Annual FINANCIAL REPORT

2021

IVY TECH
COMMUNITY COLLEGE

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SUPPLEMENTARY SCHEDULES

On behalf of the Trustees of Ivy Tech Community College of Indiana, I am pleased to present the College's 2020-21 Financial Report.

The College is committed to offering high quality programs that enable our students to gain a credential which leads to a high-wage, high-value career. This fiscal year continued to present many challenges due to the ongoing 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 over the last two years into a consolidated structure, investments in technology and educational technologists, and extensive training enabled the College to offer innovative options and multiple learning modalities during the 2020-21 academic year with minimal disruptions and high levels of student success.

A new modality, "Learn Anywhere", was developed for our single parent learners population prior to the pandemic allowing students to choose week-to-week whether to attend in-person, virtually, or asynchronously on-line. Last fall we went from piloting to scaling offering more than 500 course sections across the college. This new modality is now 10% of our offerings.

Three years ago, Ivy Tech began the intentional transition to offer more 8-week courses over the traditional 16-week format to support student success of adult learners. 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.

During the spring of 2019 the Higher Learning Commission (HLC) reaffirmed the accreditation of Ivy Tech Community College. 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 giving students peace of mind they will be accepted into their 4-year program, eliminating credit loss, minimizing the cost to degree, and positioning students to complete their bachelor's degree 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 while making important investments in our students' success. Ivy Tech appreciates the support of the State of Indiana, the community, employer partners and our many stakeholders. We know that, to a great extent, Hoosier prosperity rests on our relentless execution of our mission.

Respectfully,

Sue Ellspermann, PhD
President, Ivy Tech Community College

PRESIDENT

Dr. Susan Ellspermann

October 23, 2021

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, 2021.

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, 2021, and 2020 with comparative information for fiscal year 2019. 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,

Dominick M. Chase
Senior Vice President for Business Affairs, Chief Financial Officer & Assistant Treasurer

William M. Hawkins
Executive Vice President for Administration & Treasurer

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the 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, 2021 and 2020, 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 represents 100 percent, 100 percent, and 100 percent, respectively, of the total assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation were audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with *Government Auditing Standards.*

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

Unmodified Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of June 30, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof and for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I, T, to the financial statements, in fiscal year 2021, the College adopted new accounting guidance GASB Statement 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of College's Other Postemployment Benefits, the Changes in Assumptions and Benefit Terms, the Schedule of College's Proportionate Share of the Net Pension Liability, the Schedule of the College's Contributions, and the 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, and Five Year Trend in Student Enrollment are presented for purposes of additional analysis and are not a required part of the basic financial statements.

INDEPENDENT AUDITOR'S REPORT
(Continued)

The President's Letter, State Board of Trustees, Management Letter, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2021, 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 28, 2021

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, 2021 and 2020 along with comparative data for the year ending June 30, 2019. 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 are the consumption of net assets by the College that is applicable to a future reporting period. Deferred inflows of resources are the acquisition of net position by the College that is applicable to a future reporting period.

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, Federal Higher Education Emergency Relief Funds (HEERF), 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.

The College's financial statements, related footnote disclosures, and required supplementary information (RSI), including management's discussion and analysis, have been prepared by management. GASB required supplementary information is not audited and should be read in conjunction with the financial statements and footnotes.

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 2020-21 fiscal year reflects that commitment.

Overall, the College's financial position continues to strengthen. During fiscal year 2021, the College's net position increased by a total of $60.6 million or 7.0% compared to an increase of $78.4 million or 9.9% in fiscal year 2019-20. Unrestricted net position also grew in fiscal year 2021 by $53.9 million or 10.6% compared to $61.9 million or 13.9% in fiscal year 2020. 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 increased by $20.3 million or 5.1% in fiscal year 2021 and increased by $34.1 million or 7.9% in fiscal year 2020. Current liabilities decreased by $25.5 million due to a $37.4 million decrease in the current portion of debt as a result of the Series N refinancing offset by increases of $15.0 million in accounts payable and accrued liabilities and $1.0 million in current compensated absences. In fiscal year 2020, 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. In fiscal year 2021, noncurrent liabilities, however, increased by $45.9 million due to the refinancing of Series N in July 2020, a $1.9 million decrease in net pension liability and a $2.8 million increase in other post-employment benefits liability offset by a $2.0 million decrease in noncurrent compensated absences. In fiscal year 2020, 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 post-employment benefits liability offset by a $4.0 million increase in noncurrent compensated absences

Operating revenue increased by $639 thousand or 0.4% in fiscal year 2021 due to net of increases in federal, state, local, and non-governmental contracts totaling $9.6 million or 44.3% were offset by decreases in net tuition and fees of $6.7 million or 4.8%, $9 thousand or 0.6% in sales and services of educational departments, $872 thousand or 18.4% in auxiliary enterprises, and $1.4 million or 22.3% in other operating revenue. In fiscal year 2020, 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 $41.3 million or 9.5% in fiscal year 2021 primarily due to the federal HEERF funding. Increases of $70.7 million or 46.8% in state and federal contracts were offset by decreases of $13 million or 4.7% in state appropriations and investment income of $16.3 million or 78.2%. In fiscal year 2020, 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.

In fiscal year 2021, operating expenses totaled $602.6 million, an increase of $63.6 million or 11.8% compared to fiscal year 2020. This increase was primarily attributable to a $36.2 million, 50.3% increase in scholarships and fellowships, which includes funding distributed to students as part of federal HEERF as well as a $25.4 million or 23.3% increase in supplies and other services associated with federal HEERF spending on institutional needs. In fiscal year 2020, 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.

CONDENSED STATEMENT OF NET POSITION

June 30	2021	2020	Reclassed 2019
Current assets	$347,711,295	$312,500,259	$274,172,110
Noncurrent			
Capital assets, net	627,308,326	622,563,149	623,849,890
Other noncurrent assets	375,657,827	337,004,199	327,569,105
Total assets	1,350,677,448	1,272,067,607	1,225,591,105
Deferred outflows of resources	6,322,861	3,109,787	2,569,663
Current liabilities	110,471,719	136,019,133	93,545,236
Noncurrent liabilities	305,950,829	260,073,038	336,666,792
Total liabilities	416,422,548	396,092,171	430,212,028
Deferred inflows of resources	10,902,539	10,033,001	7,309,160
Net position			
Net investment in capital assets	345,010,196	350,722,370	331,098,643
Restricted for Capitol Projects	23,273,518	10,801,494	13,944,896
Restricted for Endowment		63,779	63,779
Unrestricted	561,391,508	507,464,579	445,532,262
Total net position	**$929,675,222**	**$869,052,222**	**$790,639,580**

ASSETS

Current assets

Current assets are comprised of cash and cash equivalents which are primarily investments with maturity dates of 0-90 days at date of purchase as of June 30, 2021, 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 $35.2 million or 11.3% compared to $38.3 million or 14.0% in 2020 and $33.4 million or 13.9% in 2019. The increase in current net assets is due to a $17.4 million increase in net accounts receivable as well as a $16.9 million increase in deposit with trustee.

Cash and cash equivalents decreased by $14.0 million or 7.8% compared to an increase of $67.7 million or 60.6% in 2020 and an decrease of $7.9 million or 6.6% in 2019. Short-term investments increased by $5.9 million or 11.0%, which include those investments with maturity dates of 91-365 days as of June 30, 2021, compared to an increase of $3.9 million or 7.9% in 2020 and an increase of $3.1 million or 6.6% in 2019. These changes resulted from investment decisions based on market opportunities throughout the year.

Cash with fiscal agent is primarily attributable to the cash held for the annual debt principal and interest payment due on July 1 of the new fiscal year. In 2021, this category increased by $8.1 million or 29.7% mainly due to the Series X-2 bond proceeds held by U.S. Bank for the refunding of Series P bond which occurred on July 1, 2021compared to a decrease of $1.0 million or 3.6% in 2020 and a decrease of $20.6 million or 42.3% in 2019.

Deposit with trustee increased by $16.9 million or 235.9% due to the proceeds from the Series W bond being held by U.S. Bank for the Columbus construction project. In fiscal year 2020, 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. In fiscal year 2019, deposit with trustee increased by $36.1 million due to Series V bond proceeds 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. Net accounts receivable increased by $17.4 million primarily due to increased grants receivables associated with federal HEERF as well as an increased number of grants overall. In fiscal year 2021, the account receivables increased by $16.8 million due to increases of $13.5 million for grants and contracts receivables and $5.8 million increase related to the May bill for the Columbus construction project. In fiscal year 2020, the net accounts receivable decreased by $3.7 million due to a decrease of $1.6 million in student receivables and the payment of the $2.1 million receivable for the sale of the Gary campus. In fiscal year 2019, the net accounts receivable increased by $19.6 million due to a $7.2 million increase related to the May billing for the Kokomo and Muncie construction projects, $4.2 million increase in financial aid receivables, a $3.6 million increase in sponsor receivables, $2.1 million receivable from the sale of the Gary property, and $1.0 million in CVS pharmacy rebates.

Prepaid expenses are expenses paid in advance that have not yet been incurred as of June 30, 2021. This category increased by $980 thousand due to an increase in services and software licenses crossing fiscal years. In fiscal year 2020, this category increased by $330 thousand due to a slight increase in services and software licenses crossing fiscal years. In fiscal year 2019, this category increased by $3.2 million due to an 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 $43.4 million or 4.5% in 2021 compared to an increase of $8.1 million or 0.9% in 2020 and $70.4 million or 8.0% in 2019.

In 2021, long-term investments increased by $38.7 million or 11.5% from the previous year. This increase is a combination of a shift from cash and cash equivalents to long-term investments in response to market opportunities and investment income. 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. In 2019, long-term investments increased by $42.9 million or 15.1% from the previous year. This increase is a combination of a shift from cash and cash equivalents to long-term investments in response to market opportunities and investment income.

Net capital assets increased by $4.7 million or 0.8% primarily due to an increase from two large bonded construction projects at Columbus and Kokomo, as well as the Indianapolis Automotive project net of a combination of building retirements and the associated accumulated depreciation, as well as the disposal of old assets. In fiscal year 2020, 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. In fiscal year 2019, net capital assets increased by $27.5 million or 4.6% primarily due to the $53.3 million or 458.8% increase in construction work in progress, which is attributed to the two large bonded construction projects at Kokomo and Muncie offset by the $20.3 million or 3.9% decrease in buildings due to the sale of property at the Lake County and Madison campuses.

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources represent consumption of resources applicable to a future reporting period. In fiscal year 2021, deferred outflows increased by $3.2 million or 103.3% compared to 2020. 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. 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 decreased by $25.5 million or 18.8% in 2021 compared to an increase of $42.5 million or 45.4% in 2020 and a decrease of $13.8 million or 12.8% in 2019. The change in current liabilities is largely due to the decrease in the current portion of debt obligations. This decrease is mainly due to the refunding of Series N in July 2020.

Accounts payable and accrued liabilities increased by $15 million or 36.7% compared to a decrease of $421 thousand million or 1.0% in 2020 and an increase of $9.6 million or 30.2% in 2019. The primary reason for the increase is due to due to an increase in accrued liabilities from construction projects as well as accrued liabilities associated with advance payment of unexpended grant funds.

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 decreased by $2.4 million or 16.8% compared to increases of $1.0 million or 7.7% in 2020 and $1.1 million or 9.2% in 2019. This decrease was due primarily to a decline in summer enrollment when compared to the prior year.

The current portion of debt obligations is the portion of the College's long-term debt which is payable within the next fiscal year. This category decreased by $37.4 million or 52.2% mainly due to the refunding of Series N in July 2020. In fiscal year 2020, this category increased by $43.5 million or 155.4% due to the refunding of Series N in July 2020 compared to a decrease of $20.8 million or 42.6% in fiscal year 2019 due to the refunding of Series L bonds in July 2018.

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 increased by $45.9 million or 17.6% compared to a decrease of $76.6 million or 22.8% in fiscal year 2020 and an increase of $41.4 million or 14.0% in fiscal year 2019. The increase in noncurrent liabilities is primarily due to the refinancing of Series N in July 2020.

Outstanding Debt at Year End

Leases, Notes, and Bonds Payable	6/30/2021	6/30/2020	6/30/2019
Revenue Bonds Payable:			
Series H Student Fee Bonds	-	$3,435,000	$7,420,000
Series J Student Fee Bonds	9,245,000	9,245,000	9,245,000
Series N Student Fee Bonds	-	50,005,000	54,305,000
Series O Student Fee Bonds	9,200,000	9,200,000	9,200,000
Series P Student Fee Bonds	11,915,000	17,150,000	20,680,000
Series R Student Fee Bonds	29,480,000	43,550,000	48,625,000
Series T Student Fee Bonds	18,115,000	18,825,000	21,825,000
Series U Student Fee Bonds	17,365,000	20,550,000	20,550,000
Series V Student Fee Bonds	60,605,000	62,630,000	64,555,000
Series W Student Fee Bonds	60,455,000	-	-
Series X-1 Student Fee Bonds	11,915,000	-	-
Series X-2 Student Fee Bonds	11,525,000	-	-
Total Bonds Payable	$239,820,000	$234,590,000	$256,405,000
Premium on Bonds - J,K,L,P,R,T,U,V, W	32,415,371	20,991,308	23,162,727
Lease Obligations	6,003,504	13,070,344	21,905,609
Notes Payable	-	-	932,435
Total Leases, Notes, and Bonds Payable	**$ 278,238,875**	**$268,651,652**	**$302,405,771**

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent acquisition of resources applicable to a future reporting period. Deferred inflows totaled $10.9 million, an increase of $870 thousand or 8.7% over 2020 deferred inflows. 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.

Deferred inflows related to pensions increased by $125 thousand or 3.3% in fiscal year 2021 compared to a decrease of $559 thousand or 12.8% in 2020, and an increase of $513 thousand or 13.3% in fiscal year 2019. Deferred inflows related to other postemployment benefits increased by $744 thousand or 12.0% in fiscal year 2021 when compared to an increase of $3.3 million or 112.1% in 2020, and an decrease of $414 thousand or 12.4% in fiscal year 2019. Additional information about this item can be found in Notes VII, and IX.

NET POSITION

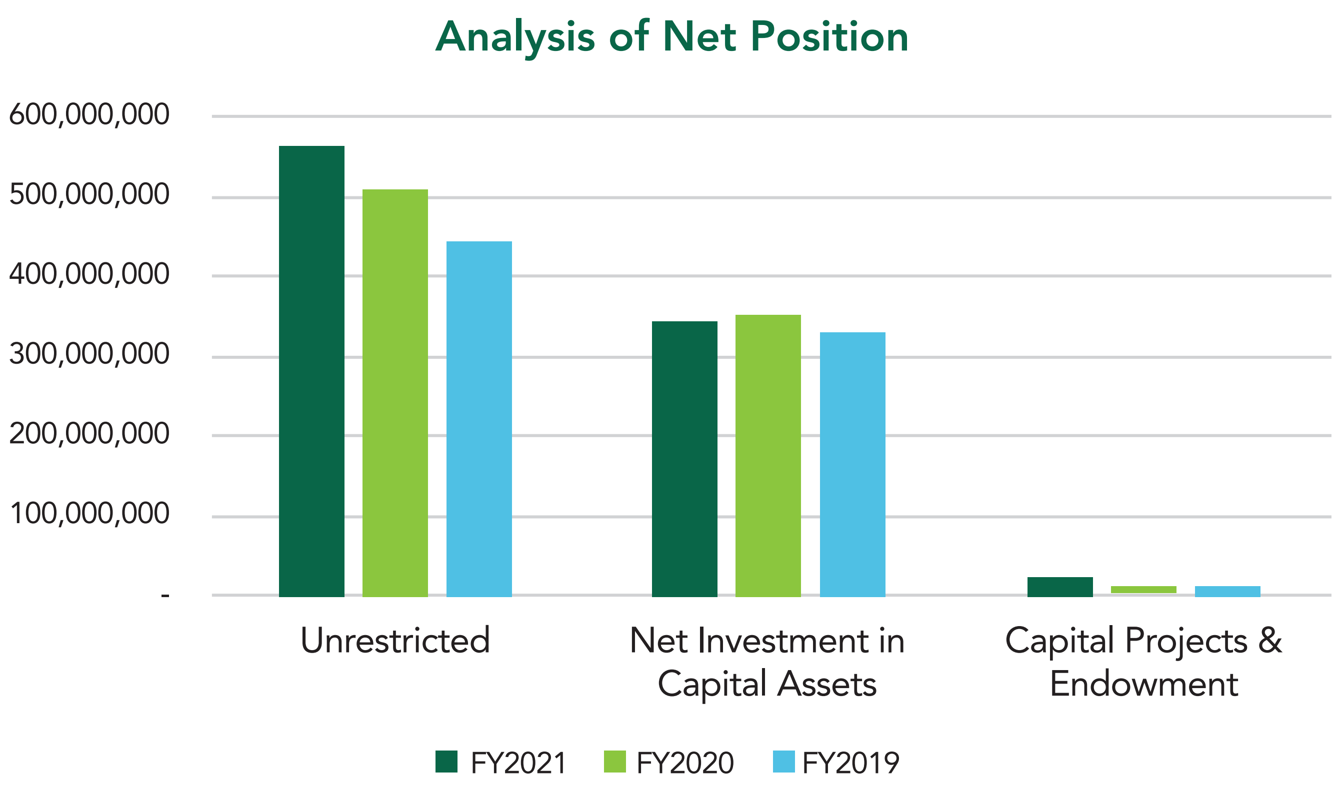
Net position represents the difference between the College's assets and liabilities. Net position increased by $60.6 million or 7.0% in 2021 compared to increases of $78.4 million or 9.9% in 2020 and $73.7 million or 10.3% in 2019.

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 $5.7 million or 1.6% decrease in net investment in capital assets in fiscal year 2021 was mainly due an increase in debt related liabilities. In fiscal year 2020, net investment in capital assets increased by $19.6 million or 5.9% compared to an increase of $1.6 million or 0.5% in fiscal year 2019.

The restricted classification increased by $12.4 million or 114.2% in 2021 compared to a decrease of $3.1 million or 22.5% in 2020 and an increase of $2.2 million or 18.2% in 2019. This is mainly due two large bonded construction projects at Columbus and Kokomo as well as the Indianapolis Automotive project.

Unrestricted net position increased by $53.9 million or 10.6% in 2021 compared to increases of $61.9 million or 13.9% in 2020 and $69.9 million or 18.6% in fiscal year 2019. The increase is mainly attributable to the increase in unrestricted reserves in addition to increases in investment income.

The net position is comprised of 60.4% unrestricted net position, 37.1% net investment in capital assets, and 2.5% capital projects and endowments.



CAPITAL ASSETS, NET, AT YEAR-END

	2021	2020	2019
Construction work in progress	$69,369,547	$42,367,950	$64,900,470
Land	29,292,564	29,671,310	31,976,138
Land improvements and infrastructure	10,460,389	10,163,340	10,560,664
Buildings	504,022,337	523,884,807	495,786,109
Furniture, fixtures, and equipment	13,922,766	16,177,217	20,240,127
Library materials	240,723	298,525	386,382
Totals	**$627,308,326**	**$622,563,149**	**$623,849,890**

During fiscal year 2021, net capital assets increased by $4.7 million or 0.8%. The $27.0 million or 63.7% increase in Construction Work In Progress, can be attributed to two large bonded construction projects at Columbus and Kokomo, as well as the Indianapolis Automotive project. The $19.9 million or 3.8% decrease in Buildings can mainly be attributed to a combination of building retirements and the associated accumulated depreciation. The $2.3 million or 13.9% decrease in Furniture, fixtures and equipment and the 19.4% decrease in Library materials can be attributed to the disposal of old assets.

During fiscal year 2020, net capital assets decreased by $1.3 million or 0.2% compared to an increase of $27.5 million or 4.6% in fiscal year 2019. The $22.5 million or 34.7% decrease during fiscal year 2020 in construction work in progress can be attributed to the two large bonded construction projects at Kokomo and Muncie. During fiscal year 2019, construction work in progress had increase by $53.3 million or 458.8% due to the Kokomo and Muncie construction projects. The Muncie project was completed in fiscal year 2020. The $2.3 million or 7.2% decrease in land during fiscal year 2020 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. During fiscal year 2019, the $1.4 million or 11.6% decrease in land improvements and infrastructure, as well as the $20.3 million or 3.9% decrease in buildings, is attributed to the sale of property at the Lake County and Madison campuses. The $2.7 million or 11.6% decrease in furniture, fixtures and equipment can be attributed to an increase in net accumulated depreciation.

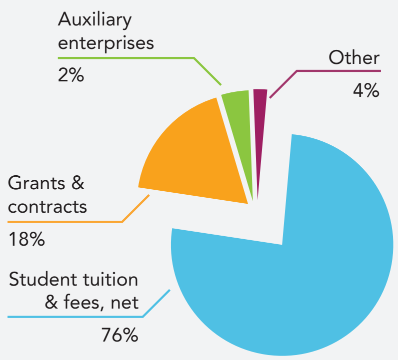
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year Ended June 30	2021	2020	2019
Operating revenues	$171,314,545	$170,675,786	$172,747,576
Operating expenses	(602,571,377)	(538,977,068)	(531,282,922)
Total operating losses	(431,256,832)	(368,301,282)	(358,535,346)
Nonoperating revenues	488,181,960	446,648,497	439,347,266
Nonoperating expenses	(12,929,966)	(12,696,375)	(14,683,097)
Income before other revenues, expenses, gains, or losses	43,995,162	65,650,840	66,128,823
Other revenues	14,985,531	12,761,802	7,538,204
Increase in net position	58,980,693	78,412,642	73,667,027
Net position, beginning of year	869,052,222	790,639,580	716,972,553
Adjustment for Change in Accounting Principle – Note I Item T	**1,642,307**		
Net position, beginning of year, as restated	**870,694,529**		
Net position, end of year	**$929,675,222**	**$869,052,222**	**$790,639,580**

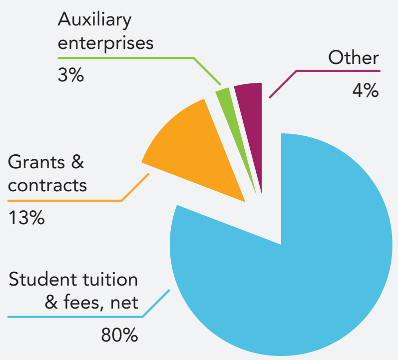
OPERATING REVENUES

Total operating revenues for 2021 increased $639 thousand or 0.4% compared to a decrease of $2.1 million or 1.2% in 2020 and an increase of $6.7 million or 4.0% in 2019. The following chart and analysis illustrate the fiscal year 2021 operating revenues.

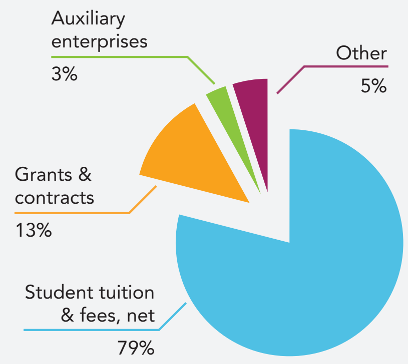
2021 OPERATING REVENUES



2020 OPERATING REVENUES



2019 OPERATING REVENUES



Tuition and fees

Student tuition and fees, which include all fees assessed for educational purposes, decreased by $9.1 million or 4.2% in 2021 mainly due to a 6.2% decrease in full-time equivalent enrollment compared to a decrease of $2.2 million or 1.0% in 2020 mainly due to a 1.2% decrease in full-time equivalent enrollment compared to an increase of $8.2 million or 3.8% in 2019 due to a $15 increase in the technology fee. 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 $2.5 million or 3.0% compared to fiscal year 2020 due to the change in student aid expense associated with the decrease in enrollment compared to a decrease of $1.8 million or 2.2% in 2020 and an increase of $1.7 million or 2.0% in 2019 due to change in student aid expense. During fiscal year 2021, the net student tuition and fees decreased by $7.0 million or 5.1% compared to $366 thousand or 0.3% in 2020 and 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 2021, federal sources increased by $1.3 million or 95.3% primarily due to a new Department of Labor grant beginning during the fiscal year. State and local sources increased by $3.6 million or 26.2% primarily due to increases in grants provided via the State from the federal CARES Act. Nongovernmental grants and contracts increased by $4.7 million or 71.1% over fiscal year 2020 primarily due to an increase in private grants for the Career Coaching and Employer Connections program.

During fiscal year 2020, federal sources decreased by $1.3 million or 48.5% primarily due to 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.

	2021	2020	2019
Federal grants and contracts	$2,637,342	$1,350,613	$2,620,373
State and Local grants and contracts	17,218,457	13,641,124	14,549,928
Nongovernmental grants and contracts	11,345,677	6,630,789	5,841,906
	$31,201,476	**$21,622,526**	**$23,012,207**

Auxiliary enterprises

Auxiliary enterprises are intended to be self-supporting and supplement the operations of the College. The total auxiliary enterprise revenue was $3.9 million. The primary revenue source is the commission on bookstore sales. This category decreased by $872 thousand or 18.4% in 2020-21 primarily due a decline in auxiliary activity during the Covid-19 pandemic.

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.

Total operating expenses increased by $63.6 million or 11.8% in 2021 compared to an increase of $7.7 million or 1.4% in 2020 and an increase of $7.7 million or 1.5% in 2019.

In 2021, scholarship expenses increased by $36.2 million due to federal HEERF awarded while salaries and benefits increased by $4.3 million due to College-wide employee bonuses awarded. Supplies and other services increased by $25.4 million due to eligible expenditures made from HEERF while utilities decreased $710 thousand from lower occupancy levels due to the COVID-19 pandemic. Depreciation and amortization decreased by $1.6 million due to a combination of fixed asset disposals and maturity in depreciation of certain assets. Additionally, a reclassification of HEERF awards between institutional support and scholarships and fellowships created the fluctuations noted from 2019 to 2021.

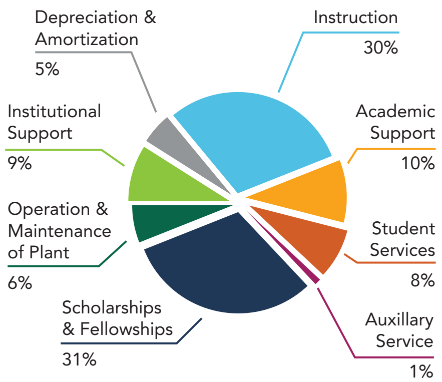
In 2020, scholarship expense increased by $7.7 million due to CARES Act and salaries and benefits increased by $796 thousand while supplies and other services decreased by $649 thousand and utilities decreased by $538 thousand due to reduction in supply needs and buildings being closed the last quarter of fiscal year 2020.

In 2019, salaries and benefits increased by $4.1 million due to the one-time payment in July 2019 of 2% for eligible faculty and staff. Additionally, supplies and other services increased by $6.2 million due to an increase in IncludED expense, non-capitalized furniture and fixtures, minor equipment, apprenticeship expense and advertising offset by a $2.5 million decrease in scholarship expense due to a decrease in the number of students receiving Federal financial aid.

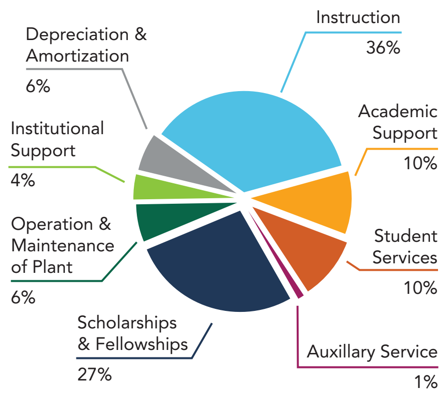
The following schedule shows expenses based on the College's functional categories.

Functional Classification	2021 Total	Reclassified 2020 Total	2019 Total
Instruction	$181,786,140	$190,975,364	$202,892,181
Institutional support	53,178,269	19,956,128	85,076,313
Scholarships & fellowships	188,718,766	145,319,490	64,829,568
Academic support	56,962,072	56,013,890	56,285,541
Student services	49,810,284	55,862,783	49,188,861
Operations & maintenance of plant	35,527,431	32,546,037	35,200,825
Depreciation & amortization	31,583,434	33,173,705	32,824,069
Auxiliary services	4,327,063	4,459,180	4,537,956
Public services	677,918	670,492	447,608
TOTAL	**$602,571,377**	**$538,977,069**	**$531,282,922**

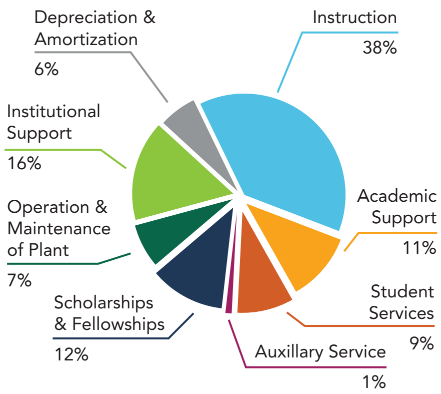
2021
FUNCTIONAL EXPENSES



2020
FUNCTIONAL EXPENSES



2019
FUNCTIONAL EXPENSES



In fiscal year 2021, as a percentage of total expenses, instruction decreased 5.3%, student services decreased by 2.1%, academic support decreased .9%, and depreciation and amortization decreased 4.7% while scholarships and fellowships increased 4.4% and institutional support increased 5.1%. These percentage changes are indicative of the impact of the COVID-19 pandemic. The decreases are attributable to the lower campus occupancy as well as lower enrollments. The increases are attributable to additional services provided to help students navigate changes because of COVID-19 and the receipt of monies to support the institution during the pandemic. This includes additional student financial aid and institutional support provided from federal HEERF. All other functional expenses did not change from the prior year.

In fiscal year 2020, as a percentage of total expenses, operation and maintenance of plant decreased .6%, student services increased by 1.1%, and instruction decreased 2.8% while scholarships and fellowships increased 14.8% and institutional support decreased by 12.3%. These percentage changes are indicative of the impact of the COVID-19 pandemic. The decreases attributable to the shutdown of on-campus instruction and the "stay-at-home" orders issued for the state. The increases attributable to additional services provided to help students navigate changes because of COVID-19 and the receipt of monies to support the institution during the pandemic. 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.

Compensation

Salary and wages expense increased by $4.0 million or 1.7% in fiscal year 2021 compared to an increase by $658 thousand or 0.3% in fiscal year 2020. Benefits expense increased by $333 thousand or 0.5% in 2021 compared to an increase of $138 thousand or 0.2% in 2020.

Scholarships and fellowships

Scholarships and fellowships increased $36.2 million or 50.3% primarily due to the student aid portion of HEERF compared to an increase of $7.7 million or 12.1% in fiscal year 2020 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. In fiscal year 2019, scholarships and fellowships decreased $2.5 million or 3.8% 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 $710 thousand or 6.5% due to lower occupancy levels necessitated from the COVID-19 pandemic. In fiscal year 2020, 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 increased by $25.4 million or 23.3% which is primarily attributable to expenditures under HEERF including technology, personal protective equipment, and other allowable expenditures necessitated by the COVID-19 pandemic. 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.

Depreciation

Depreciation expense decreased $1.6 million or 4.8% compared to an increase of $350 thousand or 1.1% in 2020 due to a combination of fixed asset disposals and maturity in depreciation of certain assets.

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 $41.3 million or 9.5% in 2021 compared to an increase of $7.3 million or 1.7% in 2020 and an increase of $22.3 million or 5.4% in 2019. The major factors for the increase in 2021 was a $63.7 million increase in Federal grants (primarily HEERF) netted against decreases in state appropriations of $13.0 million or 4.7% and a decrease in investment income of $16.3 million or 78.2%. The major factor for the increase in 2020 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 2021, federal grants and contracts totaled $185.2 million, an increase of $63.7 million or 52.4% from 2020. 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 $7 million or 23.7% compared to 2020 and compared to an increase of $209 thousand or 0.7% compared to 2019. The increase in federal awards was due to the HEERF funding. The increase in State aid awards was due to an increase in Workforce Ready grant participants.

Investment income decreased by $16.3 million or 78.2%. This decrease can be attributed to market conditions.

Gift revenues increased by $936 thousand or 123.4% when compared to a decrease of $718 thousand or 48.6% in 2020 and compared to an increase of $206 thousand or 16.2% increase in 2019. This increase in 2021 is attributable increased gift revenue for various purposes.

Nonoperating expenses increased $234 thousand or 1.8% compared to an increase of $2.0 million or 13.5% in 2020 and 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 more 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 $2.2 million or 17.4% compared to an increase of $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. The increase in 2021 is primarily attributable to additional gift revenue for capital gifts.

In fiscal year 2021, capital appropriations increased $60 thousand or 1.3% compared to an increase of $292 thousand or 6.8% in fiscal year 2020. 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	2021	2020	2019
Cash provided (used) by:			
Operating activities	($404,980,512)	($334,550,091)	($334,466,097)
Noncapital financing activities	484,837,708	424,412,346	417,684,795
Capital and related financing activities	(53,890,298)	(29,650,188)	(64,846,216)
Investing activities	(39,970,395)	7,499,031	(26,301,528)
Net increase (decrease) in cash	(14,003,497)	67,711,097	(7,929,046)
Cash and cash equivalents, beginning of the year	179,392,699	111,681,602	119,610,648
Cash and cash equivalents, end of the year	$165,389,202	$179,392,699	$111,681,602

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, 2021. Cash and cash equivalents decreased $14 million or 7.8%. The changes resulted from investment decisions based on market opportunities throughout the year.

Cash used for operating activities increased by $70.4 million or 21.1% in 2021 compared to an increase of $84 thousand in 2020 and an increase of $14.6 million or 4.6% in 2019. The increase is primarily attributable to increases in payments to and on behalf of employees and payments to students.

Cash provided from noncapital financing activities increased by $60.4 million or 14.2% in 2021 compared to increases of $6.7 million or 1.6% in 2020 and $7.7 million or 1.9% in 2019. The largest increase in cash was from federal and state scholarships and grants of $70.7 million, a 46.8% increase from 2020 offset by a decrease of $13 million in state appropriations.

Cash used for capital and related financing activities increased by $24.2 million or 81.8% in 2021 compared to an increase of $35.2 million or 54.3% in 2020 and an increase of $22.3 million or 52.4% in 2019. The largest increase in cash used was due to change in deposit with trustee.

Cash provided for investing activities decreased by $47.5 million or 633.0% compared to an increase by $33.8 million or 128.5% in 2020 and an increase of $29.9 million or 834.0% in 2019. The decrease was driven by a reduction of investment income of $16.3 million or 78.2% as well as proceeds from sales and maturities of investments.

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

FACTORS IMPACTING FUTURE PERIODS

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

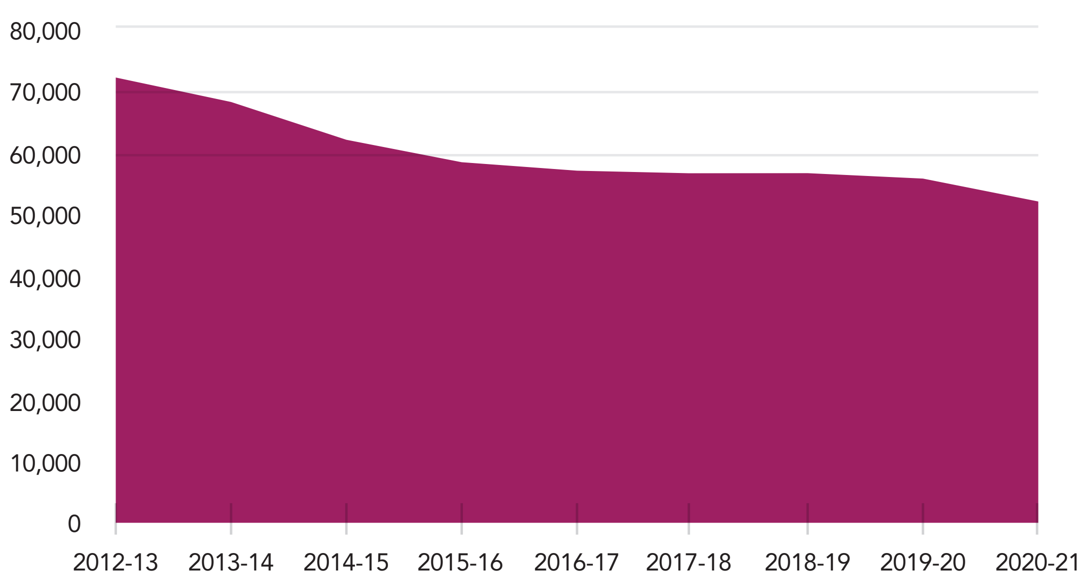
State of Indiana general fund revenues increased 26.2% compared to the prior year. The state's largest source of revenue – sales and use taxes – grew 12.8% compared to fiscal year 2020 while individual income tax revenue increased 42.9%. The State ended fiscal year 2021 with reserves totaling $3.9 billion and a $1.8 billion operating surplus. The most recent economic and revenue forecast published by the State Budget Agency on July 14, 2021 projects a slight decrease in revenue of 2.8% in fiscal year 2022, a $657.1 million operating surplus for the State of Indiana in 2021-22 and combined balances of $3.2 billion.

During fiscal year 2021, the College was impacted by COVID-19 in a variety of ways. The College received a $17 million reduction in state operating allotment. Due to the College's strong net position and internal reserves, the College was able to minimize the impact this reduction had on campus budgets. Additionally, the College offered a variety of learning methods for students during 2020-2021, including a limited number of traditional on campus courses, online, blended online, blended traditional, virtual and learn anywhere courses.

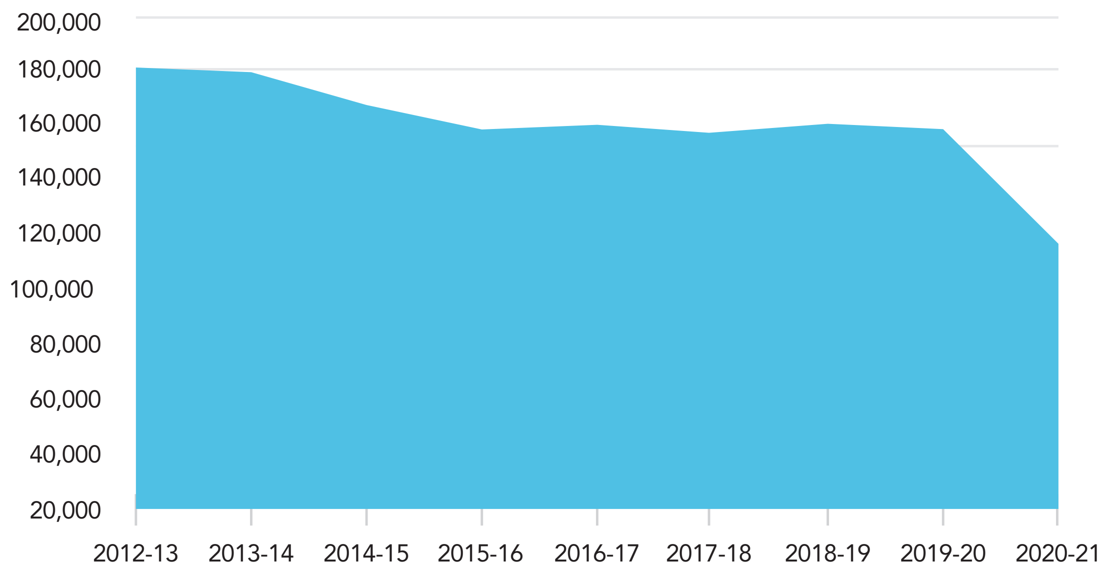
During the upcoming fiscal year 2021-22, the College continues to focus on improving student outcomes; recruitment and retention, enhancing workforce alignment, increasing the number of credential and degrees awarded and fostering a sustainable culture of diversity, equity and belonging.

Headcount enrollment and FTE at Ivy Tech declined in 2020-21 when compared to 2019-20. Historical annual unduplicated headcount and FTE are reflected in the following charts.

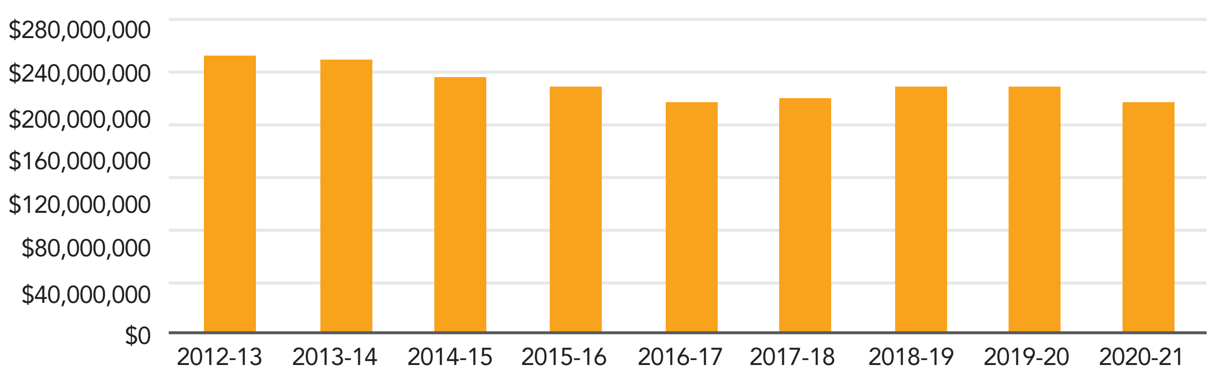
ANNUALIZED FTE STUDENT ENROLLMENT TREND



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.

In the 2021 General Assembly, no new projects were approved by for the fiscal years 2021-2022 and 2022-2023.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IVY TECH COMMUNITY COLLEGE OF INDIANA
STATEMENT OF NET POSITION

JUNE 30, 2021
WITH COMPARATIVE FIGURES AT JUNE 30, 2020

ASSETS	2021	2020
Current assets		
Cash and cash equivalents	165,389,202	179,392,699
Cash with fiscal agent	35,206,570	27,138,000
Short-term investments	59,339,862	53,480,122
Accounts receivable	62,351,206	45,508,237
Allowance for doubtful accounts	(3,698,437)	(4,265,591)
Inventories	5,898	5,050
Deposit with trustee	24,056,893	7,161,528
Prepaid expenses	5,060,101	4,080,214
Total current assets	**347,711,295**	**312,500,259**
Noncurrent assets		
Long-term investments	375,657,827	337,004,199
Capital assets, net	627,308,326	622,563,149
Total noncurrent assets	**1,002,966,153**	**959,567,348**
TOTAL ASSETS	**1,350,677,448**	**1,272,067,607**
Deferred outflows of resources		
Deferred outflows related to pension	1,908,603	1,590,381
Deferred outflows related to OPEB	4,414,258	1,519,406
Total deferred outflows of resources	**6,322,861**	**3,109,787**
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	55,797,879	40,809,847
Compensated absences	8,961,783	7,991,821
Deposits held in custody for others	(575,957)	1,138,308
Unearned revenue	12,109,739	14,548,131
Current portion of debt obligation	34,178,275	71,531,026
Total current liabilities	**110,471,719**	**136,019,133**
Noncurrent liabilities		
Compensated absences	8,075,631	10,054,160
Long-term debt and other obligations	244,060,600	197,120,626
Net other postemployment benefits	46,933,838	44,090,257
Net pension liability	6,880,760	8,807,995
Total noncurrent liabilities	**305,950,829**	**260,073,038**
TOTAL LIABILITIES	**416,422,548**	**396,092,171**
Deferred inflows of resources		
Deferred inflows related to pension	3,947,003	3,821,604
Deferred inflows related to OPEB	6,955,536	6,211,397
Total deferred inflows of resources	**10,902,539**	**10,033,001**
NET POSITION		
Net investment in capital assets	345,010,196	350,722,370
Restricted for:		
Capital projects	23,273,518	10,801,494
Endowment		63,779
Unrestricted	561,391,508	507,464,579
TOTAL NET POSITION	**929,675,222**	**869,052,222**

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, 2021 AND 2020

ASSETS	2021	2020
Cash	$11,165,278	$3,056,041
Investments	30,097,794	24,830,641
Promises to give, net	9,144,037	12,067,397
Prepaid expenses and other assets	325,965	426,516
Net investment in direct financing lease with related party		4,711,835
Property and equipment, net	42,427,161	35,105,882
Note receivable from bank	10,442,150	
Beneficial interest in trusts	301,372	244,532
Assets restricted for endowment	46,443,681	39,584,331
TOTAL ASSETS	**$150,347,438**	**$120,027,175**

LIABILITIES		
Accounts payable and accrued expenses	$1,919,662	$87,280
Accounts payable-related party	959,614	125,003
Line of credit borrowings		295,849
Interest rate swap liability	258,424	364,330
Notes payable and capital lease obligation, net	19,466,211	9,643,528
Other liabilities	371,828	871,253
TOTAL LIABILITIES	**22,975,739**	**11,387,243**
NET ASSETS		
Without donor restrictions	29,508,546	26,206,443
With donor restrictions	97,863,153	82,433,489
TOTAL NET ASSETS	127,371,699	108,639,932
TOTAL LIABILITIES AND NET ASSETS	**$150,347,438**	**$120,027,175**

See accompanying notes

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

FOR THE YEAR ENDED JUNE 30, 2021
WITH COMPARATIVE FIGURES AT JUNE 30, 2020

REVENUES	2021	2020
Operating Revenues		
Student Tuition and Fees	210,023,612	219,143,406
Scholarship Allowances	(80,114,045)	(82,564,579)
Net Student Tuition and Fees	129,909,567	136,578,827
Federal Grants and Contracts	2,637,342	1,350,613
State and Local Grants and Contracts	17,218,457	13,641,124
Nongovernmental Grants and Contracts	11,345,677	6,630,789
Sales and Services of Educational Departments	1,484,377	1,493,403
Auxiliary Enterprises	3,871,200	4,743,669
Other Operating Revenues	4,847,925	6,237,362
TOTAL OPERATING REVENUES	**171,314,545**	**170,675,787**
EXPENSES		
Operating Expenses		
Salaries and Wages	243,823,069	239,831,459
Benefits	74,274,777	73,941,852
Scholarships and Fellowships	108,073,042	71,912,869
Utilities	10,268,218	10,977,858
Supplies and Other Services	134,548,837	109,139,326
Depreciation and Amortization	31,583,434	33,173,705
TOTAL OPERATING EXPENSES	**602,571,377**	**538,977,069**
Operating Income (Loss)	(431,256,832)	(368,301,282)
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	259,992,405	272,946,460
Federal Appropriations	76,116	955,540
Investment Income	4,542,973	20,859,795
Interest on Capital Asset-Related Debt	(9,221,121)	(9,464,581)
Governmental Grants and Contracts-Federal	185,158,164	121,455,450
Governmental Grants and Contracts-State	36,716,958	29,672,265
Gain (Loss) on Sale and Disposal of Capital Assets	(3,695,788)	(2,625,460)
Gifts	1,695,344	758,987
Student Government Support	(13,057)	(606,334)
NET NONOPERATING REVENUES	**475,251,994**	**433,952,122**
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	43,995,162	65,650,840
Capital Gifts and Grants	10,314,954	8,151,224
Capital Appropriations	4,670,577	4,610,578
Total Other Revenues and Gains	14,985,531	12,761,802
INCREASE IN NET POSITION	**58,980,693**	**78,412,642**
Net Position - Beginning of Year	869,052,222	790,639,580
Adjustment for Change in Account Principle – Note – I Item T	1,642,307	
Net position, beginning of year, as restated	870,694,529	
Net Position - End of Year	**929,675,222**	**$ 869,052,222**

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, 2021 AND 2020

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS AND SUPPORT			
Support:			
Contributions:			
Cash and promises to give	$584,304	$10,817,266	$11,401,570
College assistance for property		6,854,719	6,854,719
Non-cash		1,737,973	1,737,973
Grant revenue		7,244,708	7,244,708
Total Contributions	584,304	26,654,666	27,238,970
In-kind contributed operational services	3,690,262		3,690,262
Special events income, net of expenses of $58,146 in 2021 and $232,627 in 2020		84,613	84,613
Total Support	4,274,566	26,739,279	31,013,845
Revenue and Gains:			
Investment return	4,019,774	8,428,215	12,447,989
Vending and royalty income	256,450		256,450
Real estate rental income	859,207		859,207
Uncollectible promises to give	(1,950)	(1,308,573)	(1,310,523)
Gain (loss) on sales of property and equipment	239,876		239,876
Miscellaneous revenue	248,198	4,845	253,043
Total Revenue and Gains	5,621,555	7,124,487	12,746,042
Net assets released from restrictions	18,434,102	(18,434,102)	
Total Revenue, Gains and Support	28,330,223	15,429,664	43,759,887
EXPENSES			
Program expenses	19,753,280		19,753,280
Administrative expenses	1,722,724		1,722,724
Fundraising expenses	3,658,022		3,658,022
Total Expenses	25,134,026		25,134,026
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	3,196,197	15,429,664	18,625,861
NON-OPERATING ACTIVITIES			
Loss on interest rate swap	105,906		105,906
	105,906		105,906
INCREASE (DECREASE) IN NET ASSETS	3,302,103	15,429,664	18,731,767
NET ASSETS			
Beginning of Year	26,206,443	82,433,489	108,639,932
End of Year	$ 29,508,546	$97,863,153	$127,371,699

IVY TECH FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEARS ENDED JUNE 30, 2021 AND 2020

	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

See accompanying notes

IVY TECH COMMUNITY COLLEGE OF INDIANA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE FIGURES AT JUNE 30, 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	$ 128,593,433	$ 141,774,752
Gifts, Grants and Contracts	17,462,066	15,945,020
Auxiliary Enterprises	3,147,811	4,810,921
Sales and Services of Educational Departments	1,484,378	1,493,403
Payments to Suppliers	(133,816,896)	(120,088,964)
Payments to or on Behalf of Employees	(318,626,187)	(312,809,714)
Payments to Students	(108,073,042)	(71,912,869)
Other Receipts (Payments)	4,847,925	6,237,360
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**(404,980,512)**	**(334,550,091)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal and State Scholarships & Grants	221,875,122	151,127,715
State Appropriations	259,992,405	272,946,460
Receipts from Direct Federal Loan Proceeds	40,338,048	54,344,558
Payments from Direct Federal Loan Proceeds to Students/Financial Institutions	(40,339,861)	(54,311,319)
Funds Held in Trust for Others	1,642,309	
Gifts	1,342,742	911,266
Other Nonoperating Receipts (Payments)	(13,057)	(606,334)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	**484,837,708**	**424,412,346**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital/Federal Appropriations	4,746,693	5,566,118
Capital Grants/Gifts	3,095,407	3,139,437
Deposit with Trustee	(20,723,647)	33,868,596
Proceeds from Issuance of Capital Debt	99,607,894	
Purchase of Capital Assets	(34,023,528)	(30,581,161)
Proceeds from Sale of Capital Assets	1,218,675	1,080,523
Principal Paid on Capital-Related Debt	(96,021,841)	(31,087,700)
Interest Paid on Capital-Related Debt	(11,789,951)	(11,636,001)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	**(53,890,298)**	**(29,650,188)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments		
Proceeds from Sales and Maturities of Investments	(44,513,368)	(13,360,763)
Income on Investments	4,542,973	20,859,794
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	**(39,970,395)**	**7,499,031**
Net Increase (Decrease) in Cash	(14,003,497)	67,711,097
Cash and Cash Equivalents - Beginning of Year	179,392,699	111,681,602
Cash and Cash Equivalents - End of Year	**165,389,202**	**179,392,699**

IVY TECH COMMUNITY COLLEGE OF INDIANA
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021 WITH COMPARATIVE FIGURES AT JUNE 30, 2020

RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Net Operating Income (Loss)	(431,256,832)	(368,301,282)
Adjustments to reconcile net operating expenses to cash used by operating activities:		
Depreciation	31,583,434	33,173,705
Amortization		
Allowance for Doubtful Accounts	567,154	(195,227)
Changes in Assets and Liabilities:		
Deferred Ouflow - Amortization of the Loss on Refunding		
Deferred Outflow - Pension & OPEB	(3,213,074)	(1,091,199)
Deferred Inflow - Pension & OPEB	869,538	3,274,916
Account Receivable	(13,856,411)	(1,277,384)
Prepaid Expense	(979,887)	(329,848)
Inventories	(847)	9,448
Accounts Payable and Accrued Liabilities	16,680,607	(987,645)
Net Pension Liability	(1,927,235)	(1,765,988)
Compensated Absences	(1,008,567)	1,904,375
Unearned Revenue	(2,438,392)	1,036,039
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**$ (404,980,512)**	**$ (334,550,091)**

SIGNIFICANT NONCASH TRANSACTIONS		
Donated assets	14,000	98,197
Unrealized gain/(loss) on investments	(6,907,288)	6,855,126

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, 2021 AND 2020

	2021	2020
OPERATING ACTIVITIES		
Increase in net assets	$ 18,731,767	$ 172,729
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation of property and equipment	2,484,470	2,623,066
Amortization of deferred financing costs	25,151	
(Gain) loss on sales of property and equipment	(239,876)	422,479
Net realized and unrealized gain on investments	(10,560,031)	(371,362)
Contribution of properties to Ivy Tech Community College		3,712,237
(Gain) loss on interest rate swaps	(105,906)	120,825
(Increase) decrease in value of beneficial interest in trusts	(56,840)	38,437
(Increase) decrease in certain operating assets:		
Promises to give	2,923,360	2,636,355
Prepaid expenses and other assets	100,551	(184,148)
Receivable from related party		
Increase (decrease) in certain operating liabilities:		
Accounts payable and accrued expenses	(43,744)	(152,992)
Accounts payable-related party	834,611	(132,307)
Other liabilities	(499,425)	92,505
Contributions restricted for long-term purposes	(7,001,449)	(223,650)
Net Cash Provided by Operating Activities	6,592,639	8,754,174
INVESTING ACTIVITIES		
Purchases of property and equipment	(8,708,291)	
Proceeds from sales of property and equipment	1,018,544	398,998
Funds loaned as note receivable from bank	(10,442,150)	
Proceeds from direct financing lease with related party	335,055	313,477
Purchases of investments	(8,891,471)	(17,416,732)
Sales and maturities of investments	16,011,157	14,341,689
Net Cash Used by Investing Activities	(10,677,156)	(2,362,568)
FINANCING ACTIVITIES		
Net repayments on line of credit	(295,849)	(159,723)
Payments on notes payable	(191,162)	(1,229,451)
Payments on capital lease obligations		(331,641)
Cash paid for debt issuance costs	(754,526)	
Borrowings on notes payable	15,120,000	
Net change in other liabilities related to annuities		(28,106)
Investment in endowment	142,099	769,112
Net Cash Used by Financing Activities	14,020,562	(979,809)
NET INCREASE IN CASH AND EQUIVALENTS	**9,936,045**	**5,411,797**
CASH AND EQUIVALENTS		
Beginning of Year	8,940,878	3,529,081
End of Year	**$ 18,876,923**	**$ 8,940,878**

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

YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH AND EQUIVALENTS		
Cash	$ 11,165,278	$ 3,056,041
Cash equivalents held in investments	6,018,312	4,655,155
Cash equivalents held in assets restricted for endowment	1,693,333	1,229,682
TOTAL CASH AND EQUIVALENTS	**$ 18,876,923**	**$ 8,940,878**
SUPPLEMENTAL DISCLOSURES		
Interest paid	$ 407,032	$ 503,372
Noncash investing and financing activities:		
Contributions of properties to Ivy Tech Community College		3,712,237
Dissolution of direct financing lease with related party	4,376,780	
Dissolution of capital lease obligation	4,376,780	
Property purchase financed with note payable	8,464,053	
Capital expenditures included in accounts payable	1,876,126	

See accompanying notes

IVY TECH COMMUNITY COLLEGE OF INDIANA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

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 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.

B. Basis of 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.

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

C. Discretely Presented Component Unit

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 $19.8 million of expenditures assisting the College during fiscal year 2021. 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.

The Foundation is a nonprofit organization that reports under the provisions of Accounting Standards Codification ("ASC") Topic 958, *Not-for-Profit Entities*. As such, certain revenue recognition criteria and presentation features are different from Governmental Accounting Standards Board ("GASB") revenue recognition and presentation features. The Foundation financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Financial Accounting Standards Board ("FASB"). With the exception of necessary presentation adjustments, no modifications have been made to the Foundation's financial information in the College's financial report for these differences.

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 withdrawal 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 stated at fair value, based on quoted market prices or other observable inputs and may not be indicative of net realizable value or reflective of future fair value.

F. Scholarship and Other Allowances

Student tuition and fees are reported net of the scholarship discounts and allowance in the Statement of Revenues, Expenses and Changes in Net Position. Scholarship allowance is the difference between the stated charge for goods and services provided by the College and the amount which is billed to students and/or third parties making payments on behalf of students. The College also establishes an allowance for doubtful accounts in the Statement of Net Position to reflect receivables that are likely to be uncollectible.

G. Inventories

Inventories are valued using First-In First-Out (FIFO) methodology.

H. 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 2021.

I. Capital Assets

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.

J. 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.

K. 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, 2021. 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. Effective July 1, 2021 employees may accrue up to 320 hours of vacation time and the College has capped the maximum terminal vacation payout at 240 hours. Accrued vacation liability is calculated using the maximum payout of 240 hours.

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.

L. Unearned Revenues

Unearned revenue is recorded for cash receipts of student tuition and fees as well as grant and contract receipts that will be recorded as revenue in a future period.

M. 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.

N. Other Postemployment Liability and Related Items

The College has an other postemployment benefits plan consisting of two tiers: 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.

O. 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.

P. Net Position

The College's net position is classified into three categories for financial reporting purposes:

- 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.
- Restricted—capital projects and endowments.
- Unrestricted: Unrestricted net position is not subject to external restrictions and may be spent at the discretion of the State Board of Trustees for the programs and initiatives, capital purposes and overall operations of the College.

Q. Restricted and Unrestricted Resources

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.

R. 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, Federal Higher Education Relief Funding, 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.

S. COVID-19 Impact

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic, now known as COVID-19. In response to the COVID-19 pandemic, governments have taken preventative or protective actions, such as temporary closures of non-essential businesses and "stay-at-home" orders for individuals. As a result, the global economy has been negatively affected, and the College's operations were also impacted.

To offset the financial impact to students and the losses incurred by the College due to the disruption caused by COVID-19, the College received grants and other relief from the Coronavirus Aid, Relief, and Economic Security (CARES) Act in the amount of $34.7 million, of which $16.5 million was given directly to students in fiscal year 2020 and 2021. Subsequent appropriations from federal HEERF including $91.1 million from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and an additional $157.3 million from the American Rescue Plan (ARP) bring total HEERF funding to the College of $283.1 million. More than half of HEERF funds have been or will be awarded directly to students as emergency financial aid grants with the balance of funds being used for a variety of institutional needs resulting from the disruption to campus activities as a result of COVID-19.

The severity of the continued impact due to COVID-19 on the College's financial condition, results of operations or cash flows will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the College's community, all of which are uncertain and cannot be predicted.

T. Upcoming & Adopted Pronouncements

During the current year, the College adopted GASB Statement No. 84, Fiduciary Activities, which establishes criteria for identifying and reporting fiduciary activities. The College previously relied on guidance found in GASB 34 regarding accounting for fiduciary activities. Under that guidance, the College made the determination that certain funds should be treated as agency funds due to the facts and circumstances available to management at that time as well as the interpretation of existing guidance. Specifically, the College determined that student activity funds were not under the control or ownership of the College under the definition of agency fund activities found in GASB 34, paragraph 73. Accordingly, the College chose to account for those activities as deposits held in custody for others on the College Statement of Net Position rather than incorporate the activity in the Statement of Revenues, Expenses, and Changes in Net Position.

For the fiscal year ended June 30, 2021, GASB 84 is effective for the College's financial statements. The College reviewed all potential fiduciary activities and determined that, under the new standard, the College does not have any activities that meet the criteria to be treated as a fiduciary activity. This includes student activity funds previously treated as agency funds. This change in interpretation based on the new guidance has resulted in the College's financial statements to reflect the implementation of the new standard for fiscal year 2021.

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87, Leases, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The College is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the College's financial statements for the year ending June 30, 2021 were extended to June 30, 2022 with the issuance of GASB Statement No. 95, Postponement of the Effective Date of Certain Authoritative Guidance.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that, in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement were originally effective for the College's financial statements for the year ending June 30, 2021 were extended to June 30, 2022 with the issuance of GASB Statement No. 95, Postponement of the Effective Date of Certain Authoritative Guidance.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments, deferred inflows of resources, and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets, and when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements, in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange of exchange-like transaction. The provisions of this statement are effective for the College's financial statements for the year ending June 30, 2023.

In May 2020, the Governmental Accounting Standards Board issued GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The College is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the College's financial statements for the year ending June 30, 2023.

II. DEPOSITS AND 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, 2021, the difference between book value and fair value of the College's investment portfolio was ($6,907,288). 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	$150,793,543	$ -	$ -	$ -	$150,793,543
Certificates of Deposit		-	-	-	
Investment Manager Cash & Cash Equivalents	15,431,904	13,471,402	1,959,967	-	535
U.S. Treasury & Agencies	114,335,051	108,916,167	5,143,330	-	275,554
Agency Backed Mortgages	27,642,779	-	27,594,038	-	48,741
Corporate Bonds & Notes	152,260,496	-	151,434,811	-	825,685
Structured Securities	77,612,821	-	77,530,101	-	82,720
Foreign Bonds (in U.S. dollars)	34,667,765	-	34,513,769	-	153,996
Municipal Bonds	28,478,776	-	28,304,237	-	174,539
Total	**$601,223,135**	**$122,387,569**	**$326,480,253**	**$ -**	**$152,355,313**

As of June 30, 2020, the difference between book value and fair value of the College's investment portfolio was $6,855,126. 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	$164,070,121	$ -	$ -	$ -	$164,070,121
Certificates of Deposit	-	-	-	-	-
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**

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, 2021:

	Fair Value	<1 year	1-5 years	6-10 years	More than 10 years
Demand Deposits	$150,793,543	$150,793,543	$ -	$ -	$ -
Certificates of Deposit	-	-	-	-	-
Investment Manager Cash & Cash Equivalents	15,431,904	15,431,904	-	-	-
U.S. Treasury & Agencies	114,335,051	34,873,831	79,461,220	-	-
Agency Backed Mortgages	27,642,779	316,159	6,970,463	12,882,163	7,473,994
Corporate Bonds & Notes	152,260,496	15,815,160	132,340,011	4,105,325	-
Structured Securities	77,612,821	464,028	41,014,948	8,138,821	27,995,024
Foreign Bonds (in U.S. Dollars)	34,667,765	3,475,769	31,191,996	-	-
Municipal Bonds	28,478,776	4,394,914	20,970,876	2,952,917	160,069
	$601,223,135	**$225,565,308**	**$311,949,514**	**$28,079,226**	**$35,629,087**

As of June 30, 2020, 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	$164,070,121	$164,070,121	$ -	$ -	$ -
Certificates of Deposit	-	-	-	-	-
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
	$570,199,048	$233,194,848	$289,122,274	$15,169,174	$32,712,752

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, 2021, 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	$150,793,543							$150,793,543	
Certificates of Deposit									
Investment Manager Cash & Cash Equivalents	15,431,904							15,431,904	
U.S. Treasury & Agencies	114,335,051	113,674,221							660,830
Agency Backed Mortgages	27,642,779	213,066							27,429,713
Corporate Bonds & Notes	152,260,496	2,845,820	79,612,445	65,014,424	134,623				4,653,184
Structured Securities	77,612,821	41,644,514	6,688,869	284,488					28,994,950
Foreign Bonds (in U.S. dollars)	34,667,765	1,234,576	25,542,599	6,040,208	235,675				1,614,707
Municipal Bonds	28,478,776	1,744,222	13,379,762	414,344			319,459		12,620,989
As a percentage of total portfolio		26.8%	20.8%	11.9%	0.1%	0.0%	0.1%	27.7%	12.6%

*Aa and A is comprised of $31,529,404 in Aa

*Ba and B is comprised of $370,298 in Ba

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	
Certificates of Deposit	-							
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 $2,643,494 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, 2021:

Name of Institution	Amount	Percentage
Lake City Bank	$145,793,099	24.2%

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%

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, 2021, and June 30, 2020, 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, 2021, and June 30, 2020, all of the College's accounts are in U.S. dollars and not exposed to foreign currency risk.

G. 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 had two quasi-endowments, valued at $11,740 and $52,039, previously reported as restricted for endowment in the Statement of Net Position. In 2021 due to these funds having no restrictions, the funds were transferred to the unrestricted general fund.

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.

FEDERAL DIRECT LENDING PROGRAM

The College distributed $40.3 million and $54.3 million for student loans through the U.S. Department of Education federal direct lending program for the years ended June 30, 2021 and 2020, respectively. These distributions and the related funding sources are included as cash disbursements and cash receipts in the accompanying Statement of Cash Flows.

III. 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, 2021 was as follows:

	Beginning Balance	FY-Additions	FY-Retirements	Balance
Capital assets not being depreciated:				
Land	$29,671,310	$ 12,900	$391,646	$29,292,564
Construction work in progress	42,367,950	35,244,694	8,243,097	69,369,547
Total capital assets not being depreciated	**72,039,260**	**35,257,594**	**8,634,743**	**98,662,111**
Capital assets being depreciated:				
Land improvements & infrastructure	30,784,331	1,300,358	715,286	31,369,403
Buildings	826,799,189	6,942,738	5,765,335	827,976,592
Furniture, fixtures & equipment	99,770,640	3,494,935	1,421,827	101,843,748
Library materials	3,879,232	71,094	139,013	3,811,313
Total capital assets being depreciated	**961,233,392**	**11,809,125**	**8,041,461**	**965,001,056**
Less accumulated depreciation:				
Land improvements & infrastructure	20,620,991	1,003,310	715,287	20,909,014
Buildings	302,914,383	24,716,061	3,676,189	323,954,255
Furniture, fixtures & equipment	83,593,421	5,738,167	1,410,606	87,920,982
Library materials	3,580,707	125,896	136,013	3,570,590
Total accumulated depreciation	**410,709,502**	**31,583,434**	**5,938,095**	**436,354,841**
Total capital assets being depreciated, net	**550,523,890**	**(19,774,309)**	**2,103,366**	**528,646,215**
Capital assets, net	**$622,563,150**	**$15,483,285**	**$10,738,109**	**$627,308,326**

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**

IV. LONG-TERM LIABILITIES

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Leases, Notes, and Bonds Payable:					
Lease Obligations	$13,070,344	-	$7,066,840	$6,003,504	$1,719,445
Bonds Payable-Public Offering	255,581,307	99,607,894	82,953,830	272,235,371	32,458,830
Total Leases, Notes, & Bonds Payable	**268,651,651**	**99,607,894**	**90,020,670**	**278,238,875**	**34,178,275**
Other Liabilities:					
Compensated Absences	18,045,981	8,271,873	9,280,440	17,037,414	8,961,783
Net Other post employment benefits	44,090,257	6,071,919	3,228,338	46,933,838	-
Net pension liability	8,807,995	4,540,030	6,467,265	6,880,760	-
Total Other Liabilities	**70,944,233**	**18,883,822**	**18,976,043**	**70,852,012**	**8,961,783**
Total Long-Term Liabilities	**$339,595,884**	**$118,491,716**	**$108,996,713**	**$349,090,887**	**$43,140,058**

A. 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. None of these bonds are direct borrowings. 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 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 R bonds supported projects at the Anderson, Bloomington, and Indianapolis campuses as well as the Series H & L partial refinancing. 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. Series W issued during fiscal year 2021 supported the Columbus project and refunded Series N. Series X-1 and Series X-2 issued during fiscal year 2021, supported the refunding of Series R-2 and Series P, respectively.

The June 30, 2020, Premium on Bonds 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. The ending balance at June 30, 2021, of $32.4 million includes the remaining balance from the sale of Series J, K, L, P, R, T, U, V and W Student Fee Bonds. It is amortized over the remaining life of the related bonds.

Issue Type/Series	Issue Date	Original Issue Amount	Interest Rate	Final Maturity	Principal Outstanding as of June 30, 2021	Principal Outstanding as of June 30, 2020	Current Portion
Series H: Richmond, Evansville, Valparaiso, Terre Haute	06/18/2003	$47,065,000	1.32%-3.96%	2021	0	$3,435,000	0
Series J: Richmond, Marion	01/06/2005	9,245,000	4.25% - 4.47%	2025	9,245,000	9,245,000	2,780,000
Series N: Elkhart, Sellersburg, Warsaw, Indianapolis	12/17/2009	70,290,000	3.51% - 6.16%	2021	0	50,005,000	0
Series O: Refunding of Series I	12/15/2011	9,200,000	3.25% - 3.55%	2027	9,200,000	9,200,000	0
Series P: Indianapolis, Muncie, Lafayette, Series I & K Partial Refunding	01/04/2012	32,415,000	.28% - 4.11%	2032	11,915,000	17,150,000	11,915,000
Series R: Anderson, Bloomington, Indianapolis, Series H & L Partial Refunding	11/21/2013 & 11/27/2013	76,705,000	.21% - 4.20%	2033	29,480,000	43,550,000	2,415,000
Series T: Refunding Series K	08/19/2015	28,090,000	.20% - 2.71%	2026	18,115,000	18,825,000	3,305,000
Series U: Refunding Series L	09/19/2017	20,550,000	.99% - 2.15%	2028	17,365,000	20,550,000	2,850,000
Series V: Kokomo and Muncie	07/17/2018	69,205,000	1.43% - 3.17 %	2039	60,605,000	62,630,000	2,130,000
Series W: Columbus; Refunding of Series N	07/15/2020	62,175,000	0.20% - 1.82 %	2040	60,455,000	0	4,455,000
Series X-1: Refunding of Series R-2	12/30/2020	11,915,000	1.80 %	2033	11,915,000	0	40,000
Series X-2: Refunding of Series P	06/30/2020	11,525000	1.41 %	2032	11,525,000	0	0
Student Fee Bonds		**$448,380,000**			**239,820,000**	**234,590,000**	**29,890,000**
Add: Unamortized bond premium					32,415,371	20,991,308	
Totals					**$ 272,235,371**	**$255,581,308**	

B. Compensated Absences

As of June 30, 2021, the accrued vacation benefit is $11.7 million and the eligible sick leave benefit is $5.3 million compared to $12.6 million of accrued vacation benefit and $5.4 million of eligible sick leave benefit as of June 30, 2020. 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.

V. 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 $32,139,134 and $39,528,481 as of June 30, 2021 and 2020, respectively. Accumulated amortization of leased facilities and equipment totaled $10,391,645 and $10,763,962 at June 30, 2021 and 2020, respectively.

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

	Capital	Operating
2022	1,819,762	2,382,016
2023	1,704,380	2,294,156
2024	418,680	756,809
2025	396,221	498,813
2026	299,880	482,132
2027-2031	1,499,400	265,125
2032-2036	301,039	30,000
2037-2041	0	30,000
2042-2046	0	30,000
2047	0	1,000
Total future minimum payments	6,439,362	6,770,051
Less: Interest	(435,859)	
	$ 6,003,503	

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.

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, 2020, the Plan had 2,580 total participants, 2,429 of which are active participants and 151 inactive participants receiving benefits. 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. There are no inactive participants entitled to but not yet receiving benefits in the College's plan. The College contributed $2,369,433 to the Plan in fiscal year 2021 and $2,463,067 to the Plan in fiscal year 2020.

Significant Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2021 measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

<table>
<tr><td>Valuation Date</td><td colspan="3">July 1, 2020 census data. Liabilities rolled forward to June 30, 2021 measurement date.</td></tr>
<tr><td>Experience study date</td><td colspan="3">2013</td></tr>
<tr><td>Long-term rate of return on assets</td><td colspan="3">Not applicable</td></tr>
<tr><td>Inflation</td><td colspan="3">3.0%</td></tr>
<tr><td>Salary increases</td><td colspan="3">3.0%</td></tr>
<tr><td>Discount rate</td><td colspan="3">1.83% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of April 30, 2020</td></tr>
<tr><td>Ad hoc postemployment benefit changes</td><td colspan="3">None</td></tr>
<tr><td rowspan="5">Healthcare cost trend rates</td><td>Years</td><td>Pre-65 Medical</td><td>Dental</td></tr>
<tr><td>2020</td><td>7.00%</td><td>5.00%</td></tr>
<tr><td>2021</td><td>6.00%</td><td>5.00%</td></tr>
<tr><td>2022+</td><td>5.00%</td><td>5.00%</td></tr>
<tr><td colspan="3">The leveraging effect of co-pays, deductibles, and out of pocket limits on medical cost trend is assumed to be immaterial.</td></tr>
<tr><td>Projections of sharing benefit-related costs</td><td colspan="3">Retiree contributions are based on the active premium rates without regard to the aging assumption. Per capita contribution rates are $1,415 for medical and $99 for dental for 75 Plan retirees ($10,437 for medical and $495 for dental for Regular retirees)</td></tr>
<tr><td>Mortality</td><td colspan="3">RP-2014 White Collar Mortality Table with projection scale MP-2020</td></tr>
</table>

The total OPEB liability in the June 30, 2020 measurement date was determined using the following actuarial assumptions:

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		

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 healthcare 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, 2021.

Discount Rate

1 % Decrease	Current	1 % Increase
$50,558,773	$46,933,838	$43,567,820

Health Care Cost Trend Rate

1 % Decrease	Current	1 % Increase
$42,560,232	$46,933,838	$52,262,503

As of June 30, 2020, the potential impact of a one percentage point rate decreases or increase was as follows:

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

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, 2021, was $46,933,838, and as of June 30, 2020, was $44,090,257. The College pays claims as incurred, and as a result, the plan does not have assets segregated. Total OPEB expense was $2,369,433 and $2,463,067 for June 30, 2021, and June 30, 2020 respectively.

Components of OPEB expense are as follows:

	Fiscal Year Ending June 30, 2021	Fiscal Year Ending June 30, 2020
Service Cost	**$1,886,671**	**$1,806,581**
Interest Cost	1,176,891	1,299,962
Expected Return on Plan Assets	-	-
Amortization		
Investment (Gain) Loss	-	-
Assumption Changes	113,505	23,726
Experience (Gain) Loss	(807,634)	(667,202)
Total OPEB Expense	**$2,369,433**	**$2,463,067**

Changes in the total OPEB liability during the 2021 fiscal year are as follows:

	Total OPEB Liability
Balance as of June 30, 2020	**$44,090,257**
Changes for the year:	
Service cost	1,886,671
Interest	1,176,891
Changes of benefit terms	-
Plan amendments	-
Differences between expected and actual experience	(1,551,773)
Changes in assumptions or other inputs	3,008,357
Benefit payments	(1,676,565)
Net Changes	($2,843,581)
Balance as of June 30, 2021	**$46,933,838**

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**

Deferred inflows and outflows of resources as of June 30, 2021 were as follows.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Reclassified value on June 30, 2020	$1,519,406	($6,211,397)
Differences between expected and actual experience		(744,139)
Changes of assumptions	2,894,852	
Totals	**$4,414,258**	**($6,955,536)**

The reclassified 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)**

As of June 30, 2021, the amortization schedule of deferred outflows and inflows of resources for the College is as follows:

Amortization of Net Deferred Outflows (Inflows) of Resources	
2022	($394,790)
2023	(394,790)
2024	(394,790)
2025	(394,790)
2026	(394,790)
Thereafter	(567,328)
Amount recognized as a reduction of total OPEB liability	**($2,541,278)**

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)**

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.

VII. 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. his 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 2,713 and 2,718 active employees as of June 30, 2021, and June 30, 2020, 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, 2021, the College remitted $20.8 million to Transamerica, representing $152.6 million in total salaries compared to the $21.3 million remitted to Transamerica representing $153.9 million in salaries as of June 30, 2020. During both fiscal year 2020 and 2021, 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, 2021, there were 2,437 employees participating in the defined contribution retirement plan compared to 2,544 employees participating on June 30, 2020.

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 16 pension trust funds including eight defined benefit plans and five defined contribution retirement plans, two 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 years 2021 and 2020, the College was required to contribute 11.2% of covered payroll per year, which totaled $1,190,177 and $1,353,045 respectively. 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, 2020 or June 30, 2019. Eligible members received a one-time check in October 2019 and October 2018 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, 2018 or 2017.

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, 2020 is below.

Valuation date:	
Assets	June 30, 2020
Liabilities	June 30, 2019 - Member census data as of June 30, 2019 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2019 and June 30, 2020. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2019 to the June 30, 2020 measurement date.
Actuarial assumptions:	
Experience study date	Period of 5 years ended June 30, 2019
Investment rate of return	6.75%, net of investment expense, including inflation
Cost of living increase	13th check on January 1, 2021
	0.40% January 1, 2022 – December 31, 2023
	0.50% January 1, 2034 – December 31, 2039
	0.60% January 1, 2039 and after
Future salary increases	2.75%-8.75%
Inflation	2.25%
Mortality-Healthy	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019: General Employee table with a 3 year set forward for males and a 1 year set forward for females.
Mortality-Disabled	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019: General Disabled table with a 140% load.

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

The long-term return expectation for the INPRS defined benefit retirement plans has been determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. In order to determine the expected long-term nominal rate of return, the asset class geometric real returns are projected for a 30-year time horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real rates of return for the portfolio. A range of possible expected long-term rates of return is created by adding the forecasted inflation to the expected long-term real rates of return and adding an expected contribution to the return due to manager selection. This range ultimately supports the long-term expected rate of return assumption of 6.75% selected by the Board as the discount rate. The assumption is a long-term assumption and is not expected to change with small fluctuations in the underlying inputs, but may change with a fundamental shift in the underlying market factors or significant asset allocation change.

Geometric Basis at June 30, 2020	Target Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	22.0%	4.4%
Private Market	14.0%	7.6%
Fixed Income-Ex Inflation-Linked	20.0%	1.9%
Fixed Income-Inflation-Linked	7.0%	0.5%
Commodities	8.0%	1.6%
Real Estate	7.0%	5.8%
Absolute Return	10.0%	2.9%
Risk Parity	12.0%	5.5%

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%

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, 2020, 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%)
$11,217,980	$6,880,760	$3,247,987

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

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 $6,880,760 at June 30, 2021, which is 0.2278% of PERF's total net pension liability compared to a proportionate share of $8,807,995 or 0.2665%, a decrease of 0.0387%. 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, 2020. The actuarial valuation date upon which the total pension liability is based, is June 30, 2019. Standard actuarial roll forward techniques were used to project the total pension liability computed as of June 30, 2019 to June 30, 2020.

The contribution rates were calculated as of June 30, and the newly calculated contribution rates will become effective January 1, 2021.

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, 2021 is $6,880,760 and as of June 30, 2020, is $8,807,995. The College's total pension expense was ($913,572) and ($535,660) as of June 30, 2021 and 2020, 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	$121,907	$92,383
Net difference between projected and actual earnings on pension plan investments	588,882	-
Changes of assumptions	-	1,433,663
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,637	2,420,957
Employer contributions subsequent to measurement date	1,190,177	-
Totals	**$1,908,603**	**$3,947,003**

As of June 30, 2019	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**

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	($2,039,453)
2022	(1,013,072)
2023	(426,195)
2024	250,143
2025	-
Thereafter	-
Total	**($3,228,577)**

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.

VIII. FUNCTIONAL EXPENSES

The following schedule shows expenses based on the College's functional and natural categories.

	Natural Classification							
Functional Classification	Salaries & wages	Benefits	Scholarships	Utilities	Supplies & other services	Depreciation & Amortization	2021 Total	Reclassified 2020 Total
Instruction	$110,350,726	$31,809,635	$ -	$123,991	$39,501,788	$ -	$181,786,140	$190,975,364
Institutional support	46,469,762	15,098,715	(80,497,906)	4,410	72,103,288	-	53,178,269	19,956,128
Scholarships & fellowships	182,628	66,348	187,927,514	-	542,276	-	188,718,766	145,319,489
Academic support	49,465,335	14,266,247	328,995	1,481	(7,099,986)	-	56,962,072	56,013,890
Student services	29,130,649	10,193,853	314,439	-	10,171,343	-	49,810,284	55,862,782
Operations & maintenance of plant	7,799,044	2,722,183	-	9,828,220	15,177,984	-	35,527,431	32,546,037
Depreciation	-	-	-	-	-	31,583,434	31,583,434	33,173,705
Auxiliary services	184,307	71,055	-	310,116	3,761,585	-	4,327,063	4,459,180
Public services	240,618	46,741	-	-	390,559	-	677,918	670,492
TOTAL	$243,823,069	$ 74,274,777	$ 108,073,042	$ 10,268,218	$134,548,837	$ 31,583,434	$602,571,377	$538,977,068

In 2021, scholarship expenses increased by $36.2 million due to federal HEERF awarded while salaries and benefits increased by $4.3 million due to College-wide employee bonuses awarded. Supplies and other services increased by $25.4 million due to eligible expenditures made from federal HEERF while utilities decreased $710 thousand from lower occupancy levels due to the COVID-19 pandemic. Depreciation and amortization decreased by $1.6 million due to a combination of fixed asset disposals and maturity in depreciation of certain assets.

In 2020, scholarship expense increased by $7.7 million due to CARES Act and salaries and benefits increased by $796 thousand while supplies and other services decreased by $649 thousand and utilities decreased by $538 thousand due to reduction in supply needs and buildings being closed the last quarter of fiscal year 2020.

In 2019, salaries and benefits increased by $4.1 million due to the one-time payment in July 2018 of 2% for eligible faculty and staff. Additionally, supplies and other services increased by $6.2 million due to an increase in IncludED expense, non-capitalized furniture and fixtures, minor equipment, apprenticeship expense and advertising offset by a $2.5 million decrease in scholarship expense due to a decrease in the number of students receiving Federal financial aid.

IX. COMMITMENTS AND CONTINGENCIES

A. 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 been named a party in three (3) litigation matters; one (1) in County Circuit Court, one (1) in the United States District Court, and (1) in the Indiana Court of Appeals. In additional to the open litigation matters, the College has two (2) open cases with the Equal Employment Opportunity Commissions ("EEOC").

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.

B. 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, 2021, 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.

C. Subsequent Events

On June 30, 2021, Ivy Tech issued tax exempt fee replacement bonds in the amount of $11.5 million for the refunding of Series P. Series P was not called until July 1, 2021; therefore, the Series P liability of $11.9 million remained outstanding at June 30, 2021 on the financial statements.

D. Construction Work In Progress

The following table presents the construction projects in process as of June 30, 2021:

Kokomo Construction Series V	$43,091,184
Café Space Renovation - Lake County	23,295
E. Chicago Welding Lab Project	37,013
Lift iFlex Lab Cost Share – SB/Elkhart	407,773
Harshman Hall Project – Ft. Wayne	497,882
Industrial Tech Flex Lab Project – Ft. Wayne	501,425
Library/LRC Remodel – Indianapolis	94,272
PAET WHIN Impact Match – Lafayette	41,277
Fisher Wellness Project – Muncie	4,850
Automotive Building Project – Indianapolis	11,231,536
Columbus Construction Project Series W	5,772,193
Various Repair & Rehabilitation & Parking Lot Projects	7,666,847
Total Construction Work In Progress	**$69,369,547**

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 – Indianapolis	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**

X. 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 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, 2021, the unpaid claim liability was actuarially determined to be $2.5 million for the medical plan and $57 thousand for the dental plan compared to $2.9 million for the medical plan and $57 thousand for the dental plan in June 2020 and compared to $3.1 million for the medical plan and $63 thousand for the dental plan in June 2019. 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 $577 thousand of medical and $41 thousand of dental expense incurred in June 2021 and not paid until July 2021. As of June 2020, there were $329 thousand of medical and $65 thousand of dental expenses incurred in June 2020 and not paid until July 2020.

Changes in the balance of claims liabilities are as follows:

		FY21		FY20		FY19
Unpaid claims, 7/01	$	2,941,243	$	3,125,496	$	3,208,564
Claims incurred		39,114,285		34,271,495		35,133,187
Claims paid		(39,490,250)		(34,455,748)		(35,216,255)
Unpaid claims, 6/30		**2,565,278**		**$2,941,243**		**$3,125,496**

As of June 30, 2021, the College has a reserve (the excess of employer share over claims paid) in the amount of $17.4 million. As of June 30, 2020, the reserve was $17.4 million.

XI. RESTATEMENT OF PRIOR YEAR BALANCES

Statement No. 84 of the Government Accounting Standard Board, Fiduciary Activities established new criteria for identifying and reporting fiduciary activity effective for fiscal years ending June 30, 2021. The College reviewed all potential fiduciary activities and determined that, under the new standard, the College does not have any activities that meet the criteria to be treated as a fiduciary activity. This includes student activity funds previously treated as agency funds.

The effect of this new standard resulted in a restatement of the beginning of year net position to $870,694,529, a $1,642,307 increase to The Statement of Revenue, Expenses, and Changes in Net Position.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of College's Other Postemployment Benefits					
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability—beginning	$44,090,257	$45,592,026	$43,178,310	$43,136,472	$43,753,369
Service cost	1,886,671	1,806,581	1,774,855	1,905,089	2,142,987
Interest	1,176,891	1,299,962	1,603,853	1,563,656	1,391,731
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(1,551,773)	(3,949,722)	(1,744,880)	(1,073,714)	(624,300)
Changes of assumptions or other inputs	3,008,357	992,057	2,223,332	(467,965)	(1,518,443)
Benefit payments	(1,676,565)	(1,650,647)	(1,443,444)	(1,885,228)	(2,008,872)
Total OPEB liability-end	46,933,838	44,090,257	45,592,026	$43,178,310	$43,136,472
Covered employee payroll	$198,966,214	$191,240,512	$190,453,691	$189,194,063	$189,812,818
Total OPEB liability as percentage of covered employee payroll	24%	24%	24%	23%	23%

GASB Statement No. 75 requires disclosure of a 10 year schedule. 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.

Notes to RSI:

FISCAL YEAR 2021 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, 2021. The annual age 65 per capital claims cost increased by $755 for pre-Medicare medical and $26 for dental in fiscal year 2021. Additionally, the assumption for per capita retiree contributions increased by $78 for medical and increased $4 for dental for 75 Plan retirees per year; for regular retirees, the amount increased by $416 in fiscal year 2020 to $10,437 and increased $20 for dental to $495.

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, 2021, no other changes to benefit terms are anticipated.

FISCAL YEAR 2020 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.

FISCAL YEAR 2019 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, 2019. The annual age 65 per capital claims cost increased by $311 for pre-Medicare medical and $2 for dental in fiscal year 2019. Additionally, the assumption for per capita retiree contributions decreased by $40 for medical and increased $1 for dental for 75 Plan retirees per year; for regular retirees, the amount increased by $209 in fiscal year 2019 to $10,277 and increased $5 for dental to $495.

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, 2019, 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, 2020	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	0.228%	0.267%	0.311%	0.370%	0.441%	0.508%	0.597%
College's proportion of the net pension liability (asset)	$6,880,760	$8,807,995	$10,573,983	$16,525,557	$19,997,294	$20,669,978	$15,685,882
College's covered payroll	$12,298,481	$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	55.9%	63.4%	66.6%	89.9%	94.7%	85.0%	53.8%
Plan fiduciary net position as a percentage of the total pension liability	81.4%	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

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$1,353,045	$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	(1,353,045)	(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	$12,298,481	$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%	11.2%

GASB Statement No. 68 requires disclosure of a 10 year schedule. Until a full 10-year trend is compiled, information is presented for those years for which information is available.

Fiscal Year 2021: Plan Amendments and Assumption Changes

PLAN AMENDMENTS

In 2019, the PERF defined benefit plan was modified pursuant to House Enrolled Act 1059. Previously, 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 2020, the future salary increase assumption changed from an age-based table ranging from 2.50 percent to 4.25 percent to a service-based table ranging from 2.75 percent to 8.75 percent.

The mortality assumption changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption was updated based on recent experience and was updated from an age- and service-based table to an age based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously 33 percent of actives were assumed to commence benefits with early retirement while 67 percent were assumed to wait for unreduced retirement eligibility.

The termination assumption was updated based on recent experience. For state members the tables were combined from being split by salary and sex to being one unisex service-based table. For members in political subdivisions earning more than $20,000, the sex-distinct tables were combined to one unisex service-based table. For members in political subdivisions earning less than $20,000, the sex-distinct age-based table was maintained and the rates were updated based on experience.

The disability assumption was updated based on recent experience.

The marital assumption was updated based on recent experience. 80 percent of male members and 65 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 75 percent of male members and 60 percent of female members were assumed to be married or to have a dependent beneficiary.

The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from $400 to $200.

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

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/INPRSConsolidatedAR_FY20.pdf

Fiscal Year 2020: Plan Amendments and Assumption Changes

PLAN AMENDMENTS

In 2019, the PERF defined benefit plan was modified pursuant to House Enrolled Act 1059. Previously, 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

As a result of the 2014-2019 Experience Study, there were changes to many assumptions. Please see that Study for complete details available on INPRS web site per page 67 of 2020 PERF Report.

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_INPRSAnnualReportBook.pdf

Fiscal Year 2019: Plan Amendments and Assumption Changes

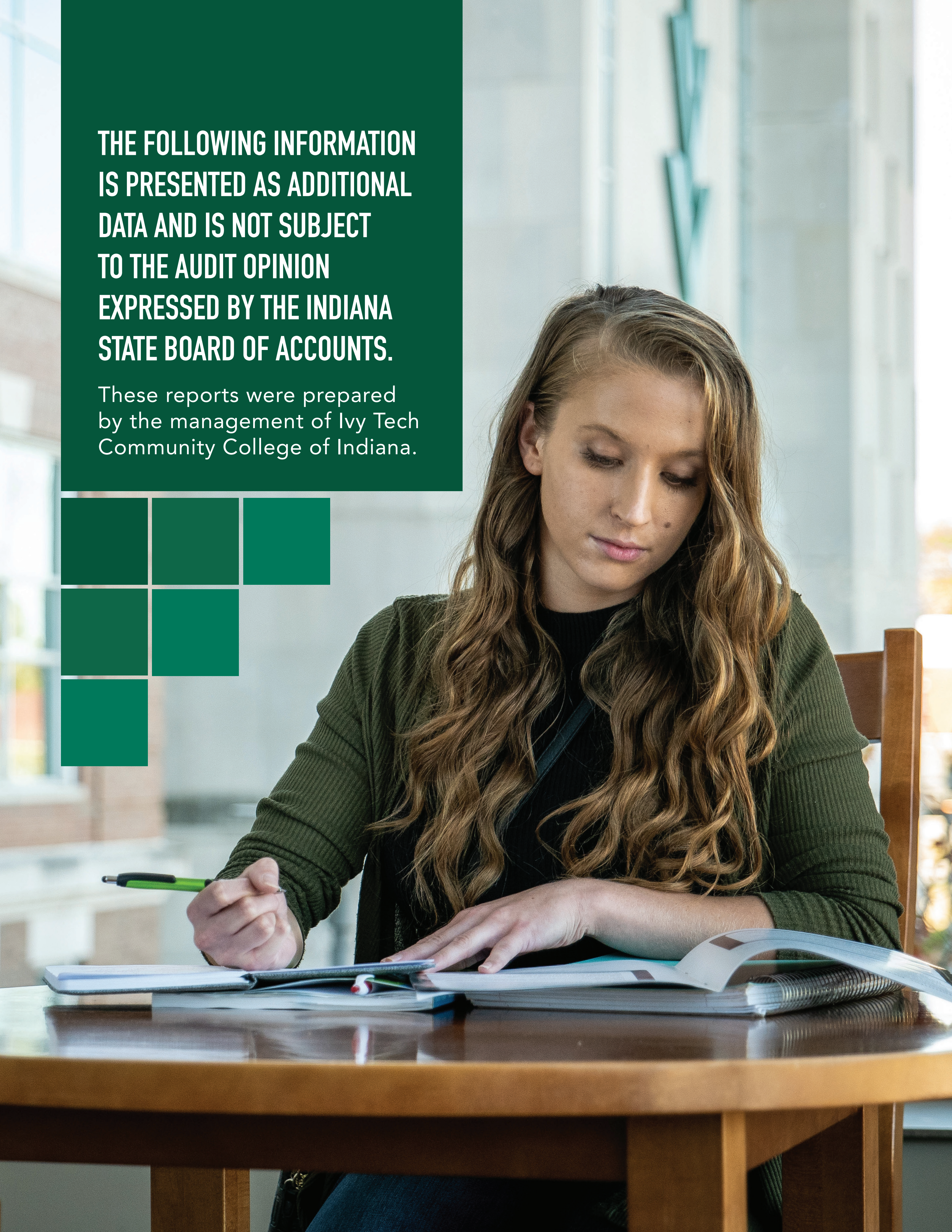
In 2018, there were no changes to the Plan that impacted pension benefits during the fiscal year.

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. The remaining actuarial assumptions were the same from fiscal year 2017 to fiscal year 2018. There were legislative changes effective July 1, 2018 that have been included in the actuarial valuations as of June 30, 2018. For Ivy Tech, the changes include House Enrolled Act 1109 which removes the requirement that only active members of PERF and TRF may make rollover distributions into their defined contribution account from another qualified retirement account and allows any PERF or TRF member who terminates employment and is not currently employed in a covered position or for the same employer to suspend fund membership, retain the member’s creditable service, and withdraw all or part of the amount in the member’s defined contribution account before retirement.

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/2018_INPRSAnnualReportBook.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.



FIVE YEAR TREND IN STUDENT ENROLLMENT

	2016-17	2017-18	2018-19	2019-20	2020-21
Credit Student - Full Time	25,996	24,701	23,858	22,599	18,029
Part Time	138,747	137,948	139,480	140,054	101,177
Total	164,743	162,649	163,338	162,653	119,206
FTE	56,309	55,269	55,531	54,863	51,468
Non-Credit Students	11,553	10,417	10,354	9,964	11,684

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.

IVY TECH
COMMUNITY COLLEGE