IVY TECH COMMUNITY COLLEGE 2020

Annual Financial REPORT

IVY TECH
COMMUNITY COLLEGE

CONTENTS

PAGE

REQUIRED SUPPLEMENTARY INFORMATION

SUPPLEMENTARY SCHEDULES

On behalf of the Trustees of Ivy Tech Community College of Indiana, I am pleased to present the College's 2019-20 Financial Report.

The College is committed to offering flexibility that enables our students to gain a credential which leads to a high-wage, high-value career. The second half of the fiscal year presented many challenges due to the COVID-19 pandemic. However, the College's continued commitment and innovation of our faculty and staff allowed us to rethink and restructure how we deliver higher education. Our goal remains the same as it has always been: to enable our students' success while providing them a safe, high quality learning environment. Ivy Tech's intentional redesign of online courses last year into a consolidated structure, investments in technology and educational technologists, and extensive training enabled the College to go virtual in the Spring of 2020 with minimal disruptions and high levels of student success.

Two years ago, Ivy Tech began the intentional transition to offer more 8-week courses over the traditional 16-week format, with the goal being to offer classes in a way that more successfully met the needs of our students. The College has seen increased passing grades and lower drop rates for students taking 8-week classes compared to a 16-week format, with nearly 70 percent of students taking at least one 8-week course. For Fall 2020, 65 percent of courses are scheduled to be in the 8-week format.

During the spring of 2019 the Higher Learning Commission (HLC) reaffirmed the accreditation of Ivy Tech Community College. The last accreditation was in 2009. The College received a full ten year reaffirmation of accreditation which is the longest term granted by the HLC. The College demonstrated its high quality work in teaching students, and all of the supporting elements of that work. Accredited institutions can more readily provide transferable credit and can accept federal Title IV financial aid dollars, which include grants and loans, from students who attend those institutions.

Transfer is one of the important roles our community college plays to serve Indiana's thousands of bachelor's degree-seeking students. Effective June 1, 2020, Ivy Tech associate-level graduates from across Indiana are guaranteed admission into certain programs at all Indiana public institutions via a Guaranteed Admission Agreement. The agreement articulates the necessary coursework toward degree requirements at both institutions. This guaranteed admission eliminates any loss of credits while minimizing cost to students and ensuring they are able to complete their bachelor's degrees on time.

Ivy Tech faced many obstacles during the fiscal year due to COVID-19 and the unforeseeable challenges it presented. However, as evidenced by the financial report, the College continues to strengthen its fiscal position regardless of the circumstances. Ivy Tech appreciates the support of the State of Indiana, the community, and employer partners. Your support is vital to Ivy Tech and the State of Indiana's success especially now and for future years to come.

Respectfully,

Sue Ellspermann, PhD
President, Ivy Tech Community College

PRESIDENT

Dr. Susan Ellspermann

STATE BOARD OF TRUSTEES

October 23, 2020

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, 2020.

This financial report incorporates data from the College's campuses, educational sites and 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, 2020, and 2019 with comparative information for fiscal year 2018. This demonstrates the College's fiscal strength and sound financial position.

The College provides hands-on experience at more than 40 locations servicing more than 75 communities state-wide, plus providing the convenience of more than 1,000 online classes. The College is committed to ensuring the institution has sufficient financial resources to keep higher education accessible for those communities. As such, the College must carefully and diligently manage its resources.

The Indiana State Board of Accounts has audited the financial statements. Their audit opinion is included on pages 5-7 of this report. 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 for Business Affairs, Chief Financial Officer & Treasurer

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying 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, 2020 and 2019, 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 the 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 represent 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 the business-type activities and the discretely presented component unit of the College, as of June 30, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management'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, as listed in the Table of Contents, 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 and other auditors 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, Management Letter, Schedule 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 required parts of the basic financial statements.

The President's Letter, State Board of Trustees, Management Letter, Schedule 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 23, 2020, 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 23, 2020

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, 2020 and 2019 along with comparative data for the year ending June 30, 2018. 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 stronger 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, deferred outflows of resources, liabilities, and deferred inflows of resources. 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. Deferred outflows of resources is the consumption of net position by the College that is applicable to a future reporting period but do not require the exchange of goods or services. Deferred inflows of resources is the acquisition of net position by the College that is applicable to a future reporting period but do not require a further exchange of goods or services.

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 2019-20 fiscal year reflects that commitment.

Overall, the College's financial position continues to strengthen. During fiscal year 2020, the College's net position increased by a total of $78.4 million or 9.9% compared to an increase of $73.7 million or 10.3% in fiscal year 2018-19. During the last five years, the College's net position has grown from $637.0 million to $869.1 million, an increase of 36.4%. Unrestricted net position also grew in fiscal year 2020 by $61.9 million or 13.9% compared to $69.9 million or 18.6% in fiscal year 2019. Unrestricted net position has grown from $331.3 million to $507.5 million, a 53.2% 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 increasing reserves for operations, self-insurance, repair and rehabilitation and technology related infrastructure.

In total, liabilities decreased by $34.1 million or 7.9%. Current liabilities increased by $42.5 million due to a $43.5 million increase in the current portion of debt as a result of the Series N refinancing offset by a $2.1 million decrease in current compensated absences. Noncurrent liabilities, however, decreased by $76.6 million due to the planned refinancing of Series N in July 2020, pay off of the leases for the Fisher Building in Muncie and Warsaw building, and the sale of Cowan Road leases in Muncie, a $1.8 million decrease in net pension liability and a $1.5 million decrease in other postemployment benefits liability offset by a $4.0 million increase in noncurrent compensated absences.

Operating revenue decreased by $2.1 million or 1.2% due to a decrease in federal and state grants of $2.2 million, a $659 thousand decrease in sales and services of educational departments and a $336 thousand decrease in auxiliary revenues, which were offset by a $789 thousand increase in nongovernmental grants and contracts and a $679 thousand increase in other operating revenues. Net nonoperating revenues increased by $9.3 million or 2.2% primarily due to the federal CARES Act funding. There was a $1.2 million increase in investment income and a $1.5 million decrease in interest on capital asset related debt which offset a $2.5 million decrease in state appropriations.

Operating expenses totaled $539.0 million, an increase of $7.7 million or 1.4% compared to fiscal year 2019. This increase was primarily attributable to a $7.7 million increase in scholarships and fellowships, which includes funding distributed to students as part of the CARES Act.

CONDENSED STATEMENT OF NET POSITION

June 30	2020	Reclassed 2019	2018
Current assets	$312,500,259	$274,172,110	$240,781,381
Noncurrent			
Capital assets, net	622,563,149	623,849,890	596,358,745
Other noncurrent assets	337,004,199	327,569,105	284,658,217
Total assets	1,272,067,607	1,225,591,105	1,121,798,343
Deferred outflows of resources	3,109,787	2,569,663	4,977,771
Current liabilities	136,019,133	93,545,236	107,326,013
Noncurrent liabilities	260,073,038	336,666,792	295,267,663
Total liabilities	396,092,171	430,212,028	402,593,676
Deferred inflows of resources	10,033,001	7,309,160	7,209,885
Net position			
Net investment in capital assets	350,722,370	331,098,643	329,464,818
Restricted	10,865,273	14,008,675	11,857,004
Unrestricted	507,464,579	445,532,262	375,650,731
Total net position	**$869,052,222**	**$790,639,580**	**$716,972,553**

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, 2020, 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 $38.3 million or 14.0% compared to $33.4 million or 13.9% in 2019 and $46.0 million or 23.6% in 2018. The increase in current net assets is due to a $67.7 million increase in cash and cash equivalents offset by a $28.9 million decrease in deposit with the trustee.

Cash and cash equivalents increased by $67.7 million or 60.6%. Short-term investments increased by $3.9 million or 7.9%, which include those investments with maturity dates of 91-365 days as of June 30, 2020. These changes resulted from investment decisions based on market opportunities throughout the year. Uncertainty created by COVID-19 drove a strong preference for liquidity which led to higher cash and cash equivalent balances.

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 2020, this category decreased by $1.0 million or 3.6% mainly due to the reduction in principal and interest due.

Deposit with trustee decreased by $28.9 million or 80.2% due to the drawdown of the proceeds from the Series V bond being held by U.S. Bank for the Kokomo and Muncie construction projects.

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 by $3.7 million due to a decrease of $1.6 million in student receivables and the reversal of the $2.1 million receivable for the sale of the Gary campus.

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 2019-20. This category increased by $330 thousand due to a slight increase in services and software licenses crossing fiscal years.

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 $8.1 million or 0.9% in 2020 compared to an increase of $70.4 million or 8.0% in 2019 and $12.0 million or 1.4% in 2018.

In 2020, long-term investments increased by $9.4 million or 2.9% from the previous year. Higher market valuation and investment income drove the gain.

Net capital assets decreased by $1.3 million or 0.2% primarily due to the reduction in Construction in Progress related to the completion of the Series V Construction project in Muncie, the reduction of furniture, fixtures and equipment due to the disposal of assets during an inventory year and the disposal of land that was sold at the Lafayette and Elkhart campuses.

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources represent consumption of resources applicable to a future reporting period. In fiscal year 2019, deferred outflows were netted against deferred inflows. Due to a significant increase in deferred outflows in fiscal year 2020, fiscal year 2019 has been reclassified with deferred outflows separately stated. Deferred outflows increased by $540 thousand or 21.0% in 2020 compared to the reclassified 2019. Deferred outflows decreased $2.4 million or 48.4% between 2018 and the reclassified 2019 amount. The decrease was $2.9 million or 36.6% in 2018. 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 $42.5 million or 45.4% in 2020 compared to a decrease of $13.8 million or 12.8% in 2019 and an increase of $24.7 million or 29.9% in 2018. The change in current liabilities is largely due to the increase in the current portion of debt obligation. This increase is caused by the planned refunding of Series N in July 2020.

Accounts payable and accrued liabilities decreased $421 thousand or 1.0% compared to an increase of $9.6 million or 30.2% in 2019 and an increase of $5.4 million or 20.7% in 2018. The primary reason for the decrease is due to due to a reduction in accrued liabilities from construction projects as large bonded projects are nearing completion.

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 by $1.0 million or 7.7% compared to increases of $1.1 million or 9.2% in 2019 and $502 thousand or 4.2% in 2018. This increase was due primarily to a $1.2 million increase in unearned summer revenue due to increases in tuition and fees offset by a reduction in unearned grant revenue of $651 thousand.

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 $43.5 million or 155.4% due to the planned refunding of Series N in July 2020.

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.

Overall, noncurrent liabilities decreased by $76.6 million or 22.8% compared to an increase of $41.4 million or 14.0% in fiscal year 2019 and a decrease of $30.8 million or 9.5% in fiscal year 2018. The decrease in noncurrent liabilities is primarily due to a $77.3 million decrease in long-term debt related to reductions in leases payable in Muncie and Warsaw buildings, as well as the refinancing of Series N planned for July 2020.

OUTSTANDING DEBT AT YEAR END

Leases, Notes, and Bonds Payable	6/30/2020	6/30/2019	6/30/2018
Revenue Bonds Payable:			
Series H Student Fee Bonds	$3,435,000	$7,420,000	$11,200,000
Series J Student Fee Bonds	9,245,000	9,245,000	9,245,000
Series L Student Fee Bonds	-	-	26,570,000
Series N Student Fee Bonds	50,005,000	54,305,000	58,470,000
Series O Student Fee Bonds	9,200,000	9,200,000	9,200,000
Series P Student Fee Bonds	17,150,000	20,680,000	24,070,000
Series R Student Fee Bonds	43,550,000	48,625,000	50,705,000
Series T Student Fee Bonds	18,825,000	21,825,000	24,680,000
Series U Student Fee Bonds	20,550,000	20,550,000	20,550,000
Series V Student Fee Bonds	62,630,000	64,555,000	-
Total Bonds Payable	$234,590,000	$256,405,000	$234,690,000
Premium on Bonds - H,J,K,L,P,R,T,U,V	20,991,308	23,162,727	15,176,163
Lease Obligations	13,070,344	21,905,609	27,212,784
Notes Payable	-	932,435	2,004,685
Total Leases, Notes, and Bonds Payable	**$268,651,652**	**$302,405,771**	**$279,083,632**

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 totaled $10.0 million in fiscal year 2020, an increase of $2.7 million or 37.3% over the reclassified 2019 deferred inflows. The reclassified fiscal year 2019 amount totaled $7.3 million, an increase of $99 thousand or 1.4% between fiscal years 2018 and 2019.

Deferred inflows related to pensions declined by $559 thousand or 12.8% in fiscal year 2020 compared to an increase of $513 thousand or 13.3% in 2019, and a decrease of $504 thousand or 11.5% in fiscal year 2018. Deferred inflows related to other postemployment benefits increased by $3.3 million or 112.1% between fiscal year 2020 and the reclassified fiscal year 2019 amount. Between fiscal year 2018 and the reclassified fiscal year 2019, deferred inflows related to other postemployment benefits declined by $414 thousand or 12.4%. Additional information about this item can be found in Notes VII, and IX.

NET POSITION

Net position represents the difference between the College's assets and liabilities. Net position increased by $78.4 million or 9.9% in 2020 compared to increases of $73.7 million or 10.3% in 2019 and $60.5 million or 9.2% in 2018.

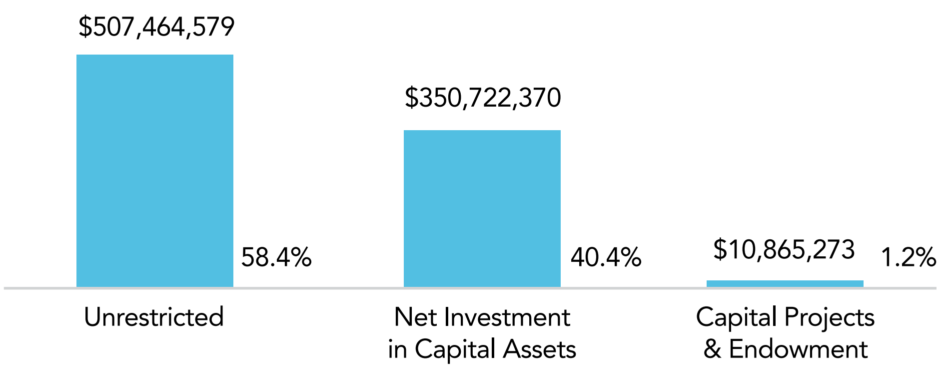
The classification "net investment in capital assets" represents the College's capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. The $19.6 million or 5.9% increase in net investment in capital assets in fiscal year 2020 was mainly due to the capitalization of the Muncie construction project and a reduction in debt related liabilities.

The restricted "capital projects" classification decreased by $3.1 million or 22.5% in 2020 compared to an increase of $2.2 million or 18.2% in 2019 and $4.3 million or 56.8% from the prior year. This is mainly due to the capitalization of the Muncie construction project.

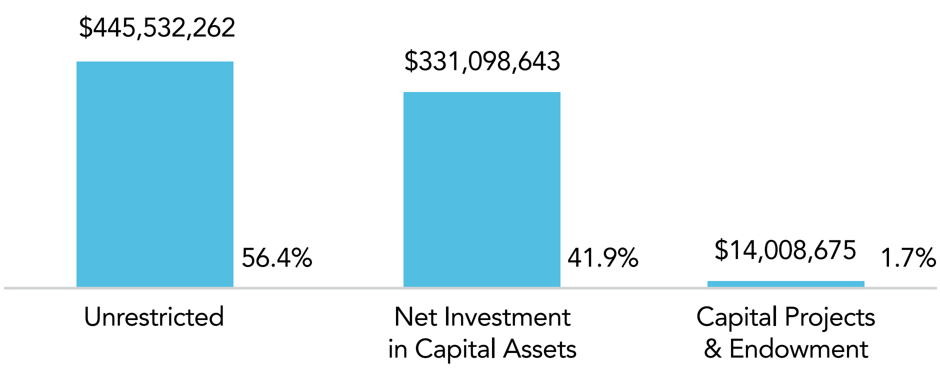
Unrestricted net position increased by $61.9 million or 13.9% in 2020 compared to increases of $69.9 million or 18.6% in 2019 and $43.7 million or 13.2% in fiscal year 2018. The increase is mainly attributable to the increase in unrestricted reserves in addition to increases in investment income.

The net position is comprised of 58.4% unrestricted net position, 40.4% net investment in capital assets, and 1.2% capital projects and endowments.

2020 ANALYSIS OF NET POSITION



2019 ANALYSIS OF NET POSITION



INTERNALLY DESIGNATED RESERVES OF UNRESTRICTED FUNDS

The College ended the fiscal year with an unrestricted net position balance of $507.5 million. This was an increase of $61.9 million or 13.9% over the 2019 unrestricted net position compared to an increase of $69.9 million or 18.6% over the 2018 unrestricted net position. The following provides additional information concerning the allocation of the unrestricted net position.

Description	FY 2020 Amount	FY 2019 Amount	FY2018 Amount
Self-Insurance	$17,441,190	$17,436,109	$16,962,620
Bookstore Commissions	51,621,789	49,668,390	47,239,497
Economic Development Revolving Loan	5,787,000	5,787,000	5,787,000
Student Accounts Receivable	10,394,886	12,004,381	11,389,206
Insurance Stabilization	910,147	910,147	910,147
Parking Lot Repair and Replacement	3,085,570	4,318,238	3,975,907
Compensated Absences Reserve	20,062,068	18,662,068	16,662,068
Other Postemployment Benefits	48,782,248	47,969,828	46,521,238
Pension Accounting	16,252,139	16,727,780	16,727,780
Enterprise Software Planning/ Disaster Recovery	22,552,889	10,302,889	3,302,889
Unclaimed Property	2,675,291	2,597,758	2,597,758
Student Loan Fund	44,541	44,741	44,735
Institutional R&R Reserve	31,629,627	26,135,758	21,086,983
Operating Budget	276,225,194	232,967,175	182,442,903
Total	**$507,464,579**	**$445,532,262**	**$375,650,731**

The College administers health insurance for all benefits eligible employees. Under the self-insurance plan, claims are paid directly by the College once received. A reserve in the amount of $17.4 million represents the excess of employer contributions over claims expense.

Beginning July 1, 2019, the College bookstores were leased to Barnes & Noble. 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, 2020.

The compensated absences reserve was established to offset the College's compensated absences liability. The total amount of unrestricted monies set aside is $2.0 million more than the total liability of $18.0 million. This benefit is discussed in more detail in the Notes to the Financial Statements, Section I. Summary of Significant Accounting Policies, I. Compensated Absences. The amount listed is the available cash balance for this reserve as of June 30, 2020.

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, 2020. As a result of this estimate and in accordance with GASB Statement No. 75, the College reported an OPEB liability in the amount of $44.1 million and deferred inflows in the amount of $6.2 million and deferred outflows in the amount of $1.5 million as of June 30, 2020. This cash reserve is equal to the corresponding liability plus deferred inflows less deferred outflows. The amount listed is the available cash balance for this reserve as of June 30, 2020.

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, 2019. As a result of this estimate, the College maintained a cash reserve of $16.3 million in fiscal year 2019-20. This was $5.2 million greater than the net pension liability plus deferred inflows related to pensions less deferred outflows related to pensions.

The enterprise software planning/disaster recovery reserve has been established to assist the College in maintaining and enhancing the enterprise-wide software programs and responding to disasters. During fiscal year 2020, the College transferred $12.3 million to increase this fund in preparation for future 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

	2020	2019	2018
Construction work in progress	$42,367,950	$64,900,470	$11,614,947
Land	29,671,310	31,976,138	33,419,704
Land improvements and infrastructure	10,163,340	10,560,664	11,950,049
Buildings	523,884,807	495,786,109	516,058,598
Furniture, fixtures, and equipment	16,177,217	20,240,127	22,890,719
Library materials	298,525	386,382	424,728
Totals	**$622,563,149**	**$623,849,890**	**$596,358,745**

During fiscal year 2019-20, net capital assets decreased by $1.3 million or 0.2%. The $22.5 million or 34.7% decrease in Construction Work In Progress can be attributed to the two large bonded construction projects at Kokomo and Muncie. The Muncie project was completed in fiscal year 2020. The $2.3 million or 7.2% decrease in Land can attributed to the sale of property at the Lafayette and Elkhart campuses. The $4.1 million or 20.1% decrease in furniture, fixtures and equipment and the 22.7% decrease in Library materials can be attributed to physical inventory being conducted during fiscal year 2020 and the disposal of assets.

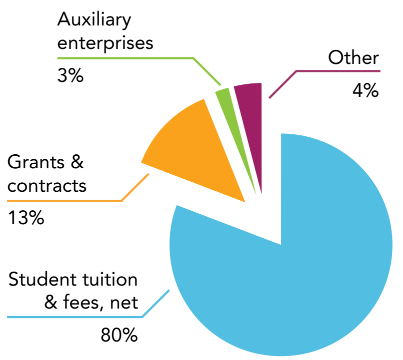
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended June 30	2020	2019	2018
Operating revenues	$170,675,786	$172,747,576	$166,090,169
Operating expenses	(538,977,068)	(531,282,922)	(523,552,179)
Total operating losses	(368,301,282)	(358,535,346)	(357,462,010)
Nonoperating revenues	446,648,497	439,347,266	417,024,007
Nonoperating expenses	(12,696,375)	(14,683,097)	(11,138,470)
Income before other revenues, expenses, gains, or losses	65,650,840	66,128,823	48,423,527
Other revenues	12,761,802	7,538,204	12,074,740
Increase in net position	78,412,642	73,667,027	60,498,267
Net position, beginning of year	790,639,580	716,972,553	656,474,286
Net position, end of year before change in accounting standard			
Prior period adjustment due to change in accounting standard			
Net position , end of year	**$869,052,222**	**$790,639,580**	**$716,972,553**

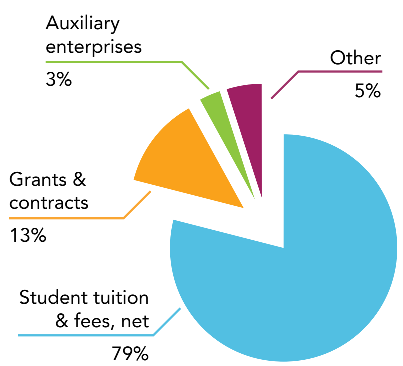
OPERATING REVENUES

Total operating revenues for 2020 decreased $2.1 million or 1.2% compared to an increase of $6.7 million or 4.0% in 2019 and a decrease of $223 thousand or 0.1% in 2018. The following chart and analysis illustrate the fiscal year 2020 operating revenues.

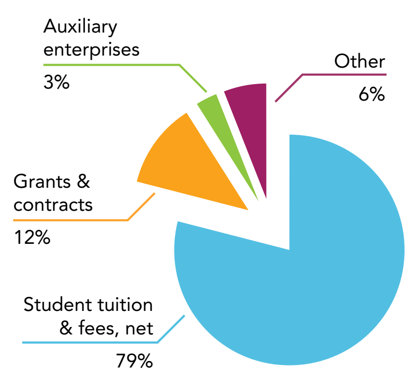
2020 OPERATING REVENUES



2019 OPERATING REVENUES



2018 OPERATING REVENUES



TUITION AND FEES

Student tuition and fees, which include all fees assessed for educational purposes, decreased by $2.2 million or 1.0% mainly due to a 1.2% decrease in full-time equivalent 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 decreased by $1.8 million or 2.2% compared to fiscal year 2019 due to the change in student aid expense associated with the slight decrease in enrollment. During fiscal year 2020, the net student tuition and fees decreased by $366 thousand or 0.3% compared to $6.5 million or 5.0% increase in fiscal year 2019.

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, during fiscal year 2020, federal sources decreased by $1.3 million or 48.5% primarily due to the a Department of Labor grant ending and one in which the start was delayed as well as decreased travel and supply spending on grants during the Covid-19 pandemic. State and local sources decreased by $909 thousand or 6.2%. Nongovernmental grants and contracts increased by $789 thousand or 13.5% over fiscal year 2020 primarily due to an increase in private grants for the Career Coaching and Employer Connections program.

During fiscal year 2019, federal sources decreased by $560 thousand or 17.6% primarily due to the decrease in spending on the Department of Labor grants. State and local sources increased by $1.2 million or 9.2% due to an increase of $1.1 million in Perkins funding over fiscal year 2018. Nongovernmental grants and contracts increased by $2.3 million or 65.1% over fiscal year 2018 primarily due to a $2.0 million increase in nongovernmental, financial aid related grants and a $504 thousand increase in restricted grants and contracts for programming and initiatives.

During fiscal year 2018, 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.

	2020	2019	2018
Federal grants and contracts	$1,350,613	$2,620,373	$3,180,299
State and Local grants and contracts	13,641,124	14,549,928	13,327,296
Nongovernmental grants and contracts	6,630,789	5,841,906	3,538,997
	$21,622,526	$23,012,207	$20,046,592

AUXILIARY ENTERPRISES

Auxiliary enterprises are intended to be self-supporting and supplement the operations of the College. The total auxiliary enterprise revenue was $4.7 million. The primary revenue source is the commission on bookstore sales. This category decreased by $336 thousand or 6.6% in 2019-20 primarily due a decline in auxiliary activity during the Covid-19 pandemic offset by a slight increase in bookstore commissions.

OPERATING EXPENSES

Total operating expenses increased by $7.7 million or 1.4% in 2020 compared to an increase of $7.7 million or 1.5% in 2019 and a decrease of $8.0 million or 1.5% in 2018. In 2020, scholarship expense increased by $7.7 million and salaries and benefits increased by $796 thousand while supplies and other services decreased by $649 thousand and utilities decreased by $538 thousand.

COMPENSATION

Salary and wages expense increased by $658 thousand or 0.3% in fiscal year 2020 compared to an increase by $2.9 million or 1.2% in fiscal year 2019. Benefits expense increased by $138 thousand or 0.2% in 2020 compared to an increase of $1.2 million or 1.6% in 2019.

SCHOLARSHIPS AND FELLOWSHIPS

Scholarships and fellowships increased $7.7 million or 12.1% due to the student aid portion of the CARES Act, federal SEOG grants, and an increase in Workforce Ready grant recipients which offset decreases in the state of Indiana's Adult Student grant and Frank O'Bannon grants as well as decreases in Pell and direct loans. Scholarships and fellowships decreased $2.5 million or 3.8% in fiscal year 2019 due to a reduction in the number of students receiving federal financial aid of $1.8 million and reductions in students receiving Frank O'Bannon of $1.3 million and 21st Century state grants of $1.0 million. The decreases were partially offset by an increase in the Workforce Ready grants from the state of $1.6 million.

UTILITIES

Utilities decreased $538 thousand or 4.7% compared to 2018-19 due to the Covid-19 pandemic and the building closures that occurred beginning in March 2020.

SUPPLIES AND OTHER SERVICES

Supplies and other services decreased by $649 thousand or 0.6% in fiscal year 2020. This is attributable to a decrease in travel and purchasing of supplies and materials from March until June due to the Covid-19 pandemic. Supplies and other services increased $6.2 million or 6.0% in 2019.

DEPRECIATION

Depreciation expense increased by $350 thousand or 1.1% in 2020.

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.

Nonoperating revenues increased by $7.3 million or 1.7% in 2020 compared to an increase of $22.3 million or 5.4% in 2019 and an increase of $11.4 million or 2.8% in 2018. The major factor for the increase in 2019 was a $16.5 million increase in investment income and a $7.9 million increase in State appropriation, which is offset by an increase in losses on the sale and disposal of capital assets, decrease in federal government grants and contracts, and a decrease in interest on capital asset-related debt.

In fiscal year 2020, federal grants and contracts totaled $121.5 million, an increase of $9.2 million or 8.2% from 2019. State aid awards increased by $209 thousand or 0.7% compared to 2019. The increase in federal awards was due to the CARES Act funding. The marginal increase in State aid awards was due to an increase in Workforce Ready grant participants.

Investment income increased by $1.2 million. This increase can be attributed to effective investment strategy and market conditions.

Gift revenues decreased by $718 thousand or 48.6% compared to an increase of $206 thousand or 16.2% increase in 2019. This is due to a reduction in gift fund revenues received during 2020. In 2019, Columbus also had a $200 thousand gift for the Welding program.

Nonoperating expenses decreased $2.0 million or 13.5% in 2020 compared to an increase of $3.5 million or 31.8% in 2019. This is primarily due to a reduction in interest on capital asset debt and fewer losses on the disposal of capital assets.

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 $5.2 million or 69.3% in 2020 due to gift revenue for the Fisher Building and the Warsaw Building. This is compared to a decrease of $4.5 million or 37.6% in 2019.

In fiscal year 2020, capital appropriations increased by $292 thousand or 6.8%. In fiscal year 2019, capital appropriations decreased by $3.0 million or 41.0%, which was the amount of the cash appropriation in fiscal 2018 for Fort Wayne’s Harshman Hall.

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	2020	2019	2018
Cash provided (used) by:			
Operating activities	($334,550,091)	($334,466,097)	($319,817,167)
Noncapital financing activities	424,412,346	417,684,795	409,944,726
Capital and related financing activities	(29,650,188)	(64,846,216)	(42,548,906)
Investing activities	7,499,031	(26,301,528)	3,583,201
Net increase (decrease) in cash	67,711,097	(7,929,046)	51,161,854
Cash and cash equivalents, beginning of the year	111,681,602	119,610,648	68,448,794
Cash and cash equivalents, end of the year	$179,392,699	$111,681,602	$119,610,648

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, 2020. Cash and cash equivalents increased $67.7 million or 60.6%. The changes resulted from investment decisions based on market opportunities throughout the year.

Cash used for operating activities increased by $84 thousand in 2020 compared to an increase of $14.6 million or 4.6% in 2019 and a decrease of $5.1 million or 1.6% in 2018. The increase in payments to and on behalf of employees and payments to students offset by payments to supplier and tuition and fees accounted for the decrease in operating outflows in 2020.

Cash provided from noncapital financing activities increased by $6.7 million or 1.6% in 2020 compared to increases of $7.7 million or 1.9% in 2019 and $8.9 million or 2.2% in 2018. The largest increase in cash was from federal and state scholarships and grants of $9.4 million, a 6.7% increase from 2019 offset by a decrease of $2.5 million in state appropriations.

Cash used for capital and related financing activities increased by $35.2 million or 54.3% in 2020 compared to an increase of $22.3 million or 52.4% in 2019 and a decrease of $7.0 million or 14.1% in 2018. The largest decrease in cash used was due to the change in deposit with the trustee and purchase of capital assets offset by proceeds from the issuance of the Series V bonds.

Cash provided for investing activities increased by $33.8 million or 128.5% in 2020 compared to an increase of $29.9 million or 834.0% in 2019 and a decrease of $33.1 million or 112.2% in 2018. The increase was due to no cash being transferred to the investment managers during fiscal year 2020.

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

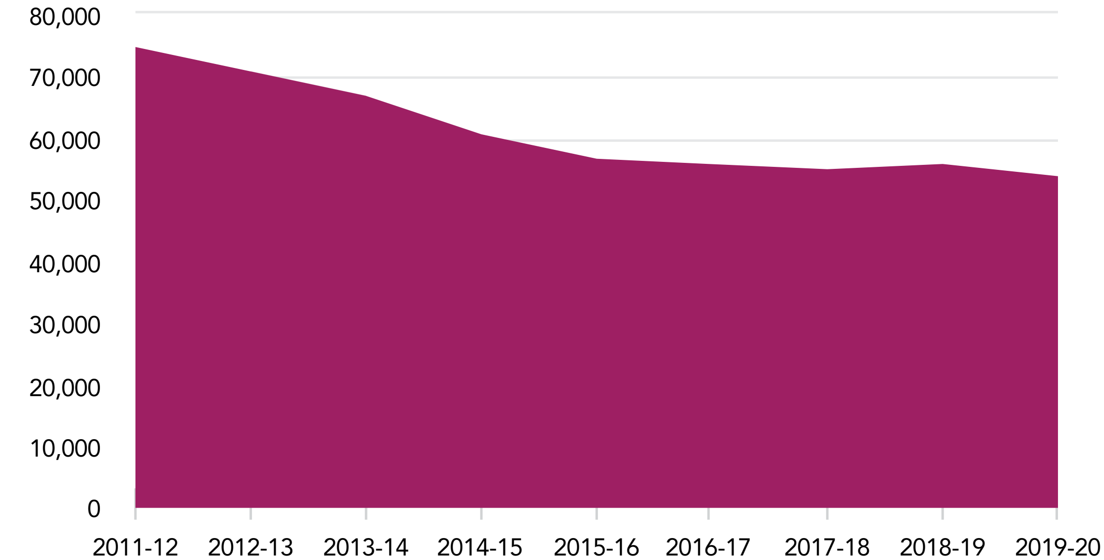
Ivy Tech continues to maintain financial strength and is well positioned to continue to serve the educational and training needs of Hoosiers. Net position continues to grow and the College consistently operates with a positive operating margin. Key financial ratios are strong as evidenced by the Higher 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 decreased 6.3% compared to the prior year. The state's largest source of revenue – sales and use taxes – grew 1.6% compared to fiscal year 2019 while individual income tax revenue decreased 13.0%. The State ended fiscal year 2020 with reserves totaling $1.418 billion and a $882.1 million operating deficit. The most recent economic and revenue forecast published by the State Budget Agency on July 16, 2020 projects revenue growth of 12.0% in fiscal year 2021, a $257.8 million operating surplus for the State of Indiana in 2020-21 and combined balances of $1.6 billion.

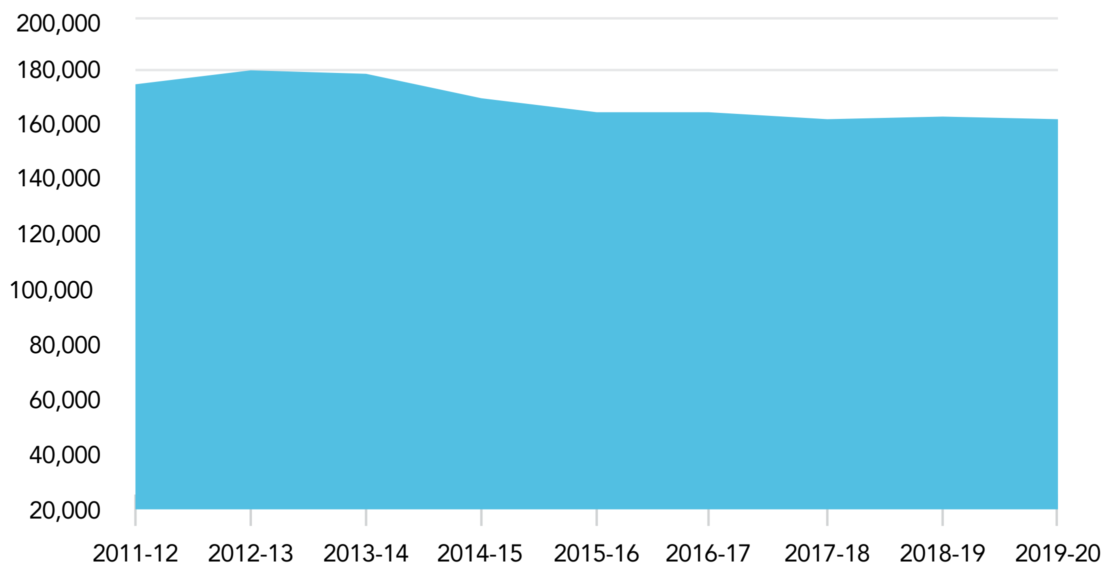
During the upcoming fiscal year 2020-21, the College continues to focus on improving student outcomes; recruitment and retention, enhancing workforce alignment, increasing the number of credential and degrees awarded and fostering a sustainable culture of diversity, equity and belonging.

Headcount enrollment and FTE at Ivy Tech marginally declined in 2019-20 when compared to 2018-19. Historical annual unduplicated headcount and FTE are reflected in the following charts.

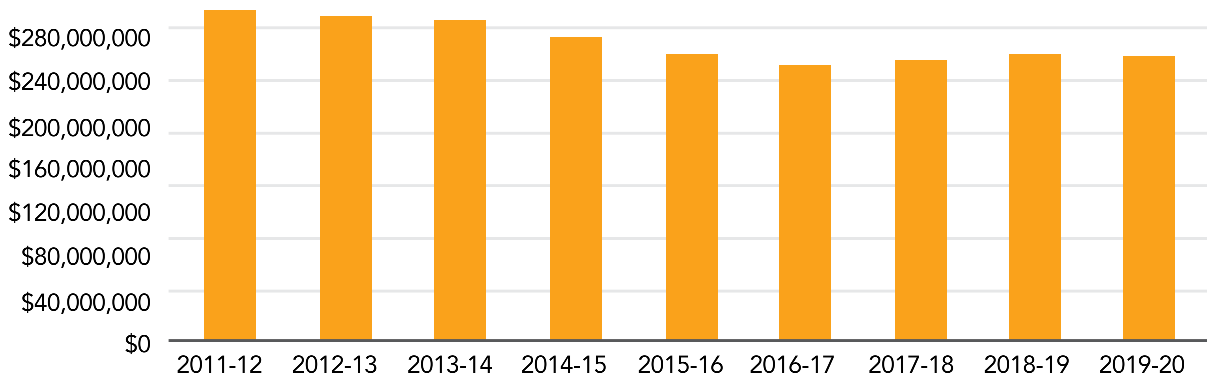
Annualized FTE Student Enrollment Trend



Annualized Student Enrollment Trend



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 were issued in July 2019 for the total $69.2 million pursuant to authority granted in HEA 1001-2017.

In the 2019 General Assembly, Ivy Tech received a capital bonding authority of $29.9 million for the Ivy Tech Columbus campus project. The College issued tax-exempt fee replacement bonds in July 2020 pursuant to authority granted in HEA 1001-2019 for the Columbus project and for the refunding of the Series N, Build America Bonds in the amount of $62.2 million.

FINANCIAL STATEMENTS

IVY TECH COMMUNITY COLLEGE OF INDIANA
STATEMENT OF NET POSITION

JUNE 30, 2020

WITH COMPARATIVE FIGURES AT JUNE 30, 2019

ASSET	2020	2019
Current assets		
Cash and cash equivalents	$179,392,699	$111,681,602
Cash with fiscal agent	27,138,000	28,158,379
Short-term investments	53,480,122	49,554,453
Accounts receivable	45,508,237	48,989,740
Allowance for doubtful accounts	(4,265,591)	(4,070,364)
Inventories	5,050	14,498
Deposit with trustee	7,161,528	36,093,436
Prepaid expenses	4,080,214	3,750,366
Total current assets	**312,500,259**	**274,172,110**
Noncurrent assets		
Long-term investments	337,004,199	327,569,105
Capital assets, net	622,563,149	623,849,890
Total noncurrent assets	**959,567,348**	**951,418,995**
TOTAL ASSETS	**1,272,067,607**	**1,225,591,105**
Deferred outflows of resources		
Deferred outflows related to pension	1,590,381	2,018,588
Deferred outflows related to OPEB	1,519,406	551,075
Total deferred outflows of resources	**3,109,787**	**2,569,663**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	40,809,847	41,231,343
Compensated absences	7,991,821	10,042,900
Deposits held in custody for others	1,138,308	755,206
Unearned revenue	14,548,131	13,512,093
Current portion of debt obligation	71,531,026	28,003,694
Total current liabilities	**136,019,133**	**93,545,236**
Noncurrent liabilities		
Compensated absences	10,054,160	6,098,706
Long-term debt and other obligations	197,120,626	274,402,077
Other postemployment benefits	44,090,257	45,592,026
Net pension liability	8,807,995	10,573,983
Total noncurrent liabilities	**260,073,038**	**336,666,792**
TOTAL LIABILITIES	**396,092,171**	**430,212,028**
Deferred inflows of resources		
Deferred inflows related to pension	3,821,604	4,380,283
Deferred inflows related to OPEB	6,211,397	2,928,877
Total deferred inflows of resources	**10,033,001**	**7,309,160**
NET POSITION		
Net investment in capital assets	350,722,370	331,098,643
Restricted for:		
Capital projects	10,801,494	13,944,896
Endowment	63,779	63,779
Unrestricted	507,464,579	445,532,262
TOTAL NET POSITION	**$869,052,222**	**$790,639,580**

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, 2020 AND 2019

ASSETS	2020	2019
Cash	$3,056,041	$917,399
Investments	24,830,641	19,332,548
Promises to give, net	12,067,397	14,703,752
Prepaid expenses and other assets	426,516	242,368
Net investment in direct financing lease with related party	4,711,835	5,025,312
Property and equipment, net	35,105,882	42,262,662
Beneficial interest in trusts	244,532	223,841
Assets restricted for endowment	39,584,331	38,967,454
TOTAL ASSETS	**$120,027,175**	**$121,675,336**
LIABILITIES		
Accounts payable and accrued expenses	$87,280	$240,272
Accounts payable-related party	125,003	257,310
Line of credit borrowings	295,849	455,572
Interest rate swap liability	364,330	243,505
Notes payable and capital lease obligation, net	9,643,528	11,204,620
Other liabilities	871,253	806,854
TOTAL LIABILITIES	**11,387,243**	**13,208,133**
NET ASSETS		
Without donor restrictions	26,206,443	31,791,741
With donor restrictions	82,433,489	76,675,462
TOTAL NET ASSETS	108,639,932	108,467,203
TOTAL LIABILITIES AND NET ASSETS	**$120,027,175**	**$121,675,336**

See accompanying notes

IVY TECH COMMUNITY COLLEGE OF INDIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE FIGURES AT JUNE 30, 2019

REVENUES	2020	2019
Operating Revenues		
Student Tuition and Fees	$219,143,406	$221,333,016
Scholarship Allowances	(82,564,579)	(84,387,839)
Net Student Tuition and Fees	136,578,827	136,945,177
Federal Grants and Contracts	1,350,613	2,620,373
State and Local Grants and Contracts	13,641,124	14,549,928
Nongovernmental Grants and Contracts	6,630,789	5,841,906
Sales and Services of Educational Departments	1,493,403	2,152,213
Auxiliary Enterprises	4,743,669	5,079,830
Other Operating Revenues	6,237,362	5,558,149
TOTAL OPERATING REVENUES	**170,675,787**	**172,747,576**
EXPENSES		
Operating Expenses		
Salaries and Wages	239,831,459	239,173,467
Benefits	73,941,852	73,804,257
Scholarships and Fellowships	71,912,869	64,177,262
Utilities	10,977,858	11,515,889
Supplies and Other Services	109,139,326	109,787,978
Depreciation and Amortization	33,173,705	32,824,069
Amortization of Deferred Loss on Refunding	-	-
TOTAL OPERATING EXPENSES	**538,977,069**	**531,282,922**
Operating Income (Loss)	(368,301,282)	(358,535,346)
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	272,946,460	275,485,592
Federal Appropriations	955,540	1,022,354
Investment Income	20,859,795	19,659,479
Interest on Capital Asset-Related Debt	(9,464,581)	(10,928,931)
Governmental Grants and Contracts-Federal	121,455,450	112,239,781
Governmental Grants and Contracts-State	29,672,265	29,463,159
Gain (Loss) on Sale and Disposal of Capital Assets	(2,625,460)	(3,134,358)
Gifts	758,987	1,476,901
Student Government Support	(606,334)	(619,808)
NET NONOPERATING REVENUES	**433,952,122**	**424,664,169**
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	65,650,840	66,128,823
Capital Gifts and Grants	8,151,224	3,219,551
Capital Appropriations	4,610,578	4,318,653
Total Other Revenues and Gains	12,761,802	7,538,204
INCREASE IN NET POSITION	**78,412,642**	**73,667,027**
Net Position - Beginning of Year	790,639,580	716,972,553
Net Position - End of Year	**$ 869,052,222**	**$ 790,639,580**

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

IVY TECH FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS AND SUPPORT			
Support:			
Contributions:			
Cash and promises to give	$1,310,465	$6,187,727	$7,498,192
College assistance for property	-	785,213	785,213
Non-cash	21,554	1,524,294	1,545,848
Grant revenue	-	9,380,004	9,380,004
Total Contributions	1,332,019	17,877,238	19,209,257
In-kind contributed operational services	3,703,505	-	3,703,505
Special events income, net of expenses of $232,627 in 2020 and $318,621 in 2019		272,301	272,301
Total Support	5,035,524	18,149,539	23,185,063
Revenue and Gains:			
Investment return	945,889	1,217,484	2,163,373
Vending and royalty income	433,563	-	433,563
Real estate rental income	1,288,398	-	1,288,398
Uncollectible promises to give		(1,014,979)	(1,014,979)
Gain on forgiveness of debt		-	-
Loss on sales of property and equipment	(422,479)	-	(422,479)
Miscellaneous revenue	5,509	21,145	26,654
Total Revenue and Gains	2,250,880	223,650	2,474,530
Net assets released from restrictions	12,615,162	(12,615,162)	-
Total Revenue, Gains and Support	19,901,566	5,758,027	25,659,593
EXPENSES			
Program expenses	20,318,484	-	20,318,484
Administrative expenses	1,758,647	-	1,758,647
Fundraising expenses	3,288,908	-	3,288,908
Total Expenses	25,366,039	-	25,366,039
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	(5,464,473)	5,758,027	293,554
NON-OPERATING ACTIVITIES			
Loss on interest rate swap	(120,825)	-	(120,825)
	(120,825)	-	(120,825)
INCREASE (DECREASE) IN NET ASSETS	(5,585,298)	5,758,027	172,729
NET ASSETS			
Beginning of Year	31,791,741	76,675,462	108,467,203
End of Year	$ 26,206,443	$82,433,489	$108,639,932

IVY TECH FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019

	2019		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
REVENUE, GAINS AND SUPPORT			
Support:			
Contributions:			
Cash and promises to give	$3,298,222	$9,656,679	$12,954,901
College assistance for property	-	2,026,880	2,026,880
Non-cash	229,965	1,259,367	1,489,332
Grant revenue	-	4,196,444	4,196,444
Total Contributions	3,528,187	17,139,370	20,667,557
In-kind contributed operational services	3,559,655	-	3,559,655
Special events income, net of expenses of $318,621 in 2019 and $444,785 in 2018	105,348	432,460	537,808
Total Support	7,193,190	17,571,830	24,765,020
Revenue and Gains:			
Investment return	1,263,902	2,027,047	3,290,949
Vending and royalty income	571,178	-	571,178
Real estate rental income	1,733,502	-	1,733,502
Uncollectible promises to give	(500)	(606,075)	(606,575)
Gain on forgiveness of debt	7,962,176	-	7,962,176
Loss on sales of property and equipment	-	-	-
Miscellaneous revenue	4,397	64,299	68,696
Total Revenue and Gains	11,534,655	1,485,271	13,019,926
Net assets released from restrictions	12,337,499	(12,337,499)	-
Total Revenue, Gains and Support	31,065,344	6,719,602	37,784,946
EXPENSES			
Program expenses	20,720,845	-	20,720,845
Administrative expenses	1,881,429	-	1,881,429
Fundraising expenses	3,259,288	-	3,259,288
Total Expenses	25,861,562	-	25,861,562
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	5,203,782	6,719,602	11,923,384
NON-OPERATING ACTIVITIES			
Loss on interest rate swaps	(82,149)	-	(82,149)
	(82,149)	-	(82,149)
INCREASE (DECREASE) IN NET ASSETS	5,121,633	6,719,602	11,841,235
NET ASSETS			
Beginning of Year	26,670,108	69,955,860	96,625,968
End of Year	$31,791,741	$76,675,462	$108,467,203

See accompanying notes

IVY TECH FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2020

	Student Financial Aid Program	College Facilities and Equipment	College Real Estate Management	College Funded Programs	General Assistance to College	Community Outreach	Total Program	Administrative	Fundraising	Total
Salary and benefits	$ -	$ -	$ -	$1,382,450	$ -	$ -	$1,382,450	$1,376,802	$2,862,138	$5,621,390
Staff development and recognition	-	-	-	-	160,707	-	160,707	-	-	160,707
Professional fees	-	-	-	132,810	-	-	132,810	82,625	238,706	454,141
Direct outreach to constituents	-	-	-	-	-	868,541	868,541	-	-	868,541
Contributed properties	-	-	3,712,237	-	-	-	3,712,237	-	-	3,712,237
Equipment and instructional supplies	-	490,952	-	-	-	-	490,952	-	-	490,952
Office expenses	-	-	-	-	379	-	379	169,081	48,134	217,594
Meetings	-	-	-	-	9,591	64,707	74,298	6,684	11,312	92,294
Financial aid and college fees	3,928,039	-	-	-	-	-	3,928,039	-	-	3,928,039
Facilities repair and maintenance	-	3,733,020	-	-	-	-	3,733,020	-	-	3,733,020
Building leases and utilities	-	-	183,675	-	-	-	183,675	78,016	91,584	353,275
Depreciation	-	-	2,623,066	-	-	-	2,623,066	-	-	2,623,066
Volunteer and student recognition	-	-	-	-	48,679	-	48,679	-	-	48,679
Travel	-	-	-	-	17,955	-	17,955	-	2,827	20,782
Advertising and promotion	-	-	-	-	-	26,371	26,371	-	33,472	59,843
Interest expense	-	-	503,372	-	-	-	503,372	-	-	503,372
Real estate taxes	-	-	41,310	-	-	-	41,310	-	-	41,310
Special programs	-	-	-	829,425	-	-	829,425	-	-	829,425
Events and association activities	-	-	-	-	36,904	-	36,904	-	232,627	269,531
Donated items	-	1,524,294	-	-	-	-	1,524,294	-	-	1,524,294
Miscellaneous expense	-	-	-	-	-	-	-	45,439	735	46,174
TOTAL EXPENSES BY FUNCTION	**$3,928,039**	**$5,748,266**	**$7,063,660**	**$2,344,685**	**$ 274,215**	**$ 959,619**	20,318,484	1,758,647	3,521,535	25,598,666
Less: Expenses included with revenues on the consolidated statement of activities										
Special events									(232,627)	(232,627)
TOTAL EXPENSES ON THE CONSOLIDATED STATEMENT OF ACTIVITIES							**$20,318,484**	**$1,758,647**	**$3,288,908**	**$25,366,039**

IVY TECH FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2019

	Student Financial Aid Program	College Facilities and Equipment	College Real Estate Management	College Funded Programs	General Assistance to College	Community Outreach	Total Program	Administrative	Fundraising	Total
Salary and benefits	$ -	$ -	$ -	$1,247,220	$ -	$ -	$1,247,220	$1,458,483	$2,642,637	$5,348,340
Staff development and recognition	-	-	-	-	184,295	-	184,295	-	-	184,295
Professional fees	-	-	-	23,113	-	-	23,113	141,349	255,992	420,454
Direct outreach to constituents	-	-	-	-	-	1,007,097	1,007,097	-	-	1,007,097
Contributed properties	-	-	4,310,166	-	-	-	4,310,166	-	-	4,310,166
Equipment and instructional supplies	-	657,226	-	-	-	-	657,226	-	-	657,226
Office expenses	-	-	-	-	2,266	-	2,266	160,485	68,342	231,093
Meetings	-	-	-	-	19,294	69,671	88,965	6,281	11,969	107,215
Financial aid and college fees	3,531,405	-	-	-	-	-	3,531,405	-	-	3,531,405
Facilities repair and maintenance	-	3,218,850	-	-	-	-	3,218,850	-	-	3,218,850
Building leases and utilities	-	-	513,364	-	-	-	513,364	82,432	96,768	692,564
Depreciation	-	-	2,913,132	-	-	-	2,913,132	-	-	2,913,132
Amortization	-	-	16,352	-	-	-	16,352	-	-	16,352
Volunteer and student recognition	-	-	-	-	70,390	-	70,390	-	-	70,390
Travel	-	-	-	-	21,970	-	21,970	1,232	1,114	24,316
Advertising and promotion	-	-	-	-	-	28,365	28,365	-	80,589	108,954
Interest expense	-	-	855,657	-	-	-	855,657	-	-	855,657
Real estate taxes	-	-	46,279	-	-	-	46,279	-	-	46,279
Special programs	-	-	-	782,338	-	-	782,338	-	-	782,338
Events and association activities	-	-	-	-	38,879	4,899	43,778	-	318,621	362,399
Donated items	-	1,158,617	-	-	-	-	1,158,617	-	100,751	1,259,368
Miscellaneous expense	-	-	-	-	-	-	-	31,167	1,126	32,293
TOTAL EXPENSES BY FUNCTION	**$3,531,405**	**$5,034,693**	**$8,654,950**	**$2,052,671**	**$337,094**	**$1,110,032**	20,720,845	1,881,429	3,577,909	26,180,183
Less: Expenses included with revenues on the consolidated statement of activities										
Special events									(318,621)	(318,621)
TOTAL EXPENSES ON THE CONSOLIDATED STATEMENT OF ACTIVITIES							**$20,720,845**	**$1,881,429**	**$3,259,288**	**$25,861,562**

IVY TECH COMMUNITY COLLEGE OF INDIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020 WITH COMPARATIVE FIGURES AT JUNE 30, 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	$ 141,774,752	$ 130,786,768
Gifts, Grants and Contracts	15,945,020	19,036,776
Auxiliary Enterprises	4,810,921	4,449,347
Sales and Services of Educational Departments	1,493,403	2,152,214
Payments to Suppliers	(120,088,964)	(124,034,855)
Payments to or on Behalf of Employees	(312,809,714)	(308,237,236)
Payments to Students	(71,912,869)	(64,177,262)
Other Receipts (Payments)	6,237,360	5,558,149
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**(334,550,091)**	**(334,466,099)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal and State Scholarships & Grants	151,127,715	141,702,940
State Appropriations	272,946,460	275,485,592
Receipts from Direct Federal Loan Proceeds	54,344,558	58,698,352
Payments from Direct Federal Loan Proceeds to Students/Financial Institutions	(54,311,319)	(58,665,965)
Gifts	911,266	1,083,684
Other Nonoperating Receipts (Payments)	(606,334)	(619,808)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	**424,412,346**	**417,684,795**
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital/Federal Appropriations	5,566,118	5,341,007
Capital Grants/Gifts	3,139,437	2,959,922
Deposit With Trustee	33,868,596	(43,149,086)
Deferred Outlows - Loss on Refunding	-	-
Proceeds from Issuance of Capital Debt	-	79,418,047
Purchase of Capital Assets	(30,581,161)	(68,845,856)
Proceeds from Sale of Capital Assets	1,080,523	5,655,912
Principal Paid on Capital-Related Debt	(31,087,700)	(32,844,425)
Interest Paid on Capital-Related Debt	(11,636,001)	(13,381,737)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	**(29,650,188)**	**(64,846,215)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	-	(35,000,000)
Proceeds from Sales and Maturities of Investments	(13,360,763)	(10,961,007)
Income on Investments	20,859,794	19,659,479
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	**7,499,031**	**(26,301,528)**
Net Increase (Decrease) in Cash	67,711,097	(7,929,046)
Cash and Cash Equivalents - Beginning of Year	111,681,602	119,610,648
Cash and Cash Equivalents - End of Year	**$179,392,699**	**$111,681,602**

IVY TECH COMMUNITY COLLEGE OF INDIANA
STATEMENT OF CASH FLOWS (CONTINUED)

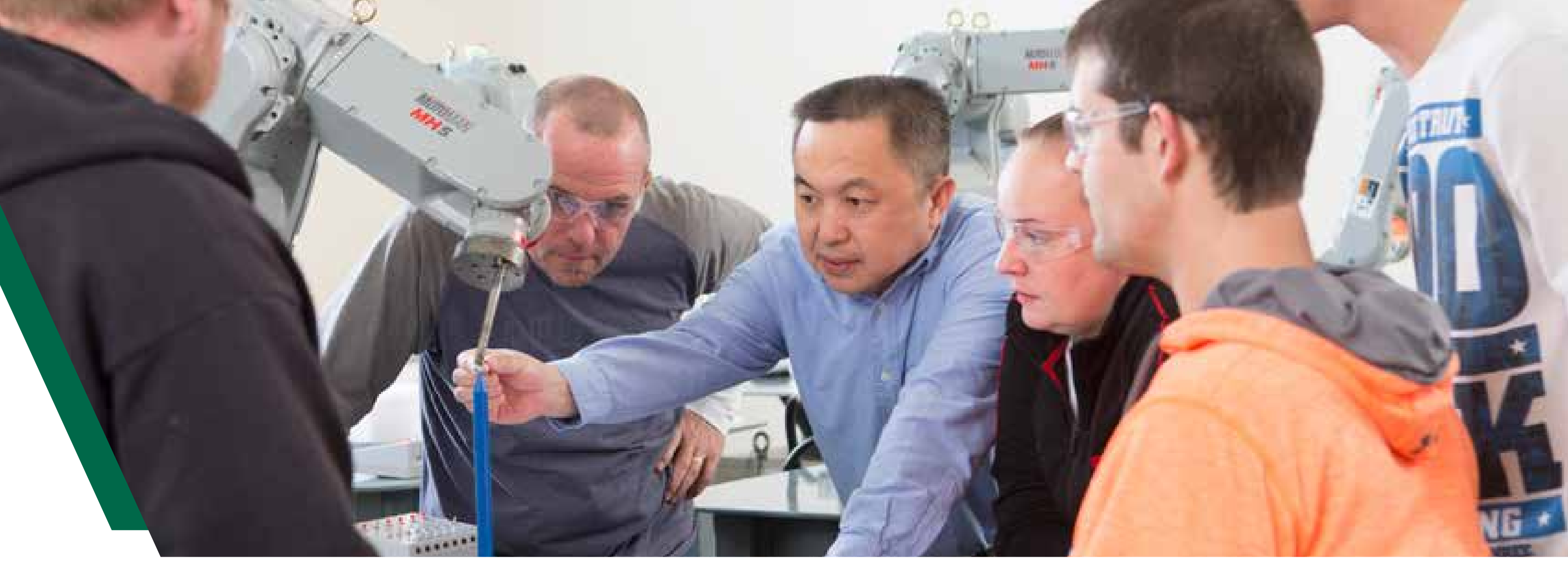
FOR THE YEAR ENDED JUNE 30, 2020 WITH COMPARATIVE FIGURES AT JUNE 30, 2019

RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**179,392,699**	**111,681,602**
Net Operating Income (Loss)	(368,301,282)	(358,535,345)
Adjustments to reconcile net operating expenses to cash used by operating activities:		
Depreciation	33,173,705	32,824,069
Amortization	-	-
Deferred Ouflow - Amortization of the Loss on Refunding	-	-
Deferred Outflow - Pension	(1,091,199)	2,959,183
Deferred Inflow - Pension & OPEB	3,274,916	(451,800)
Allowance for Doubtful Accounts	(195,227)	502,525
Changes in Assets and Liabilities:		
Accounts Receivable	(1,277,384)	(12,558,025)
Cash with Fiscal Agent	-	404,358
Prepaid Expense	(329,848)	(3,204,040)
Inventories	9,448	1,450
Accounts Payable and Accrued Liabilities	(987,645)	7,459,788
Net Pension Liability	(1,765,988)	(5,951,574)
Compensated Absences	1,904,375	948,344
Unearned Revenue	1,036,039	1,134,971
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**$ (334,550,091)**	**$ (334,466,096)**
SIGNIFICANT NONCASH TRANSACTIONS		
Donated assets	$ 98,197	$ 59,210
Unrealized gain/(loss) on investments	$ 6,855,126	$ 8,405,904

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

IVY TECH FOUNDATION, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
OPERATING ACTIVITIES		
Increase in net assets	$ 172,729	$ 11,841,235
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation of property and equipment	2,623,066	2,913,132
Amortization of deferred financing costs	-	16,352
Loss on sales of property and equipment	422,479	-
Net realized and unrealized gain on investments	(371,362)	(1,630,807)
In-kind contribution of property	-	(250,501)
Gain on forgiveness of debt, excluding cash closing costs of $359,829	-	(8,322,005)
Contribution of properties to Ivy Tech Community College	3,712,237	4,310,166
Loss on interest rate swaps	120,825	82,149
Increase in value of beneficial interest in trusts	38,437	5,379
(Increase) decrease in certain operating assets:		
Promises to give	2,636,355	(2,750,953)
Prepaid expenses and other assets	(184,148)	159,132
Receivable from related party	-	162,051
Increase (decrease) in certain operating liabilities:		
Accounts payable and accrued expenses	(152,992)	(267,280)
Accounts payable-related party	(132,307)	(354,524)
Other liabilities	92,505	(154,900)
Contributions restricted for long-term purposes	(223,650)	(1,485,271)
Net Cash Provided by Operating Activities	8,754,174	4,273,355
INVESTING ACTIVITIES		
Proceeds from sales of property and equipment	398,998	-
Proceeds from direct financing lease with related party	313,477	436,558
Purchases of investments	(17,416,732)	(22,845,483)
Sales and maturities of investments	14,341,689	19,921,751
Net Cash Used by Investing Activities	(2,362,568)	(2,487,174)
FINANCING ACTIVITIES		
Net repayments on line of credit	(159,723)	(1,208,683)
Payments on notes payable	(1,229,451)	(2,723,302)
Payments on capital lease obligations	(331,641)	(310,392)
Net change in other liabilities related to annuities	(28,106)	26,776
Investment in endowment	769,112	685,718
Net Cash Used by Financing Activities	(979,809)	(3,529,883)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	5,411,797	(1,743,702)
CASH AND EQUIVALENTS		
Beginning of Year	3,529,081	5,272,783
End of Year	**$ 8,940,878**	**$ 3,529,081**



IVY TECH FOUNDATION, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH AND EQUIVALENTS		
Cash	$ 3,056,041	$ 917,399
Cash equivalents held in investments	4,655,155	1,944,924
Cash equivalents held in assets restricted for endowment	1,229,682	666,758
TOTAL CASH AND EQUIVALENTS	**$ 8,940,878**	**$ 3,529,081**
SUPPLEMENTAL DISCLOSURES		
Interest paid	$ 503,372	$1,020,249
Noncash investing and financing activities:		
In-kind contribution of property		
Contribution of properties to Ivy Tech Community College	-	250,501
Gross amounts forgiven upon unwinding of New Market Tax	3,712,237	4,310,166
Credit Agreement:		
Note receivable from bank		23,510,509
Notes payable		31,832,514

See accompanying notes

IVY TECH COMMUNITY COLLEGE OF INDIANA NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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 over 40 locations 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 $20.3 million of expenditures assisting the College during fiscal year 2020. 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 no new GASB statements that were effective for the fiscal year 2019-20. The College's asset ledger was reviewed for GASB Statement No. 83, *Certain Asset Retirement Obligations*. It was determined that the College's impact was immaterial and thus no liability was recognized. GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, was also reviewed. The College does not have any debt meeting the definition stated in GASB Statement No. 88. Ivy Tech elected early implementation of GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. Interest costs have been expensed for Series V bonds in 2018-19 and 2019-20.

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 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, and depreciation. 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. The College does not consider cash with fiscal agent and deposit with trustee as cash equivalents for the purpose of the statement of cash flows. The deposit with trustee is not considered cash equivalent for the purposes of the statement of cash flows because it is invested on behalf of the College and withdrawl without penalty is dependent upon maturity date of the investments. Cash with fiscal agent is not considered cash equivalent for the purposes of the statement of cash flows because the funds are invested by the fiscal agent and unable to be withdrawn without prior notice or penalty.

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 2020.

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, 2020. 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. Employees hired on or before December 31, 2019 are eligible to have their unused sick leave paid out upon retirement if the employee's age is at least fifty-five years and their age plus years of service equal seventy-five or more. Employees hired on or after January 1, 2020 are not eligible for the program. 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.

N. RECLASSIFICATION

At June 30, 2019, the College netted $551,075 in deferred outflows as part of the total deferred inflows related to other postemployment benefits. Upon review of the other postemployment benefits information for the year ending June 30, 2020, the College split the deferred outflows into a separate line in order to provide more detail. As a result, deferred inflows related to OPEB on the Statement of Net Position increased by $551,075 and the deferred outflows related to OPEB increased by $551,075.

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 two (2) active matter in litigation, one (1) in County Circuit Court and one (1) in United States District Court. The College also has two (2) open cases 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 the other capital leases, the College has multiple lease obligations with the 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 $39,528,481 and $43,799,219 as of June 30, 2020 and 2019, respectively. Accumulated amortization of leased facilities and equipment totaled $10,763,962 and $10,224,217 at June 30, 2020 and 2019, respectively.

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

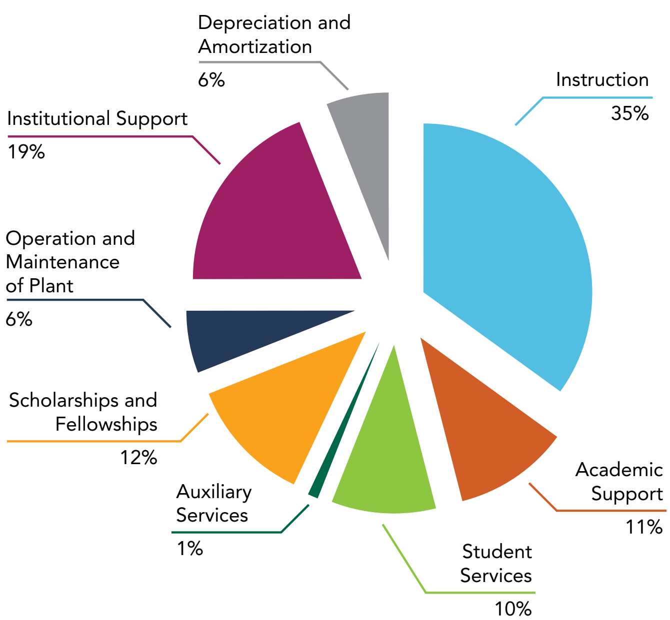
	Capital	Operating
2021	$ 3,131,080	$ 2,320,609
2022	2,386,543	2,083,292
2023	2,273,437	464,679
2024	984,636	376,677
2025	956,728	302,175
2026-2030	4,313,370	126,000
2031-2035	1,285,738	30,000
2036-2040		30,000
2041-2045		30,000
2046-2047		7,000
Total future minimum payments	15,331,532	5,770,432
Less: Interest	(2,261,188)	
	$ 13,070,344	

IV. OPERATING EXPENSES

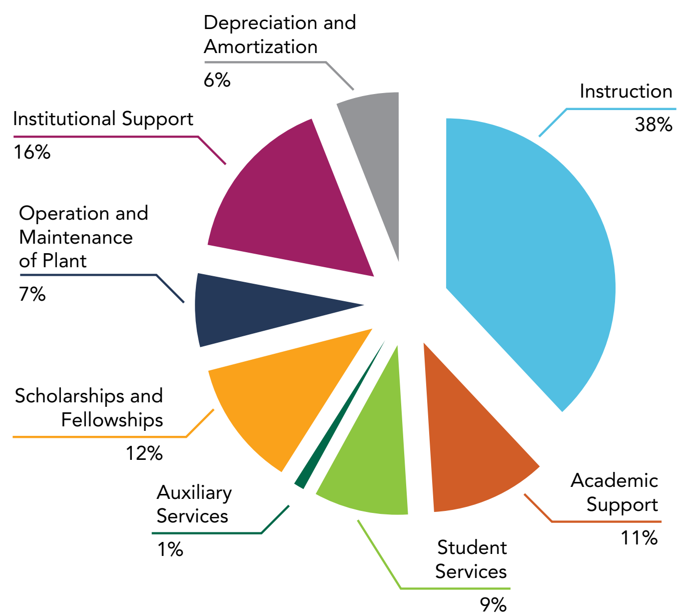
The operating expenses are presented on the financial statements using natural classifications: salaries and wages, benefits, scholarships and fellowships, utilities, supplies and other services, and depreciation and amortization. The following schedule shows expenses based on the College's functional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

Expenses by function	Salaries & wages	Benefits	Scholarships	Utilities	Supplies & other services	Depreciation & Amortization	2020 Total	2019 Total
Instruction	$121,502,343	$35,281,664	$ -	$161,784	$31,053,584	$ -	$187,999,375	$202,892,181
Institutional support	44,786,469	18,572,935	-	16,317	40,653,865	-	104,029,586	85,076,313
Scholarships & fellowships	820,605	78,368	61,945,957	-	60,584	-	62,905,514	64,829,568
Academic support	39,466,309	7,555,446	353,843	2,392	9,996,059	-	57,374,049	56,285,541
Student services	25,048,383	9,395,478	9,613,069	-	11,703,759	-	55,760,689	49,188,861
Operations & maintenance of plant	7,674,832	2,797,329	-	10,456,224	11,676,094	-	32,604,479	35,200,825
Depreciation	-	-	-	-	-	33,173,705	33,173,705	32,824,069
Auxiliary services	289,006	196,111	-	341,141	3,632,922	-	4,459,180	4,537,956
Public services	243,512	64,521	-	-	362,459	-	670,492	447,608
TOTAL	$239,831,459	$ 73,941,852	$ 71,912,869	$ 10,977,858	$109,139,326	$ 33,173,705	$538,977,069	$531,282,922

2020 FUNCTIONAL EXPENSES



2019 FUNCTIONAL EXPENSES



As a percentage of total expenses, operation and maintenance of plant decreased 1.0%, instruction decreased 3.0% while student services increased 1.0% and institutional support increased 3%. All other functional expenses did not change from the prior year. In fiscal year 2019, scholarships and fellowships and institutional support decreased 1.0% while instruction and operation and maintenance of plant both increased 1.0%. 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, 2018 through September 30, 2021. 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 2019. 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 earnings attainment of Indiana's 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 are that 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, 2020, the difference between book value and fair value of the College's investment portfolio resulted in an increase of $6,855,126. 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 and Accrual
Demand Deposits	$164,070,121	$ -	$ -	$ -	$164,070,121
Investment Manager Cash & Cash Equivalents	15,644,606	12,920,737	2,723,821	-	48
U.S. Treasury & Agencies	77,759,143	70,443,029	7,061,323	-	254,791
Agency Backed Mortgages	31,473,586	-	31,412,621	-	60,965
Corporate Bonds & Notes	156,256,142	-	155,158,356	-	1,097,786
Structured Securities	76,793,668	-	76,640,293	-	153,375
Foreign Bonds (in U.S. dollars)	31,361,406	-	31,167,170	-	194,236
Municipal Bonds	16,840,376	-	16,705,454	-	134,922
Total	**$570,199,048**	**$83,363,766**	**$320,869,038**	**$ -**	**$165,966,244**

As of June 30, 2019, the difference between book value and fair value of the College's investment portfolio resulted in an increase of $8,405,904. The breakdown by level of the College's investment portfolio was as follows:

	Fair Value	Level 1	Level 2	Level 3	Cash and Accrual
Demand Deposits	$101,989,730	$ -	$ -	$ -	$101,989,730
Investment Manager Cash & Cash Equivalents	10,543,256	10,408,106	124,819	-	10,331
U.S. Treasury & Agencies	78,341,449	66,027,160	11,848,794	-	465,495
Agency Backed Mortgages	21,481,804	-	21,434,893	-	46,911
Corporate Bonds & Notes	152,207,203	-	151,053,109	-	1,154,094
Structured Securities	84,509,439	-	84,336,959	-	172,480
Foreign Bonds (in U.S. dollars)	31,403,213	-	31,189,861	-	213,352
Municipal Bonds	9,180,450	-	9,083,316	-	97,134
Total	**$489,656,544**	**$76,435,266**	**$309,071,751**	**$ -**	**$104,149,527**

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, 2020:

	Fair Value	<1 year	1-5 years	6-10 years	More than 10 years
Demand Deposits	$164,070,121	$164,070,121	$ -	$ -	$ -
Investment Manager Cash & Cash Equivalents	15,644,606	15,644,606	-	-	-
U.S. Treasury & Agencies	77,759,143	8,896,569	68,862,574	-	-
Agency Backed Mortgages	31,473,586	1,418,612	10,412,376	9,666,757	9,975,841
Corporate Bonds & Notes	156,256,142	28,200,411	127,415,470	640,261	-
Structured Securities	76,793,668	319,945	49,283,038	4,553,879	22,636,806
Foreign Bonds (in U.S. Dollars)	31,361,406	11,411,587	19,949,819	-	-
Municipal Bonds	16,840,376	3,232,997	13,198,997	308,277	100,105
Total	$570,199,048	$233,194,848	$289,122,274	$15,169,174	$32,712,752

As of June 30, 2019, the distribution of Ivy Tech's investments by maturity was as follows:

	Fair Value	<1 year	1-5 years	6-10 years	More than 10 years
Demand Deposits	$101,989,730	$101,989,730	$ -	$ -	$ -
Investment Manager Cash & Cash Equivalents	10,543,256	10,543,256	-	-	-
U.S. Treasury & Agencies	78,341,449	13,162,163	65,126,981	52,305	-
Agency Backed Mortgages	21,481,804	194,312	12,686,257	4,505,992	4,095,243
Corporate Bonds & Notes	152,207,203	25,792,756	125,555,533	858,914	-
Structured Securities	84,509,439	263,798	46,662,321	11,879,069	25,704,251
Foreign Bonds (in U.S. Dollars)	31,403,213	7,948,166	23,323,356	131,691	-
Municipal Bonds	9,180,450	2,193,258	6,957,622	29,570	-
Total	**$489,656,544**	**$162,087,439**	**$280,312,070**	**$17,457,541**	**$29,799,494**

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 average credit quality rating minimum (S&P/Moody's/Fitch) for each style of fixed income available for investment is as follows: Active Cash is AA-/Aa3/AA-, Defensive is A-/A3/A-, and Intermediate is A-/A3/A-. As of June 30, 2020, 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*	MIG	Cash & Short Term Liquid Investments	Not Rated
Demand Deposits	$164,070,121	$ -	$ -	$ -	$ -	$ -	$164,070,121	$ -
Investment Manager Cash & Cash Equivalents	15,644,606	-	-	-	-	-	15,644,606	-
U.S. Treasury & Agencies	77,759,143	77,759,143	-	-	-	-	-	-
Agency Backed Mortgages	31,473,586	3,954,958	-	-	-	-	-	27,518,628
Corporate Bonds & Notes	156,256,142	2,899,188	99,798,744	47,529,961	1,635,728	-	-	4,392,521
Structured Securities	76,793,668	42,712,942	4,619,789	2,994,232	650,722	-	-	25,815,983
Foreign Bonds (in U.S. dollars)	31,361,406	3,383,141	21,965,414	5,293,171	357,044	-	-	362,636
Municipal Bonds	16,840,376	153,998	8,092,354	682,051	-	197,286	-	7,714,687
Total	**$570,199,048**	**$130,863,370**	**$134,476,301**	**$ 56,499,415**	**$ 2,643,494**	**$197,286**	**$ 179,714,727**	**$65,804,455**
As a Percentage of Total Portfolio		23.0%	23.6%	10.0%	0.5%	0.0%	31.5%	11.4%

*Aa and A is comprised of $37,553,687 in Aa

*Ba and B is comprised of $2,643,494in Ba

As of June 30, 2019, 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 & Short Term Liquid Investments	Not Rated
Demand Deposits	$101,989,730	$ -	$ -	$ -	$ -	$ -	$ -	$101,989,730	$ -
Investment Manager Cash & Cash Equivalents	10,543,256	-	-	-	-	-	-	10,543,256	-
U.S. Treasury & Agencies	78,341,449	77,787,874	-	-	-	-	-	-	553,575
Agency Backed Mortgages	21,481,804	2,812,001	-	-	-	-	-	-	18,669,803
Corporate Bonds & Notes	152,207,203	2,041,210	82,173,043	56,633,045	6,368,999	50,929	-	-	4,939,977
Structured Securities	84,509,439	51,911,506	2,397,464	567,811	-	-	-	-	29,632,658
Foreign Bonds (in U.S. dollars)	31,403,213	4,686,729	19,730,306	5,221,062	1,526,064	-	-	-	239,052
Municipal Bonds	9,180,450	61,393	5,068,783	378,722	-	-	236,123	-	3,435,429
Total	**$489,656,544**	**$139,300,713**	**$109,369,596**	**$62,800,640**	**$7,895,063**	**$50,929**	**$236,123**	**$112,532,986**	**$57,470,494**
As a Percentage of Total Portfolio		28.5%	22.3%	12.8%	1.6%	0.0%	0.1%	23.0%	11.7%

*Aa and A is comprised of $26,646,522 in Aa.

*Ba and B is comprised of $5,459,937 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. The allowable total sector weightings for active cash, defensive, and intermediate are 100% for certificates of deposit/interest bearing deposit accounts, 100% for U.S. Treasuries, 100% for U.S. Agencies, 100% for money markets, 50% for commercial paper, 50% for corporate investment grade, 40% for asset backed securities, 25% for municipal bonds, 20% for commercial mortgage backed, and 10% for mortgage backed (residential non-agency). Allowable weighting for mortgage backed (residential agency) is 30% for active cash and 60% for both defensive and intermediate. Most of our investments are currently under defensive at this time.

The financial institutions that hold five percent (5%) or more of the College's investments as of June 30, 2020:

Name of Institution	Amount	Percentage
Lake City Bank	$69,788,741	12.2%
PNC Bank	$94,281,380	16.5%

The financial institutions that hold five percent (5%) or more of the College's investments as of June 30, 2019:

Name of Institution	Amount	Percentage
Lake City Bank	$64,943,949	13.3%
PNC Bank	$37,045,781	7.6%

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, 2020 and June 30, 2019, 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.

F. FOREIGN CURRENCY RISK

As of June 30, 2020 and June 30, 2019, 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 $11,740 and $52,039, 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 fiscal year 2020.

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, 2019, the Plan had 2,562 total participants, 2,405 of which are active participants and 157 inactive participants receiving benefits. As of July 1, 2018 the Plan had 2,572 total participants, 2,428 which are active participants and 144 are inactive participants receiving benefits. As of July 1, 2017, the Plan had 2,629 total participants, 2,476, which were active participants, and 153 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 $2,463,067 to the Plan in fiscal year 2020, $2,892,034 to the Plan in fiscal year 2019 and $3,181,966 to the Plan in fiscal year 2018.

SIGNIFICANT ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the June 30, 2020 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, 2019 census data. Liabilities rolled forward to June 30, 2020 measurement date.		
Experience study date	2013		
Long-term rate of return on assets	Not applicable		
Inflation	3.0%		
Salary increases	3.0%		
Discount rate	2.85% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of April 30, 2019		
Ad hoc postemployment benefit changes	None		
Healthcare cost trend rates	Years	Pre-65 Medical	Dental
	2019	7.00%	5.00%
	2020	6.00%	5.00%
	2021+	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 $1,337 for medical and $95 for dental for 75 Plan retirees ($10,021 for medical and $475 for dental for Regular retirees)		
Mortality	RP-2014 White Collar Mortality Table with projection scale MP-2018		

The total OPEB liability in the June 30, 2019 measurement date was determined using the following actuarial assumptions:

Valuation Date	July 1, 2018 census data. Liabilities rolled forward to June 30, 2019 measurement date.		
Experience study date	2013		
Long-term rate of return on assets	Not applicable		
Inflation	3.0%		
Salary increases	3.0%		
Discount rate	3.21% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of April 30, 2019		
Ad hoc postemployment benefit changes	None		
Healthcare cost trend rates	Years	Pre-65 Medical	Dental
	2018	7.00%	5.00%
	2019	6.00%	5.00%
	2020+	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 $1,430 for medical and $99 for dental for 75 Plan retirees ($10,277 for medical and $495 for dental for Regular retirees)		
Mortality	RP-2014 White Collar Mortality Table with projection scale MP-2017		

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, 2020.

Discount Rate

1 % Decrease	Current	1 % Increase
$40,654,162	$44,090,257	$47,255,020

Health Care Cost Trend Rate

1 % Decrease	Current	1 % Increase
$48,074,722	$44,090,257	$39,542,098

As of June 30, 2019, the potential impact of a one percentage point rate decrease or increase was as follows:

Discount Rate

1 % Decrease	Current	1 % Increase
$42,427,870	$45,592,026	$48,522,879

Health Care Cost Trend Rate

1 % Decrease	Current	1 % Increase
$49,779,406	$45,592,026	$40,806,853

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, 2020, was $44,090,257, and as of June 30, 2019, was $45,592,026. The College pays claims as incurred, and as a result, the plan does not have assets segregated. Total OPEB expense was $2,463,067 and $2,892,034 for June 30, 2020, and June 30, 2019 respectively.

Changes in the total OPEB liability during the 2020 fiscal year are as follows:

	Total OPEB Liability
Balance as of June 30, 2019	**$45,592,026**
Changes for the year:	
Service cost	1,806,581
Interest	1,299,962
Changes of benefit terms	-
Plan amendments	-
Differences between expected and actual experience	(3,949,722)
Changes in assumptions or other inputs	992,057
Benefit payments	(1,650,647)
Net Changes	(1,501,769)
Balance as of June 30, 2020	**$44,090,257**

Changes in the total OPEB liability during the 2019 fiscal year are as follows:

	Total OPEB Liability
Balance as of June 30, 2018	**$43,178,310**
Changes for the year:	
Service cost	1,774,855
Interest	1,603,853
Changes of benefit terms	-
Plan amendments	-
Differences between expected and actual experience	(1,744,880)
Changes in assumptions or other inputs	2,223,332
Benefit payments	(1,443,444)
Net Changes	2,413,716
Balance as of June 30, 2019	**$45,592,026**

Deferred inflows and outflows of resources as of June 30, 2020 were as follows.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Reclassified value on June 30, 2019	$551,075	($2,928,877)
Differences between expected and actual experience	-	(3,282,520)
Changes of assumptions	968,331	-
Totals	**$1,519,406**	**($6,211,397)**

The reclassified deferred inflows and outflows of resources as of June 30, 2019 were as follows.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Value on June 30, 2018	($1,850,469)	($1,492,459)
Differences between expected and actual experience		
Changes of assumptions	2,401,544	($1,436,418)
Totals	**$551,075**	**($2,928,877)**

As of June 30, 2020, the amortization schedule of deferred outflows and inflows of resources for the College is as follows:

Amortization of Net Deferred Outflows (Inflows) of Resources	
2021	($544,369)
2022	(544,369)
2023	(544,369)
2024	(544,369)
2025	(544,369)
Thereafter	(1,970,146)
Amount recognized as a reduction of total OPEB liability	**($4,691,991)**

As of June 30, 2019, the amortization schedule of deferred outflows and inflows of resources for the College were as follows:

Amortization of Net Deferred Outflows (Inflows) of Resources	
2020	($265,886)
2021	(265,886)
2022	(265,886)
2023	(265,886)
2024	(265,886)
Thereafter	(1,048,372)
Amount recognized as a reduction of total OPEB liability	**($2,377,802)**

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 deductible 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 deductible; Educators' Legal Liability, with a $25,000,000 per claim limit and $25,000,000 annual aggregate and a $225,000 retention; Internships & Professional Liability, with a $1,000,000 per claim limit, $3,000,000 annual aggregate limit, and $10,000 deductible; Medical Professional Liability to include participation in the Indiana Patient's Compensation Fund with a $500,000 per claim limit, $1,500,000 aggregate, and $10,000 deductible; 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; Excess Liability, with a $25,000,000 per occurrence limit; Crime, with a $3,000,000 per loss limit and a $35,000 retention; Fiduciary Liability with a $3,000,000 limit for all claims; Cyber Liability, with a $10,000,000 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 limit.

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, which 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, 2019 to June 30, 2020:

- Crime: Increased from $2,000,000 per loss limit with $25,000 retention to a $3,000,000 per loss limit with a $35,000 retention
- Fiduciary Liability: Increased from $2,000,000 to $3,000,000 for all claims
- Cyber Liability: Increased from $5,000,000 aggregate limit to $10,000,000.

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, 2020, the unpaid claim liability was actuarially determined to be $2.9 million for the medical plan and $57 thousand for the dental plan compared to $3.1 million for the medical plan and $63 thousand for the dental plan in June 2019 and $3.1 for the medical plan and $64 thousand for the dental plan as of June 30, 2018. 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 $329 thousand of medical and $65 thousand of dental expenses incurred in June 2020 and not paid until July 2020. As of June 2019, the unpaid liability included $1.3 million of medical and $100 thousand of dental expense incurred in June and not paid until July.

Changes in the balance of claims liabilities are as follows:

		FY20		FY19
Unpaid claims, 7/01	$	3,125,496	$	3,208,564
Claims incurred		34,271,495		35,133,187
Claims paid		(34,455,748)		(35,216,255)
Unpaid claims, 6/30		**$2,941,243**		**$3,125,496**

As of June 30, 2020, the College has a reserve (the excess of employer share over claims paid) in the amount of $17.4 million. As of June 30, 2019, the reserve was $17.4 million.

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 2,718 and 2,840 active employees as of June 30, 2020, and June 30, 2019, 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, 2020, the College remitted $21.3 million to Transamerica, representing $153.9 million in total salaries compared to the $19.2 million remitted to Transamerica representing $137.3 million in salaries as of June 30, 2019. During both fiscal year 2019 and 2020, 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, 2020, there were 2,544 employees participating in the defined contribution retirement plan compared to 2,465 employees participating on June 30, 2019.

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 14 pension trust funds including eight defined benefit plans and four defined contribution retirement plans, one other postemployment benefit fund, and one custodial 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. Political subdivisions may offer the following plans to their employees: PERF Hybrid, My Choice: Retirement Savings Plan, My Choice: Retirement Savings Plan and PERF Hybrid (employee's choice), PERF Hybrid for existing employees, and PERF Hybrid and My Choice: Retirement Savings 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, 5-10.3, 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 defined contribution component known as the Public Employees' Hybrid Members Defined Contribution Account.

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 2020, the College was required to contribute 11.2% of covered payroll, which totaled $1,353,045. In fiscal year 2019, the College contributed $1,548,399. 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

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, 2019 or June 30, 2018. Eligible members received a one-time check in October 2018 and October 2017 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, 2017 or 2016.

The PERF Hybrid Plan also provides disability and survivor benefits. An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability. Upon the death in service of a member with 15 or more years of creditable service, a survivor benefit may be paid to the surviving spouse or surviving dependent children.

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, 2019 is below.

Valuation date:	
Assets	June 30, 2019
Liabilities	June 30, 2018 - Member census data as of June 30, 2018 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2018 and June 30, 2019. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2018 to the June 30, 2019 measurement date.
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	13th Check for 2020-2021
	0.40% for 2022-2033
	0.50% for 2034-2038
	0.60% for 2039 and after
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

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 is below.

Valuation date:	
Assets	June 30, 2018
Liabilities	June 30, 2017 – Member census data as of June 30, 2017 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2017 and June 30, 2018. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2017 to June 30, 2018.
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	13th Check for 2019-2020
	0.40% for 2021-2032
	0.50% for 2033-2037
	0.60% for 2038 and after
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 general 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, 2019	Target Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	22.0%	4.9%
Private Market	14.0%	7.0%
Fixed Income-Ex Inflation-Linked	20.0%	2.5%
Fixed Income-Inflation-Linked	7.0%	1.3%
Commodities	8.0%	2.0%
Real Estate	7.0%	6.7%
Absolute Return	10.0%	2.9%
Risk Parity	12.0%	5.3%

Geometric Basis at June 30, 2018	Target Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	22.0%	4.4%
Private Market	14.0%	5.4%
Fixed Income-Ex Inflation-Linked	20.0%	2.2%
Fixed Income-Inflation-Linked	7.0%	0.8%
Commodities	8.0%	2.3%
Real Estate	7.0%	6.5%
Absolute Return	10.0%	2.7%
Risk Parity	12.0%	5.2%

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, 2019, 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%)
$14,145,756	$8,807,995	$4,355,894

The following table illustrates, as of June 30, 2018, 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%)
$16,645,148	$10,573,983	$5,511,292

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 $8,807,995, which is 0.2665% 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, 2019. The actuarial valuation date upon which the total pension liability is based, is June 30, 2018. Standard actuarial roll forward techniques were used to project the total pension liability computed as of June 30, 2018 to June 30, 2019.

The contribution rates were calculated as of June 30, and the newly calculated contribution rates will become effective January 1, 2020.

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, 2020 is $8,807,995 and as of June 30, 2019, is $10,573,983. The College's total pension expense was ($535,660) and ($929,578) as of June 30, 2020 and 2019, respectively. Deferred inflows and outflows of resources were as follows.

As of June 30,2020	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$233,233	$ -
Net difference between projected and actual earnings on pension plan investments	-	416,332
Changes of assumptions	1,961	957,494
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,142	2,447,778
Employer contributions subsequent to measurement date	1,353,045	-
Totals	**$1,590,381**	**$3,821,604**

As of June 30,2019	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$138,287	$ 722
Net difference between projected and actual earnings on pension plan investments	313,160	-
Changes of assumptions	25,193	1,697,800
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,304	2,681,761
Employer contributions subsequent to measurement date	1,540,644	-
Totals	**$2,018,588**	**$4,380,283**

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

Amortization of Net Deferred Outflows (Inflows) of Resources	
2020	($1,432,161)
2021	(1,609,586)
2022	(510,195)
2023	(32,326)
2024	-
Thereafter	-
Total	**($3,584,268)**

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, 2020 was as follows:

	Beginning Balance	FY-Additions	FY-Retirements	Balance
Capital assets not being depreciated:				
Land	$31,976,138	$ -	$2,304,828	$29,671,310
Construction work in progress	64,900,470	32,247,518	54,780,038	42,367,950
Total capital assets not being depreciated	**96,876,608**	**32,247,518**	**57,084,866**	**72,039,260**
Capital assets being depreciated:				
Land improvements & infrastructure	30,009,182	861,657	86,508	30,784,331
Buildings	775,023,806	53,928,122	2,152,739	826,799,189
Furniture, fixtures & equipment	102,617,660	3,310,075	6,157,095	99,770,640
Library materials	4,328,309	64,913	513,990	3,879,232
Total capital assets being depreciated	**911,978,957**	**58,164,767**	**8,910,332**	**961,233,392**
Less accumulated depreciation:				
Land improvements & infrastructure	19,448,518	1,206,472	33,999	20,620,991
Buildings	279,237,697	24,784,148	1,107,462	302,914,383
Furniture, fixtures & equipment	82,377,533	7,030,315	5,814,427	83,593,421
Library materials	3,941,927	152,770	513,990	3,580,707
Total accumulated depreciation	**385,005,675**	**33,173,705**	**7,469,878**	**410,709,502**
Total capital assets being depreciated, net	**526,973,282**	**24,991,062**	**1,440,454**	**550,523,890**
Capital assets, net	**$623,849,890**	**$57,238,580**	**$58,525,320**	**$622,563,150**

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	FY-Additions	FY-Retirements	Balance
Capital assets not being depreciated:				
Land	$33,419,704	$ -	$1,443,566	$31,976,138
Construction work in progress	11,614,947	63,789,493	10,503,970	64,900,470
Total capital assets not being depreciated	**45,034,651**	**63,789,493**	**11,947,536**	**96,876,608**
Capital assets being depreciated:				
Land improvements & infrastructure	30,933,630	336,807	1,261,255	30,009,182
Buildings	782,513,041	10,167,162	17,656,397	775,023,806
Furniture, fixtures & equipment	98,973,195	5,246,283	1,601,818	102,617,660
Library materials	4,196,158	132,151	-	4,328,309
Total capital assets being depreciated	**916,616,024**	**15,882,403**	**20,519,470**	**911,978,957**
Less accumulated depreciation:				
Land improvements & infrastructure	18,983,581	1,446,795	981,858	19,448,518
Buildings	266,454,443	23,363,481	10,580,227	279,237,697
Furniture, fixtures & equipment	76,082,476	7,843,296	1,548,239	82,377,533
Library materials	3,771,430	170,497	-	3,941,927
Total accumulated depreciation	**365,291,930**	**32,824,069**	**13,110,324**	**385,005,675**
Total capital assets being depreciated, net	**551,324,095**	**(16,941,666)**	**7,409,146**	**526,973,282**
Capital assets, net	**$596,358,745**	**$46,847,827**	**$19,356,682**	**$623,849,890**

CONSTRUCTION WORK IN PROGRESS

The following table presents the construction projects in process as of June 30, 2020:

Kokomo Construction Series V	$36,667,017
Muncie Construction Series V	-
Café Space Renovation - Lake County	1,150
Lift iFlex Lab Cost Share – SB/Elkhart	93,337
Harshman Hall Project – Ft. Wayne	411,067
Industrial Tech Flex Lab Project – Ft. Wayne	33,596
Library/LRC Remodel – Indianapolis	94,272
C4 – 6th Floor Buildout – Indianapols	1,319,955
Noblesville Welding Lab	10,200
Automotive Building Project – Indianapolis	293,113
Columbus Construction Project	235,581
Various Repair & Rehabilitation & Parking Lot Projects	3,208,662
Total Construction Work In Progress	**$42,367,950**

The following table presents the construction projects in process as of June 30, 2019:

Kokomo Construction Planning	$1,525,488
Kokomo Construction Series V	23,764,464
Muncie Construction Series V	30,070,103
Harshman Hall Project—Ft. Wayne	157,757
Henry County Phase III	637,804
EDA Precision Ag – Match—Terre Haute	748,935
Fairbanks Crawlspace Project—Indianapolis	122,505
C4 – 6th Floor Buildout ASAP—Indianapolis	39,600
Various Repair & Rehabilitation & Parking Lot Projects	7,833,814
Total Construction Work In Progress	**$64,900,470**

XI. LONG TERM LIABILITIES

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Leases, Notes, and Bonds Payable:					
Lease Obligations	$21,905,609	$-	$8,835,265	$13,070,344	$2,776,841
Notes Payable - Interim Financing/Mortgage	932,435	-	932,435	-	-
	22,838,044	-	9,767,700	13,070,344	2,776,841
Series H Student Fee Bonds Bond Yield 1.32% - 3.96%	7,420,000	-	3,985,000	3,435,000	3,435,000
Series J Student Fee Bonds Bond Yield 4.25% - 4.47%	9,245,000	-	-	9,245,000	-
Series N Student Fee Bonds Bond Yield 3.51% - 6.155%	54,305,000	-	4,300,000	50,005,000	50,005,000
Series O Student Fee Bonds Bond Yield 3.25% - 3.55%	9,200,000	-	-	9,200,000	-
Series P Student Fee Bonds Bond Yield .28% - 4.11%	20,680,000	-	3,530,000	17,150,000	5,235,000
Series R Student Fee Bonds Bond Yield .21% - 4.20%	48,625,000	-	5,075,000	43,550,000	2,290,000
Series T Student Fee Bonds Bond Yield .20% - 2.71%	21,825,000	-	3,000,000	18,825,000	710,000
Series U Student Fee Bonds Bond Yield .99% - 2.15%	20,550,000	-	-	20,550,000	3,185,000
Series V Student Fee Bonds Bond Yield 1.43% - 3.17 %	64,555,000	-	1,925,000	62,630,000	2,025,000
Total Bonds Payable	**256,405,000**	**-**	**21,815,000**	**234,590,000**	**66,885,000**
Premium on Bonds - Series H,J,K,L,P,R,T,U,V	23,162,727	-	2,171,420	20,991,308	1,869,185
Total Leases, Notes, & Bonds Payable	**302,405,771**	**-**	**33,754,120**	**268,651,652**	**71,531,026**
Other Liabilities:					
Compensated Absences	16,141,606	10,106,121	8,201,745	18,045,981	7,991,821
Other post employment benefits	45,592,026	4,098,600	5,600,369	44,090,257	-
Net pension liability	10,573,983	4,617,619	6,383,607	8,807,995	-
Total Other Liabilities	**72,307,615**	**18,822,340**	**20,185,721**	**70,944,233**	**7,991,821**
Total Long-Term Liabilities	**$374,713,386**	**$18,822,340**	**$53,939,841**	**$ 339,595,884**	**$ 79,522,847**

A. NOTES PAYABLE

In previous years, the College entered into a tax exempt financing agreement with Key Government Finance in amount of $4,776,072 and signed a promissory note with the Foundation relating to the purchase of 43 acres in Elkhart The principal balance as of June 30, 2020 for the Key Government Finance was $0, as it was paid off in fiscal year 2020. The promissory note with the Foundation for the Elkhart land was paid off in fiscal year 2019.

As of June 30,2020	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Key Government Finance CISCO/CDW	$ 932,435	$ -	$ 932,435	$ -	$ -
	$ 932,435	**$ -**	**$ 932,435**	**$ -**	**$ -**

As of June 30,2019	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Key Government Finance CISCO/CDW	$ 1,842,634	$ -	$ 910,199	$ 932,435	$ 932,435
Note payable w/ Foundation 43 acres Elkhart land	162,051	-	162,051	-	-
	$ 2,004,685	**$ -**	**$ 1,072,250**	**$ 932,435**	**$ 932,435**

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. 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
2020	$932,435	$22,779	$955,214	$ -
Totals	**$932,435**	**$22,779**	**$955,214**	$ -

FOUNDATION ELKHART LAND NOTES PAYABLE.

In fiscal year 2013, the South Bend/Elkhart 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 2023. Interest is calculated on an annual basis. The property was deeded from the Foundation to the College in 2013. During fiscal year 2019, the South Bend/Elkhart campus paid off the outstanding principal and interest due.

South Bend/Elkhart Promissory Note with Foundation
$327,051 Financing Amount

Year Ending June 30	Principal	Outstanding Principal Balance
2019	$162,051	$ -
Totals	**$162,051**	**$ -**

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 fiscal year 2018 supported the Series L refunding. Series V issued during fiscal year 2019 supported the projects at Kokomo and Muncie.

The June 30, 2019, Premium on Bonds of $23.2 million includes the remaining balance from the sale of Series H, J, K, L, P, R, T,U, and V Student Fee Bonds. The ending balance at June 30, 2020, of $21.0 million includes the remaining balance from the sale of Series H, J, K, L, P, R, T, U and V Student Fee Bonds. It is amortized over the remaining life of the related bonds.

C. COMPENSATED ABSENCES

As of June 30, 2020, the accrued vacation benefit is $12.6 million and the eligible sick leave benefit is $5.4 million compared to $10.8 million of accrued vacation benefit and $5.3 million of eligible sick leave benefit as of June 30, 2019. The College has internally designated a portion of its unrestricted funds to offset the entire liability for compensated absences as identified in the Internally Designated Reserves of Unrestricted Funds of the Management Discussion & Analysis section.

D. BOND SCHEDULES

Ivy Tech Community College
Schedule of Annual Requirements for Principal and Interest
Series H of 2003, Series J of 2005, Series N of 2010, Series O,
Series P, Series Q of 2012, Series R of 2014, Series T of 2016
Series U of 2017, and Series V of 2018

Year Ending June 30	Principal	Interest	Total	Series N 35% Federal Interest Credit *	Net Total	Outstanding Principal Balance
2021	$66,885,000	$9,796,412	$76,681,412	($477,770)	$76,203,642	$167,705,000
2022	14,020,000	7,609,022	21,629,022	-	21,629,022	153,685,000
2023	14,270,000	6,910,022	21,180,022	-	21,180,022	139,415,000
2024	14,945,000	6,225,898	21,170,898	-	21,170,898	124,470,000
2025	15,460,000	5,534,604	20,994,604	-	20,994,604	109,010,000
2026-2030	58,685,000	17,687,963	76,372,963	-	76,372,963	50,325,000
2031-2035	31,810,000	7,839,637	39,649,637	-	39,649,637	18,515,000
2036-2039	18,515,000	1,909,875	20,424,875	-	20,424,875	-
Totals	**$234,590,000**	**$63,513,433**	**$298,103,433**	**($477,770)**	**$297,625,663**	**$ -**

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

Call Feature: The remaining outstanding Seris N Bonds (BAB) were called on July 30, 2020

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. POLLUTION REMEDIATION

In accordance with the criteria outlined in GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the College has a potential remediation obligation related to the Indianapolis East Washington Street location, and the Indiana Department of Environmental Management has issued a notice of liability for the property. The notice states trichloroethylene concentrations were above the Indiana Department of Environmental Management Remediation Closure Guide commercial/industrial screening level. As of June 30, 2020, the College is still in the investigatory stage of the proceeding with the Indiana Department of Environmental Management and there is not an estimate of the amount to remediate the property.

XIV. SUBSEQUENT EVENTS

In the 2019 General Assembly, Ivy Tech received a capital bonding authority of $29.9 million for the Ivy Tech Columbus campus project. The College issued tax-exempt fee replacement bonds in July 2020 pursuant to authority granted in HEA 1001-2019 for the Columbus project and for the refunding of the Series N, Build America Bonds in the amount of $62.2 million.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of College's Other Postemployment Benefits				
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability—beginning	$45,592,026	$43,178,310	$43,136,472	$43,753,369
Service cost	1,806,581	1,774,855	1,905,089	2,142,987
Interest	1,299,962	1,603,853	1,563,656	1,391,731
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(3,949,722)	(1,744,880)	(1,073,714)	(624,300)
Changes of assumptions or other inputs	992,057	2,223,332	(467,965)	(1,518,443)
Benefit payments	(1,650,647)	(1,443,444)	(1,885,228)	(2,008,872)
Total OPEB liability-end	$44,090,257	$45,592,026	$43,178,310	$43,136,472
Covered employee payroll	$191,240,512	$190,453,691	$189,194,063	$189,812,818
Total OPEB liability as percentage of covered employee payroll	24%	24%	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, 2020. The annual age 65 per capital claims cost decreased by $454 for pre-Medicare medical and $22 for dental in fiscal year 2020. Additionally, the assumption for per capita retiree contributions decreased by $93 for medical and increased $4 for dental for 75 Plan retirees per year; for regular retirees, the amount decreased by $256 in fiscal year 2020 to $10,021 and decreased $20 for dental to $475.

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, 2020, 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, 2019	Measurement Date as of June 30, 2018	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	0.267%	0.311%	0.370%	0.441%	0.508%	0.597%
College's proportion of the net pension liability (asset)	$8,807,995	$10,573,983	$16,525,557	$19,997,294	$20,669,978	$15,685,882
College's covered payroll	$13,885,017	$15,882,656	$18,376,394	$21,117,060	$24,308,288	$29,142,157
College's proportionate share of the collective net pension liability(asset) as a percentage of its covered payroll	63.4%	66.6%	89.9%	94.7%	85.0%	53.8%
Plan fiduciary net position as a percentage of the total pension liability	79.4%	78.9%	76.6%	75.3%	77.3%	84.3%

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						
	2019	2018	2017	2016	2015	2014
Contractually required contribution	$1,548,399	$1,774,851	$2,058,160	$2,365,111	$2,729,685	$3,258,170
Contributions in relation to the contractually required contributions	(1,548,399)	(1,774,851)	(2,058,160)	(2,365,111)	(2,729,685)	(3,258,170)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$-	$-
College's covered payroll	$13,885,017	$15,882,656	$18,376,394	$21,117,060	$24,308,288	$29,142,157
Contributions as a percentage of covered-payroll	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%

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

PLAN AMENDMENTS

In 2019, the PERF defined benefit plan was modified pursuant to House Enrolled Act 1059. Perviously, statute required PERF members to have 15 years of creditable service to qualify for survivor benefit prior to retirement. Statute now allows a qualifying spouse or dependent to receive a benefit if the deceased member had a minimum of 10 years of creditable service.

ASSUMPTION CHANGES

In 2019, there were no changes to assumptions that impacted the net pension liability during the fiscal year.

In 2018, the following actuarial assumptions and methods were changed: the COLA assumption was changed due to the passage of Senate Enrolled Act No. 373. In lieu of a 1.0% COLA beginning on January 1, 2020, INPRS now assumes that the COLA will be replaced by a thirteenth check for 2020 and 2021. The COLA assumption thereafter would be 0.4% beginning on January 1, 2022, changing to 0.5% beginning on January 1, 2034, and ultimately 0.6% beginning on January 1, 2039.

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/2019_INPRSCAFRBook_Financial.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
2020	$3,985,000	$284,944	$4,269,944	$3,435,000
2021	3,435,000	90,169	3,525,169	-
Totals	**$7,420,000**	**$375,113**	**$7,795,113**	**$-**

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
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**	**$1,679,125**	**$10,924,125**	**$-**

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	5% Federal Interest Credit *	Net Total	Outstanding Principal Balance
2020	$4,300,000	$3,009,113	$7,309,113	($987,892)	$6,321,221	$50,005,000
2021	50,005,000	1,450,646	51,455,646	(477,770)	50,977,876	-
Totals	**$54,305,000**	**$4,459,759**	**$58,764,759**	**($1,465,662)**	**$57,299,097**	**$-**

** 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.*

Call Feature: The remaining outstanding Series N Bonds (BAB) were called on July 30, 2020

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
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	278,162	2,528,162	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**	**$2,098,096**	**$11,298,096**	**$-**

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
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	**$20,680,000**	**$4,145,638**	**$24,825,638**	**$ -**

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
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	**$48,625,000**	**$16,246,333**	**$64,871,333**	**$-**

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
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	**$21,825,000**	**$3,968,875**	**$25,793,875**	**$-**

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
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**	**$5,147,000**	**$25,697,000**	**$ -**

Ivy Tech Community College
Schedule of Annual Requirements for Principal and Interest
Series V (Tax-Exempt)
Kokomo and Muncie Construction Projects
Original Issue - $69,205,000

Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2020	$1,925,000	$3,179,625	$5,104,625	$62,630,000
2021	2,025,000	3,080,875	5,105,875	60,605,000
2022	2,130,000	2,977,000	5,107,000	58,475,000
2023	2,240,000	2,867,750	5,107,750	56,235,000
2024	2,355,000	2,752,875	5,107,875	53,880,000
2025	2,475,000	2,632,125	5,107,125	51,405,000
2026	2,600,000	2,505,250	5,105,250	48,805,000
2027	2,730,000	2,372,000	5,102,000	46,075,000
2028	2,875,000	2,231,875	5,106,875	43,200,000
2029	3,020,000	2,084,500	5,104,500	40,180,000
2030	3,180,000	1,929,500	5,109,500	37,000,000
2031	3,335,000	1,766,625	5,101,625	33,665,000
2032	3,510,000	1,595,500	5,105,500	30,155,000
2033	3,690,000	1,415,500	5,105,500	26,465,000
2034	3,875,000	1,226,375	5,101,375	22,590,000
2035	4,075,000	1,027,625	5,102,625	18,515,000
2036	4,285,000	818,625	5,103,625	14,230,000
2037	4,505,000	598,875	5,103,875	9,725,000
2038	4,740,000	367,750	5,107,750	4,985,000
2039	4,985,000	124,625	5,109,625	-
Totals	**$64,555,000**	**$37,554,875**	**$102,109,875**	**$ -**

IVY TECH COMMUNITY COLLEGE
SCHEDULE OF ANNUAL REQUIREMENT FOR PRINCIPAL AND INTEREST
SERIES H OF 2003, SERIES J OF 2005, SERIES N OF 2010, SERIES O and SERIES P OF 2012, SERIES R OF 2014, SERIES T OF 2016, SERIES U OF 2017 and SERIES V OF 2018

Year Ending June 30	Principal	Interest	Total	Series N 35% Federal Interest Credit*	Net Total	Outstanding Principal Balance
2020	$21,815,000	$12,161,380	$33,976,380	($987,892)	$32,988,488	$234,590,000
2021	66,885,000	9,796,412	76,681,412	(477,770)	76,203,642	167,705,000
2022	14,020,000	7,609,022	21,629,022	-	21,629,022	153,685,000
2023	14,270,000	6,910,022	21,180,022	-	21,180,022	139,415,000
2024	14,945,000	6,225,898	21,170,898	-	21,170,898	124,470,000
2025	15,460,000	5,534,604	20,994,604	-	20,994,604	109,010,000
2026	16,490,000	4,794,380	21,284,380	-	21,284,380	92,520,000
2027	17,500,000	4,013,241	21,513,241	-	21,513,241	75,020,000
2028	10,050,000	3,364,370	13,414,370	-	13,414,370	64,970,000
2029	7,145,000	2,937,907	10,082,907	-	10,082,907	57,825,000
2030	7,500,000	2,578,064	10,078,064	-	10,078,064	50,325,000
2031	7,865,000	2,221,120	10,086,120	-	10,086,120	42,460,000
2032	8,220,000	1,863,232	10,083,232	-	10,083,232	34,240,000
2033	7,775,000	1,501,285	9,276,285	-	9,276,285	26,465,000
2034	3,875,000	1,226,375	5,101,375	-	5,101,375	22,590,000
2035	4,075,000	1,027,625	5,102,625	-	5,102,625	18,515,000
2036	4,285,000	818,625	5,103,625	-	5,103,625	14,230,000
2037	4,505,000	598,875	5,103,875	-	5,103,875	9,725,000
2038	4,740,000	367,750	5,107,750	-	5,107,750	4,985,000
2039	4,985,000	124,625	5,109,625	-	5,109,625	-
Totals	**$256,405,000**	**$75,674,812**	**$332,079,812**	**($1,465,662)**	**$330,614,150**	**$ -**

Series H Bonds Principal Debt of $7,420,000
Series J Bonds Principal Debt of $9,245,000
Series N Bonds Principal Debt of $54,305,000
Series O Bonds Principal Debt of $9,200,000
Series P Bonds Principal Debt of $20,680,000
Series R Bonds Principal Debt of $48,625,000
Series T Bonds Principal Debt of $21,825,000
Series U Bonds Principal Debt of $20,550,000
Series V Bonds Principal Debt of $64,555,000

* *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.*

Call Feature: The remaining outstanding Series N Bonds (BAB) were called on July 30, 2020

SCHEDULE OF STUDENT FINANCIAL AID EXPENDITURES FOR YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE FIGURES AT JUNE 30, 2019

	CURRENT UNRESTRICTED	CURRENT RESTRICTED	06/30/20 TOTAL	06/30/19 TOTAL
WORKSTUDY	$ -	$820,605	$820,605	$859,827
SCHOLARSHIP/FELLOWSHIP (1)	-	6,370,008	6,370,008	6,304,871
GRANTS (2)	-	130,133,289	130,133,289	134,180,647
FEE REMISSIONS	6,102,088	-	6,102,088	6,127,479
ADMINISTRATIVE ALLOWANCE (3)	359,191	-	359,191	357,595
TOTAL FINANCIAL AID EXPENSES	**$6,461,279**	**$137,323,902**	**$143,785,181**	**$147,830,419**

(1) The Scholarship and Fellowships line in prior years included Pell grants. However, in FY2019, this has been included in the Grants classification.

(2) The amount of $130,133,289 includes $103,303,453 in Pell Grants as compared to $107,784,198 for the prior year. The College has no choice in determining the recipients for the Pell Grant Program.

(3) Administrative allowance is made up of $168,355 for Pell; $190,836 for SEOG & for Work Study.

IVY TECH COMMUNITY COLLEGE OF INDIANA

FIVE YEAR TREND IN STUDENT ENROLLMENT

	2015-16	2016-17	2017-18	2018-19	2019-20
Credit Student - Full Time	27,403	25,996	24,701	23,858	22,599
Part Time	137,361	138,747	137,948	139,480	140,054
Total	164,764	164,743	162,649	163,338	162,653
FTE	57,371	56,309	55,269	55,531	54,863
Non-Credit Students	12,647	11,553	10,417	10,354	9,964

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.

IVY TECH
COMMUNITY COLLEGE