	-	5,952,425	5,861,646
Administrative allowance (2)	392,360	-	392,360	412,470
TOTAL FINANCIAL AID EXPENSES	**$6,344,785**	**$143,527,364**	**$149,872,149**	**$152,485,979**

(1) The amount of $117,021,209 includes $109,682,490 for Pell grants as compared to $113,105,162 for the prior year. The College has no choice in determining the recipients for the Pell grant program.
(2) Administrative allowance is made up of $179,135 for Pell, and $213,225 for SEOG and Work Study.

IVY TECH COMMUNITY COLLEGE OF INDIANA FIVE YEAR TREND IN STUDENT ENROLLMENT	Actual				
Credit Student	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**
Full Time	37,119	30,130	27,403	25,996	24,701
Part Time	142,072	141,361	137,361	138,747	137,948
Total	**179,191**	**171,491**	**164,764**	**164,743**	**162,649**
FTE	67,265	61,011	57,371	56,309	55,269
Non-Credit Students	14,281	12,792	12,647	11,553	10,417

CREDIT STUDENTS

The above information reports students on an "unduplicated" basis for Full Time, Part Time, and the Total categories. FTE reports these students on a "full-time equivalent" basis. For purposes of student count, the above full time data includes individuals who enrolled in 12 or more credit hours for a single term; or 24 or more credit hours for two or more terms.

NON-CREDIT STUDENTS

The above information for non-credit students represents total unduplicated non-credit registrations during the fiscal year. This includes custom training courses as well as open enrollment in both professional development and personal enrichment courses. The numbers reported previously for the periods of 2013-14 through 2015-16 were duplicated headcount instead of unduplicated. The numbers have been corrected with the unduplicated amounts.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SCHOOL OF BUSINESS
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