FINANCIAL REPORT
2014-2015

IVY TECH COMMUNITY COLLEGE

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IVY TECH COMMUNITY COLLEGE OF INDIANA

2014-15 FINANCIAL REPORT

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DEAR FRIENDS OF IVY TECH,

On behalf of the Trustees of Ivy Tech Community College of Indiana, I am pleased to present the College's 2014-15 Financial Report.

For over 50 years, Ivy Tech Community College has provided affordable post-secondary education to students from a variety of backgrounds through the College's 32 degree-granting locations. The College remains deeply committed to its mission of preparing Indiana residents to learn, live, and work in a diverse and globally competitive environment by delivering professional, technical, transfer, and lifelong education. Through its affordable, open-access education and training programs, the College enhances the development of Indiana's citizens and communities and strengthens its economy.

This report reflects Ivy Tech Community College's commitment to its mission and its strong financial position. The College has developed new initiatives to ensure affordability and position students for completion of their educational goals, including a tuition freeze for students enrolled in at least six credit hours during consecutive semesters. Ivy Tech Community College continues to conduct reviews of our existing programs and services and realign programs as necessary to ensure students are well-prepared to meet the needs of Indiana's economy.

The College is grateful for the support received from state appropriations, donor contributions, grants, contracts, and student fees and is committed to maximizing this support. With your input and continued support, we will continue Changing Lives and Making Indiana Great.

Sincerely,

Thomas J. Snyder

PRESIDENT

Thomas J. Snyder

STATE BOARD OF TRUSTEES

October 23, 2015

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

On behalf of all those individuals responsible for the financial stewardship of College resources, I am pleased to present the Ivy Tech Community College of Indiana Annual Financial Report for the year ended June 30, 2015.

The report has been prepared in conformance with authoritative reporting standards and guidelines for colleges and universities. This report utilizes Governmental Accounting Standards Board Statement No. 35, *Basic Financial Statement and Management's Discussion and Analysis for Public Colleges and Universities.* An analysis is included which compares 2014-15 figures with the prior year.

The report contains data, which is consolidated for all College locations as well as statements and schedules listed in the table of contents.

The Indiana State Board of Accounts has audited the financial statements. Their audit opinion on the financial statements is a part of this report.

Respectfully submitted,

Christopher A. Ruhl
Senior Vice President, Chief Financial Officer and General Counsel

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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 aggregate 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, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Ivy Tech Foundation (Foundation), a component unit of the College as discussed in Note 1, which represents 100 percent of the assets, net assets, 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 of material misstatement.

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 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.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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 aggregate discretely presented component unit of the College, as of June 30, 2015 and 2014, and the respective changes in financial position, where applicable, and its cash flows thereof 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 XIV to the financial statements, in fiscal year 2015, the College adopted new accounting guidance GASB Statement 68 *Accounting and Financial Reporting for Pensions.* 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 the Management's Discussion and Analysis, Schedule of Proportionate Share of the Net Pension Liability, and Schedule of the College's Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2015, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

October 23, 2015

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, 2015, along with comparative data for the year ending June 30, 2014. The management's discussion and analysis provides summary level financial information; therefore, it should be read in conjunction with the accompanying financial statements and note disclosures. The management's discussion and analysis is designed to focus on current activities, significant changes, and currently known facts. The financial statements, notes, and this discussion are the responsibility of management.

Using this Annual Report

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

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

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

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

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

Financial Highlights

In return for providing the resources necessary for the operations of the College, Ivy Tech's students and the taxpayers of Indiana demand careful stewardship of state appropriations, student fees, grants and contracts, donor contributions, and other funds. This Annual Financial Report for the 2014-15 fiscal year reflects that commitment.

Overall, the College's financial position continues to be strong. During fiscal year 2014-15 the College's Net Position increased by a total of $66.8 million (12.6%) compared to the previous year. During the last five years, the College's Net Position has grown from $426.9 million to $598.0 million, an increase of 40.1%. Unrestricted Net Position also grew in 2014-15 by $34.4 million (12.6%). Unrestricted Net position has grown from $217.8 million to $307.5 million, a 41.2% increase in five years. This performance has allowed the College to continue to fully fund internally designated funds to offset liabilities for accrued vacation, sick leave, and other post-employment benefits (OPEB) while also establishing reserves for operations, repair and rehabilitation and technology related infrastructure.

Overall, long-term debt decreased from $328.5 million to $310.1 million due to principal payments on bonds payable. Additionally, the actuarially determined net pension liability, as required by GASB Statement No. 68, decreased by $5.8 million.

Operating revenue declined in 2014-15 as FTE enrollment modestly declined compared to 2013-14. Gross Tuition and Fee revenue declined by 5.1% compared to 2013-14. Non-operating revenues declined 4.3% primarily due to a decrease in the number of federal Pell grant recipients. State operating appropriations were 1.5% higher than the previous year.

Operating expenses totaled $557.5 million, a decrease of 7.7% compared to 2013-14. This decline was primarily attributable to a decrease in salary expense of $22.1 million, a decline in scholarship expense of $18.9 million and a decrease in amortization of deferred loss on refunding and bond issuance costs of $2.5 million compared to 2013-14.

Previously implemented measures such as the outsourcing of College bookstores, move to self- insurance for employee healthcare, improved energy efficiency, consolidation of information technology into a single statewide function, various purchasing related initiatives, changes to the College's retirement benefits, a reorganization of administrative regions and an early retirement incentive plan continue to produce sizeable cost savings.

Condensed Statement of Net Position

June 30	2015	Restated 2014	2013
Current assets	$218,552,907	$228,965,987	$302,542,807
Noncurrent assets			
Capital assets, net	609,476,710	564,561,947	554,506,553
Other noncurrent assets	209,218,410	203,509,585	71,912,537
Total assets	**1,037,248,027**	**997,037,519**	**928,961,897**
Deferred Outflows of Resources	**3,290,674**	**3,927,899**	-
Current liabilities	84,546,098	94,236,977	122,345,536
Noncurrent liabilities	354,096,897	375,517,015	297,160,192
Total liabilities	**438,642,995**	**469,753,992**	**419,505,728**
Deferred Inflows of Resources	**3,898,572**	-	-
Net position			
Net investment in capital assets	261,339,454	247,421,276	230,827,744
Restricted	29,177,915	10,741,718	5,424,841
Unrestricted	307,479,765	273,048,432	273,203,584
Total net position	**$597,997,134**	**$531,211,426**	**$509,456,169**

Assets

CURRENT ASSETS

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, 2015. This category increased by $31.8 million or 60.1% with a corresponding decrease in short-term investments of $22.7 million or 33.8%, which include those investments with maturity dates of 91-365 days as of June 30, 2015. These changes are the result of certificates of deposit purchased in prior years which became due during fiscal year 2014-15.

Cash with Fiscal Agent is primarily attributable to the debt principal and interest payment made in fiscal year 2014-15 and not due until July 1, 2015. This category decreased by $1.6 million or 5.5%. This was primarily due to the decrease in debt principal due on July 1, 2015.

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 being made currently. The net accounts receivable increased from the previous year by $19.1 million or 58.5% due primarily to financial aid that had not been reimbursed by the state ($11.3 million) and federal government ($2.5 million) by year end. Additionally, $4.0 million from the June state appropriation was not received until July, and Series R construction projects receivables increased $2.6 million as construction accelerated in fiscal year 2015. Net bookstore receivables saw a reduction of $1.5 million from the previous year due to declining sales from lower enrollment and utilization of the IncludED program.

The current portion of the deposits with trustee is $10.6 million, a significant decrease from the previous year due to spending on construction projects during fiscal year 2014-15. The deposits with trustee are mainly attributable to the residual funds for the Series R construction projects at the Anderson and Bloomington campuses.

Prepaid expenses are payments made in the current or a previous fiscal year of which the full value has not been realized during fiscal year 2014-15. This category increased by a minimal $112 thousand.

Overall, current assets decreased by $10.4 million, due to the large decrease in deposits with trustees, cash with fiscal agent and short-term investments as compared to smaller increases in cash and cash equivalents, net accounts receivable, prepaid expenses, and inventory.

NONCURRENT ASSETS

Noncurrent assets increased by $50.6 million or a 6.6% increase from the previous year.

Long-term investments increased by $12.7 million or 6.5% from the previous year. This increase is due to a transfer of funds from cash and cash equivalents to long-term investments that occurred in September 2014 as well as investment income earned during the year.

The deposit with trustee decreased by $7 million due to being reclassified to current, as all projects are expected to be completed in fiscal year 2015-16. Capital assets increased by $44.9 million or 8.0%, which includes land, buildings, infrastructure, equipment, and construction work in progress. The change was mainly due to the increase of construction work in progress from large construction projects at the Anderson, Bloomington, Indianapolis and Hamilton County campuses.

Deferred Outflows of Resources

Deferred outflows of resources represent consumption of resources applicable to a future reporting period. Deferred outflows decreased $637 thousand or 16.2% due to the change in deferred outflows related to pensions and from the amortization of the net carrying amount of the loss on the bond refunding.

Liabilities

CURRENT LIABILITIES

Current liabilities, will be paid in one year or less from the date of the Statement of Net Position, decreased by $9.7 million or 10.3%.

Accounts payable and accrued liabilities decreased by $8.8 million or 23.8%. The decrease was due to the $2.5 million early retirement incentive program accrued in fiscal year 2013-14, a $2.1 million reduction in self-insurance unpaid claim estimates, a $2.1 million reduction in construction project payables, and $2.0 million reduction in State financial aid obligations.

Compensated absences and the Deposits Held in Custody for others remained stable as compared to the prior year.

Unearned revenue represents monies received in the current year for services, tuition and fees, future revenue related to the lease of the College bookstores, 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 remained stable as compared to the prior year.

The current portion of debt obligation is the portion of the College's long-term debt which is payable within the next fiscal year. This category decreased by $968 thousand or 3.8%. This is mainly due to the decrease in bond debt principal due on July 1, 2015.

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, other post-employment benefits, and beginning in fiscal year 2014-15, net pension liability. Implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions–An Amendment of GASB Statement No. 27* required the recognition of net pension liability for defined benefit pension plans. Due to the change in accounting standard, prior period restatement was necessary to recognize a net pension liability beginning balance. Overall, noncurrent liabilities decreased by $21.4 million or 5.7% due primarily to the $18.4 million decrease in long-term debt from the principal payments on bonds payable and a $5.8 million reduction in the actuarially determined net pension liability. Compensated absences and other post-employment benefits increased $1.1 million and $1.6 million respectively.

In accordance with the appropriate accounting guidance, the entire amount of Post-Employment Benefits is considered a long-term liability.

OUTSTANDING DEBT AT YEAR END

Leases, Notes, and Bonds Payable	6/30/2015	6/30/2014	Increase/ (Decrease)	Percent Change
Revenue Bonds Payable:				
Series H Student Fee Bonds	$11,200,000	$11,200,000	-	0.0%
Series I Student Fee Bonds	-	8,830,000	(8,830,000)	-100.0%
Series J Student Fee Bonds	9,245,000	9,245,000	-	0.0%
Series K Student Fee Bonds	33,085,000	35,675,000	(2,590,000)	-7.3%
Series L Student Fee Bonds	35,390,000	38,105,000	(2,715,000)	-7.1%
Series M Student Fee Bonds	-	3,735,000	(3,735,000)	-100.0%
Series N Student Fee Bonds	70,290,000	70,290,000	-	0.0%
Series O Student Fee Bonds	9,200,000	9,200,000	-	0.0%
Series P Student Fee Bonds	29,645,000	30,590,000	(945,000)	-3.1%
Series Q Student Fee Bonds	8,450,000	11,490,000	(3,040,000)	-26.5%
Series R Student Fee Bonds	65,320,000	71,355,000	(6,035,000)	-8.5%
Series S Student Fee Bonds	6,840,000	-	6,840,000	100.0%
Total Bonds Payable	**278,665,000**	**299,715,000**	**(21,050,000)**	**-7.0%**
Premium on Bonds— H, I, J, K, L ,M & P	12,005,094	13,220,258	(1,215,164)	-9.2%
Lease Obligations	41,312,420	38,096,647	3,215,773	8.4%
Notes Payable	2,446,899	2,784,491	(337,592)	-12.1%
Total Leases, Notes, and Bonds Payable	**$334,429,413**	**$353,816,396**	**($19,386,983)**	**-5.5%**

Deferred Inflows of Resources

Deferred inflows of resources represent acquisition of resources applicable to a future reporting period. Deferred inflows related to pensions totaled $3.9 million in fiscal year 2014-15.

Net Position

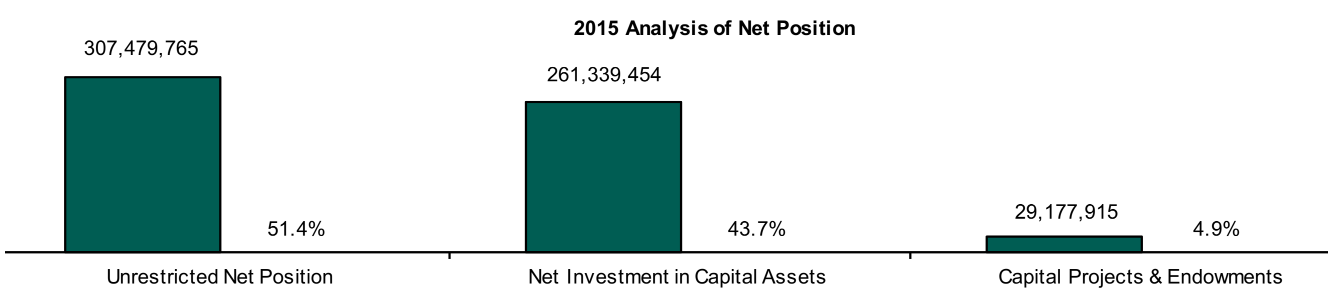
Net position represents the difference between the College's assets and liabilities.

The classification "net investment in capital assets," which includes building and equipment less depreciation, land owned by the College, and construction work in progress, increased by 5.6% compared to the prior year. This increase was mainly due to the capitalization of repairs and rehabilitations and other building projects.

The restricted "capital projects" classification increased by 172.7% from the prior year. This increase was primarily due to the construction in progress for four projects at the Anderson, Bloomington, Indianapolis, and the Hamilton County campuses.

Unrestricted net position increased by 12.6%. This is mainly due to the College reducing operating expenses including a reduction of salaries and fringe benefits of $27.4 million.

Overall, net position increased in fiscal year 2014-15 by $66.8 million or 12.6%. The net position is comprised of 51.4% Unrestricted Net Position, 43.7% Net Investment in Capital Assets, and 4.9% Capital Projects and Endowments.



Internally Designated Reserves of Unrestricted Funds

The College ended the fiscal year with an unrestricted net position balance of $307.5 million, an increase of $34.4 million, or 12.6% as compared to the prior fiscal year. The following provides additional information concerning the allocation of the Unrestricted Net Position.

Description	FY 2015 Amount	Restated FY 2014 Amount
Self-Insurance	$9,804,974	$8,384,296
Bookstore Commissions	40,034,256	37,131,724
Economic Development Revolving Loan	5,787,000	5,610,333
Student Accounts Receivable	15,243,365	14,348,776
Insurance Stabilization	909,435	907,716
Parking Lot Repair and Replacement	4,271,965	3,992,620
Compensated Absences Reserve	15,065,110	14,877,126
Other Post-Employment Benefits	22,569,718	21,794,135
Pension Accounting	16,727,780	18,188,305
Enterprise Software Enhancements	3,302,889	3,302,889
Unclaimed Property	2,665,644	2,605,096
Student Loan Fund	65,881	68,808
Institutional R&R Reserve	20,000,531	19,743,614
Operating Budget	151,031,217	122,092,994
Total	$307,479,765	$273,048,432

The College administers health insurance for all benefits eligible employees. Under the self-insurance plan, claims are paid directly by the College in the month incurred. A reserve in the amount of $9,804,974 represents the excess of employer contribution over claims expense.

Effective June 30, 2008, all College bookstores have been leased to Follett Higher Education Group, Inc. The College maintains a reserve from the commissions to be used for various one-time budget needs. Expenditures from this reserve are approved by the Sr. Vice President, Chief Financial Officer and General Counsel.

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

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

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

The parking lot repair and replacement reserve is funded with a College designated portion of student fee collections. Currently seventy-five cents ($.75) per student credit hour is designated to assist the funding of repairing, maintaining, and providing new parking lots throughout the College. The amount listed is the available cash balance for this reserve as of June 30, 2015.

The compensated absences reserve was established to offset the College's compensated absences liability. The total amount of unrestricted monies set aside is equal to the total liability of $15,065,110. This benefit is discussed in more detail in the Notes to the Financial Statements, page 44. The amount listed is the available cash balance for this reserve as of June 30, 2015.

The Other Post-Employment Benefits (OPEB) cash reserve was established in fiscal year 2005-06 to offset the College's other post-employment benefit liability. This reserve was established in advance of the reporting requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. An actuarial estimate was obtained by the College as of June 30, 2015. As a result of this estimate, the College reported an OPEB liability in the amount of $22.6 million as of June 30, 2015. This cash reserve is equal to the corresponding liability. The amount listed is the available cash balance for this reserve as of June 30, 2015.

Pension accounting cash reserve was established in fiscal year 2014-15 to offset the College's net pension liability. GASB Statement No. 68 required the recognition of net pension liability for defined benefit pension plans. An actuarial estimate was provided to the College from the Public Employees' Retirement Fund with a measurement date of June 30, 2014. As a result of this estimate, the College reported cash reserves equal to the net pension liability plus deferred inflows related to pensions less deferred outflows related to pensions; this resulted in $16.7 million for fiscal year 2014-15. GASB Statement No. 68 also required a prior period adjustment to establish a net pension liability beginning balance.

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

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

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

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

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

Capital Assets, Net, At Year-End

	2015	2014	Increase/ (Decrease)	Percentage Change
Construction Work In Progress	$71,406,957	$26,460,996	$44,945,961	169.9%
Land, Improvements and Infrastructure	44,155,005	43,757,456	397,549	0.9%
Buildings	471,369,257	471,916,445	(547,188)	-0.1%
Furniture, fixtures, and equipment	21,960,934	21,707,020	253,914	1.2%
Library materials	584,557	720,030	(135,473)	-18.8%
Totals	**$609,476,710**	**$564,561,947**	**$44,914,763**	**8.0%**

During fiscal year 2014-15 net capital assets increased by $44.9 million or 8.0%. The change was primarily due to the increase in construction work in progress from four large construction projects. Three projects are related to the Series R Bond, Anderson, Bloomington and Indianapolis. The fourth project is the Hamilton County Campus. None of the four projects were complete at fiscal year-end.

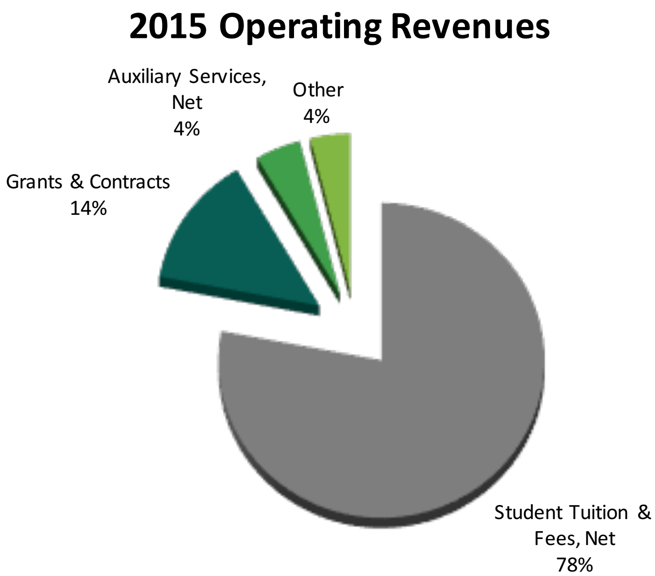
Condensed Statement of Revenues, Expenses and Changes in Net Position

Year Ended June 30	2015	Restated 2014	2013
Operating revenue			
Tuition and fees, net	$129,865,547	$137,417,388	$146,425,861
Grants and contracts	22,596,616	28,913,220	28,873,090
Auxiliary services, net	7,491,642	8,718,709	9,742,534
Other	6,616,928	6,830,035	6,444,576
Total operating revenue	**166,570,733**	**181,879,352**	**191,486,061**
Operating expense			
Instruction	190,847,029	206,323,425	208,755,529
Public service	1,429,636	1,592,452	2,439,205
Academic support	50,639,711	53,349,166	48,753,029
Student services	43,351,399	45,562,994	46,011,736
Auxiliary services	1,996,634	1,841,792	1,193,301
Administrative support	91,769,823	95,023,481	92,177,205
Operation and maintenance of plant	39,369,693	40,428,290	40,248,429
Scholarships and fellowships	110,524,275	129,741,445	161,305,937
Depreciation and amortization	27,555,378	29,833,048	26,954,924
Total operating expenses	**557,483,578**	**603,696,093**	**627,839,295**
Operating income (loss)	(390,912,845)	(421,816,741)	(436,353,234)
Nonoperating revenue (expense)			
State/Federal appropriations	239,090,909	235,492,735	218,527,291
Governmental Grants and Contracts	206,618,064	231,903,361	260,011,060
Other nonoperating revenue (expense)	(6,902,053)	(8,734,245)	(9,222,053)
Net nonoperating revenue	**438,806,920**	**458,661,851**	**469,316,298**
Income before other revenue, expenses, gains, or losses	47,894,075	36,845,110	32,963,064
Capital appropriations/Gifts	18,891,633	3,098,452	1,835,245
Total increase in Net position	**66,785,708**	**39,943,562**	**34,798,309**
Net position			
Net position–beginning of year	531,211,426	509,456,169	474,657,860
Net Position-end of year before change in standard	-	549,399,731	-
Prior Period Adjustment-Change in accounting standard	-	(18,188,305)	-
Net position–end of year	**$597,997,134**	**$531,211,426**	**$509,456,169**

Revenues

OPERATING REVENUES

Total operating revenues for fiscal year 2014-15 were $166.6 million, representing an 8.4% decrease compared to the prior year. The following chart and analysis illustrate the details.



TUITION AND FEES

Student tuition and fees include all fees assessed for educational purposes. 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 4.7% compared to fiscal year 2013-14 due to a reduction in institutional resources provided as financial aid and financial aid expense. Net tuition and fees decreased by 5.5%. The decrease is attributable to the decline in enrollment.

GRANTS AND CONTRACTS

Grants and contracts include restricted revenues made available by federal, state, local, and nongovernmental grants and contracts. In total, this revenue declined by 21.8%. Federal sources decreased $872 thousand or 30.1% as Ivy Tech's lead Department of Labor TAACCCT Institute grant proceeded towards closeout and expenses decreased by nearly $750 thousand. State and local sources decreased by $5.7 million or 31.4% due to the expiration of one time state and local agreements for capital projects, and nongovernmental sources increased $292 thousand or 3.8% which is in part, the result of new grants from the Lilly Foundation and Lumina Foundation for Education.

	2015	2014	Change (in $)	Change (in %)
Federal Grants and Contracts	$2,025,256	$2,897,084	($871,828)	-30.1%
State and Local Grants and Contracts	12,505,519	18,242,172	(5,736,653)	-31.4%
Nongovernmental Grants and Contracts	8,065,841	7,773,964	291,877	3.8%
	$22,596,616	**$28,913,220**	**($6,316,604)**	**-21.8%**

Auxiliary Enterprises

Auxiliary enterprises are intended to be self-supporting and supplement the operations of the College. The total auxiliary enterprise revenue was $7.5 million. The primary revenue source is the commission on book sales. This category decreased by 14.1% in 2014-15 due to a decrease in enrollment and a reduction in student financial aid.

Nonoperating Revenue and Expense

This category consists of State and Federal appropriations, investment income, interest on capital asset-related debt, governmental grants and contracts and student government support. Federal grants and contracts totaled $170.9 million, a reduction of $27.1 million from the previous year. This was mainly due to a 9 thousand decrease in federal Pell grant recipients. While the number of state aid recipients decreased, changes in the state aid award calculation resulted in a $1.8 million increase or 5.3%. State appropriations increased by $3.6 million or 1.5%. Investment income also increased by $412 thousand or 16.7%. This increase can be attributed to the implementation of the investment manager model.

Other Revenues, Expenses, Gains, or Losses

Capital Gifts, Grants and Appropriations increased by $15.8 million. Capital appropriations increased by $14.5 million due to $12.0 million received from the State for the Hamilton County campus. An additional $2.5 million was received from the State for repair and rehabilitation projects on other campuses. Capital Gifts, Grants and Gain from Sale of Capital Assets increased $1.3 million. The increase is primarily due to donated fixed assets of $3.0 million in 2014-15, compared to $2.1 million in the previous year. The largest donation for 2014-15 was the McClain building in Franklin valued at $2.6 million. The College also recorded sales of property in Elkhart and Marion for a combined total of $409 thousand.

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	2015	2014	2013
Cash provided (used) by:			
Operating activities	($384,675,136)	($378,145,302)	($393,237,302)
Noncapital financing activities	441,110,845	468,696,392	477,423,831
Capital and related financing activities	(39,019,298)	(66,965,771)	(56,773,707)
Investing activities	14,375,163	(180,169,601)	93,632,007
Net increase (decrease) in cash	**31,791,574**	**(156,584,282)**	**121,044,829**
Cash and cash equivalents, beginning of the year	52,936,647	209,520,929	88,476,100
Cash and cash equivalents, end of the year	**$84,728,221**	**$52,936,647**	**$209,520,929**

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, 2015. Cash and cash equivalents increased by 60.1% this fiscal year. The increase is mainly due to the maturity of certificates of deposit prior to year end that were not re-invested into short-term or long-term securities as of the end of the year.

According to the authoritative guidance from the Governmental Accounting Standards Board, 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 Community College is well positioned to continue to serve the educational and training needs of Hoosiers. The College is in sound financial shape. 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. Standard and Poor's upgraded the College's bond rating to "AA" during 2014-15. Fitch Ratings likewise maintains a 'AA' bond rating.

Economic recovery continued for the State of Indiana in 2014-15. In Indiana, the current jobless rate hovers around 4.7% compared to 5.8% in the same month of the prior year (July). Indiana's private sector employment hit a record in July 2015 at over 2.6 million Hoosiers.

State of Indiana general fund revenues increased 3.4% compared to the prior year. The state's largest source of revenue–sales and use taxes–grew 3.9% vs. fiscal year 2014. Individual income tax revenue increased 6.8%. The State ended 2014-15 with a combined balance of $2.1 billion and a

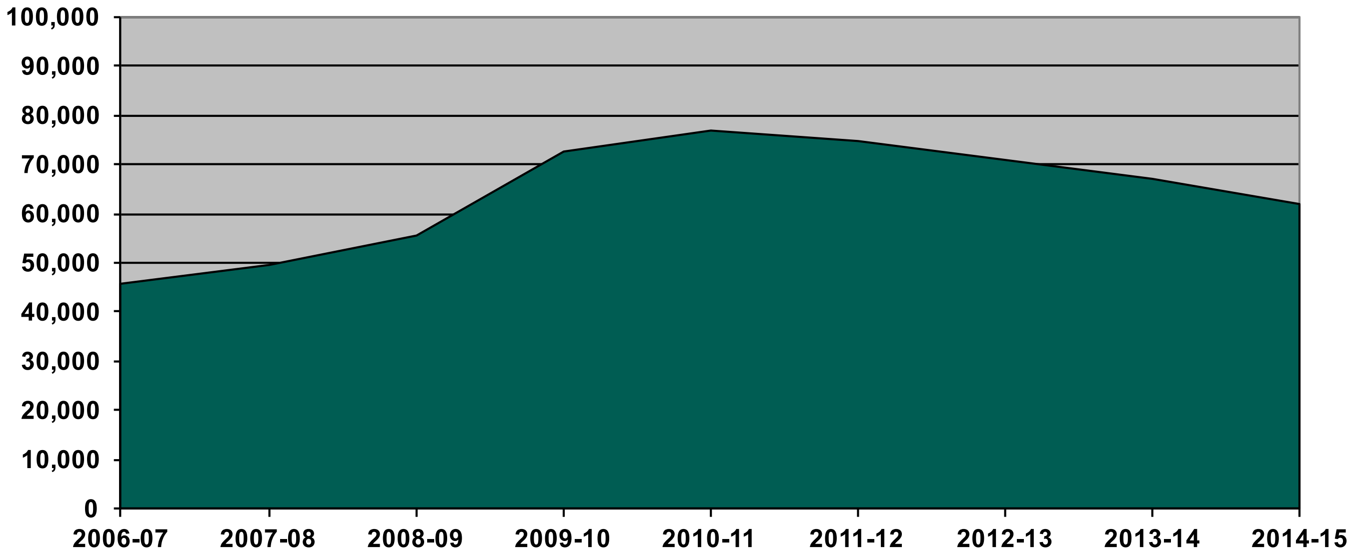
$210 million operating surplus. The most recent economic and revenue forecast (April 2015) projects revenue growth of 2.4% in fiscal year 2015-16 and 3.4% in fiscal year 2016-17.

For fiscal year 2015-16, the College has targeted a significant portion of increased tuition revenues and state operating funds toward retention and completion efforts—hiring more full time faculty, adding academic advisors and upgrading and modernizing laboratory and industrial technology equipment. The College continues to post strong results under Indiana's performance funding formula which is used to allocate operating funds to the state's public universities and colleges. Based on this formula, the College's state operating appropriation is set to increase 4.4% in 2015-16 and 3.4% in 2016-17.

Enrollment at Ivy Tech declined in 2014-15, reflecting a continuation from the modest decline in 2013-14 for the College, and consistent with national trends for community colleges. As reflected in the College's Statement of Revenues, Expenses and Changes in Net Position, this contributed to a modest decline in tuition revenue. Historical annual unduplicated headcount and FTE are reflected in the charts on page 18-19.

In June 2015, with the stated goal of improving retention and completion, the College's Board of Trustees approved a tuition freeze for continuously enrolled students. This freeze took effect for students first enrolling for the Fall Semester of 2015 who stay continuously enrolled. For those students who meet the eligibility requirements, their tuition rate, which would otherwise increase in Fall Semester of 2016, will be frozen at the Fall 2015 level for as long as they stay continuously enrolled. The freeze will impact tuition revenues beginning in fiscal year 2016-17.

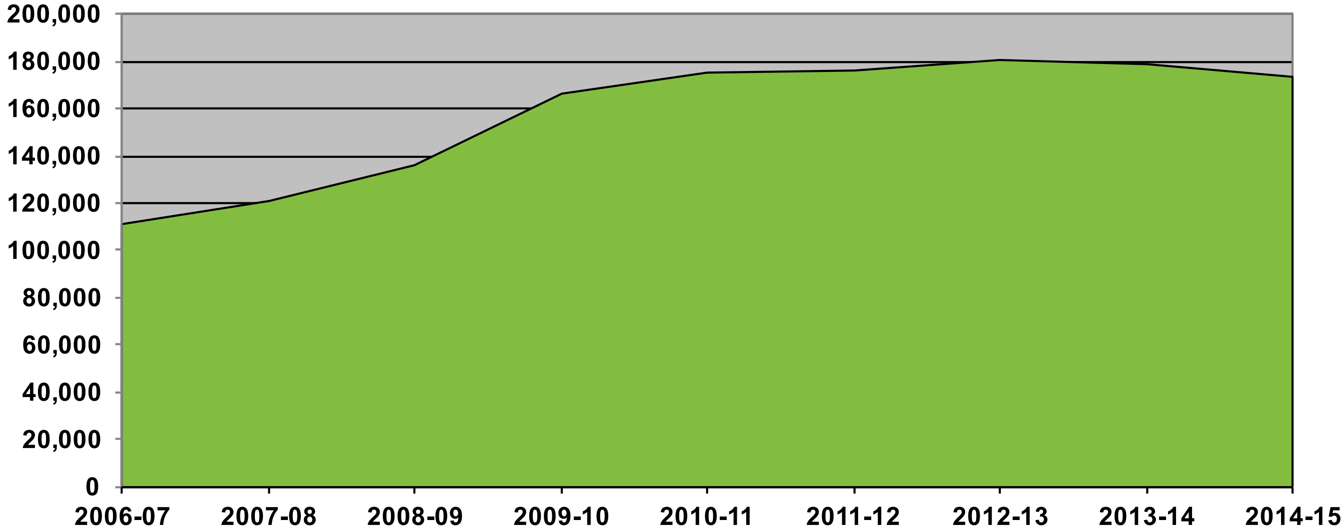
ANNUALIZED FTE STUDENT ENROLLMENT TREND



Since 2006-07 FTE Enrollment has grown by 34.8%

- Note: the annualized FTE number for the fiscal year 2014-15 is an estimate as of the publishing of these financial statements.

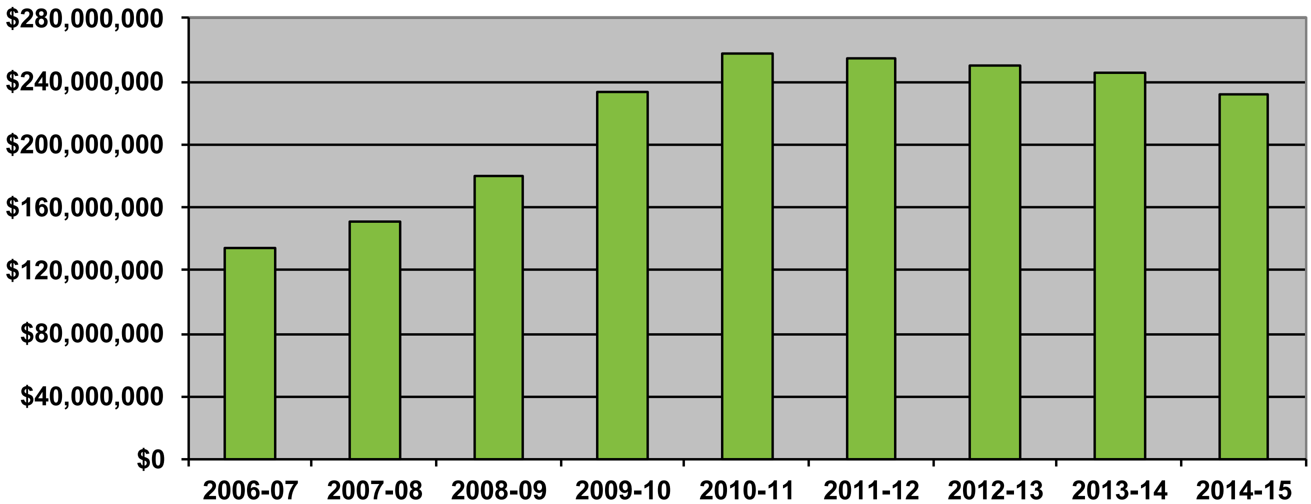
ANNUALIZED STUDENT ENROLLMENT TREND



Since 2006-07 Unduplicated Headcount Enrollment has grown by 56.0%

- Note: the annualized Headcount number for the fiscal year 2014-15 is an estimate as of the publishing of these financial statements.

GROSS STUDENT FEE REVENUE



Gross Student Fee Revenue has increased 74% since 2006-2007.

Authorized Facilities

Ivy Tech currently has three projects nearing completion that previously received bonding authority from the General Assembly. Those projects were approved by the State Budget Committee and Governor in July 2013. The projects are: Indianapolis Phase III $23.1 million, Anderson $20.0 million and Bloomington $20.0 million.

A previously authorized project in Gary was reauthorized as a combined Indiana University/Ivy Tech joint facility. Indiana University issued the bonds and leads the construction management processes for the Gary joint project.

Ivy Tech received legislative approval in 2014 to proceed with the Hamilton County project with a $12 million cash appropriation. Ivy Tech also received approval for a $6 million addition project to the Lawrenceburg Lakefront Campus. The project is funded by city and community funds.

Bond financing for the three released capital projects, Indianapolis, Anderson, and Bloomington, as described above took place in the fourth quarter of 2013 and construction began in early 2014. The Hamilton County project began in 2014 with an estimated completion date of the end 2015. The Lawrenceburg project ground breaking is scheduled for late August 2015. The four bonded projects, Hamilton County and Lawrenceburg are expected to be completed in late 2015 to late 2016.

Ivy Tech Community College of Indiana
Statement of Net Position

June 30, 2015 With Comparative Figures at June 30, 2014

	2015	RESTATED 2014
ASSETS		
Current Assets		
Cash and Cash Equivalents	$84,728,221	$52,936,647
Cash with Fiscal Agent	26,709,769	28,270,546
Short Term Investments	44,466,137	67,174,190
Accounts Receivable	61,523,707	42,720,621
Allowance for Doubtful Accounts	(9,621,458)	(9,968,032)
Inventories	15,017	-
Deposit With Trustee	10,552,185	47,764,658
Prepaid Expenses	179,329	67,357
Total Current Assets	**218,552,907**	**228,965,987**
Noncurrent Assets		
Long-Term Investments	209,218,410	196,509,585
Deposit With Trustee	-	7,000,000
Capital Assets, Net	609,476,710	564,561,947
Total Noncurrent Assets	**818,695,120**	**768,071,532**
TOTAL ASSETS	**1,037,248,027**	**997,037,519**
Deferred Outflows of Resources		
Deferred Outflows Related to Pension—Note XIV	2,856,674	3,258,170
Loss on Refunding	434,000	669,729
Total Deferred Outflows of Resources	**3,290,674**	**3,927,899**
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	28,262,699	37,092,785
Compensated Absences	9,294,395	9,438,664
Deposits Held in Custody for Others	6,135,334	6,101,214
Unearned Revenue	16,494,839	16,277,506
Current Portion of Debt Obligation	24,358,831	25,326,808
Total Current Liabilities	**84,546,098**	**94,236,977**
Noncurrent Liabilities		
Compensated Absences	5,770,715	4,654,354
Long Term Debt and other Obligations	310,070,582	328,489,588
Other Post Employment Benefits	22,569,718	20,926,598
Net Pension Liability—Note XIV	15,685,882	21,446,475
Total Noncurrent Liabilities	**354,096,897**	**375,517,015**
TOTAL LIABILITIES	**438,642,995**	**469,753,992**
Deferred Inflows of Resources		
Deferred Inflows Related to Pension	3,898,572	-
NET POSITION		
Net Investment in Capital Assets	261,339,454	247,421,276
Restricted for:		
Capital Projects	29,114,186	10,678,110
Endowment	63,729	63,608
Unrestricted—Note XIV		
Unrestricted	307,479,765	273,048,432
TOTAL NET POSITION	**$597,997,134**	**$531,211,426**

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

Ivy Tech Foundation, Inc.
Consolidated Statement of Financial Position
June 30, 2015 and 2014

	2015	2014
ASSETS		
Cash and equivalents	$10,502,142	$5,164,469
Investments	16,135,292	19,870,710
Pledges receivable	9,325,439	9,106,942
Prepaid expenses and other assets	974,857	3,545,977
Property and equipment, net	73,190,646	76,916,326
Note receivable from related party	261,051	294,051
Net investment in direct financing lease with related party	6,290,279	-
Note received from bank	23,510,509	23,510,509
Cash restricted for Ivy Tech Properties, Inc.	-	368,128
Beneficial interest in trusts	204,434	204,417
Assets restricted for permanent endowment	30,958,791	26,335,407
Agency funds-Intersection Connection	5,000,738	4,959,108
TOTAL ASSETS	**$176,354,178**	**$170,276,044**
LIABILITIES		
Accounts payable and accrued expenses	1,560,971	$2,570,669
Accounts payable-related party	1,273,768	412,890
Lines of credit borrowings	2,769,574	3,687,276
Interest rate swap liability	261,079	247,784
Notes payable and capital lease obligation	58,784,077	54,057,405
Other liabilities	394,705	91,381
Agency funds-Intersection Connection	5,000,738	4,959,108
TOTAL LIABILITIES	**70,044,912**	**66,026,513**
NET ASSETS		
Unrestricted	9,303,488	10,902,610
Restricted:		
Temporarily restricted	66,046,987	67,011,514
Permanently restricted	30,958,791	26,335,407
Total Restricted	**97,005,778**	**93,346,921**
TOTAL NET ASSETS	**106,309,266**	**104,249,531**
TOTAL LIABILITIES AND NET ASSETS	**$176,354,178**	**$170,276,044**

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

Ivy Tech Community College of Indiana
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2015 With Comparative Figures at June 30, 2014

	2015	RESTATED 2014
REVENUES		
Operating Revenues		
Student Tuition and Fees	$232,454,653	$245,041,017
Scholarship Allowances	(102,589,106)	(107,623,629)
Net Student Tuition and Fees	129,865,547	137,417,388
Federal Grants and Contracts	2,025,256	2,897,084
State and Local Grants and Contracts	12,505,519	18,242,172
Nongovernmental Grants and Contracts	8,065,841	7,773,964
Sales and Services of Educational Departments	1,334,800	1,301,285
Auxiliary Enterprises	7,491,642	8,718,709
Other Operating Revenues	5,282,128	5,528,750
TOTAL OPERATING REVENUES	**166,570,733**	**181,879,352**
EXPENSES		
Operating Expenses		
Salaries and Wages	233,529,677	255,600,121
Benefits	69,576,917	74,873,835
Scholarships and Fellowships	109,343,751	128,282,951
Utilities	10,961,795	11,104,707
Supplies and Other Services	106,516,060	104,001,432
Depreciation	27,319,649	27,105,938
Amortization of Deferred Loss on Refunding	235,729	2,727,109
TOTAL OPERATING EXPENSES	**557,483,578**	**603,696,093**
Operating Income (Loss)	(390,912,845)	(421,816,741)
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	237,787,954	234,180,304
Federal Appropriations	1,302,955	1,312,431
Investment Income	2,876,423	2,464,068
Interest on Capital Asset-Related Debt	(8,989,312)	(10,288,568)
Governmental Grants and Contracts-Federal	170,870,584	197,958,017
Governmental Grants and Contracts-State	35,747,480	33,945,344
Student Government Support	(789,164)	(909,745)
NET NONOPERATING REVENUES	**438,806,920**	**458,661,851**
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	47,894,075	36,845,110
Capital Gifts, Grants and Gain from Sale of Capital Assets	3,361,289	2,098,452
Capital Appropriations	15,530,344	1,000,000
Total Other Revenues, Expenses, Gains or Losses	**18,891,633**	**3,098,452**
INCREASE IN NET POSITION	**66,785,708**	**39,943,562**
Net Position–Beginning of Year	531,211,426	509,456,169
Net Position–End of Year before Change in Accounting Standard	-	549,399,731
Prior Period Adjustment to Net Position Change in Accounting Standard–Note XIV	-	(18,188,305)
Adjusted Net Position–End of Year	**$597,997,134**	**$531,211,426**

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

Ivy Tech Foundation, Inc.
Consolidated Statements of Activities
Years Ended June 30, 2015 and 2014

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE, GAINS AND SUPPORT				
Contributions:				
Cash and pledges	$400,005	$8,920,579	$4,408,047	$13,728,631
Non-cash	-	3,153,394	-	3,153,394
Grant revenue	-	1,959,258	-	1,959,258
Total Contributions	400,005	14,033,231	4,408,047	18,841,283
In-kind contributed operational services	3,191,521	-	-	3,191,521
Investment income	687,044	587,540	(71,401)	1,203,183
Vending income	892,646	-	-	892,646
Special events income, net of expenses of $559,175 in 2015 and $785,161 in 2014	26,564	276,064	136,090	438,718
Real estate rental income	3,238,188	30,140	-	3,268,328
Gain on sale of property and equipment	73,862	-	-	73,862
Uncollectible pledges	(2,597)	(32,600)	(5,150)	(40,347)
Miscellaneous revenue	1,954	9,995	-	11,949
	8,509,187	14,904,370	4,467,586	27,881,143
Net assets released from restrictions	15,713,099	(15,713,099)	-	-
Reclassification of donor intent	-	(155,798)	155,798	-
Total Revenue, Gains and Support	**24,222,286**	**(964,527)**	**4,623,384**	**27,881,143**
EXPENSES				
Financial aid to students	3,405,518	-	-	3,405,518
Building improvements, supplies and equipment	3,314,238	-	-	3,314,238
Faculty and staff development	237,526	-	-	237,526
Special programs	2,588,773	-	-	2,588,773
Community outreach/promotional expense	1,375,019	-	-	1,375,019
Donations to Ivy Tech Community College	303,927	-	-	303,927
Donated property to Ivy Tech Community College	2,784,261	-	-	2,784,261
In-kind expense	1,337,065	-	-	1,337,065
Real estate rental expenses	6,106,675	-	-	6,106,675
Other real estate expenses	71,236	-	-	71,236
Total College Assistance Program Expenses	21,524,238	-	-	21,524,238
Administrative expenses	1,410,903	-	-	1,410,903
Fundraising expenses	2,872,972	-	-	2,872,972
Total Expenses	**25,808,113**	**-**	**-**	**25,808,113**
INCREASE (DECREASE) IN NET ASSETS BEFORE LOSS ON INTEREST RATE SWAPS	(1,585,827)	(964,527)	4,623,384	2,073,030
Loss on interest rate swaps	(13,295)	-	-	(13,295)
INCREASE (DECREASE) IN NET ASSETS	**(1,599,122)**	**(964,527)**	**4,623,384**	**2,059,735**
NET ASSETS				
Beginning of Year	10,902,610	67,011,514	26,335,407	104,249,531
End of Year	**$ 9,303,488**	**$ 66,046,987**	**$ 30,958,791**	**$106,309,266**

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

	Adjusted 2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE, GAINS AND SUPPORT				
Contributions:				
Cash and pledges	$370,705	$9,980,614	$481,888	$10,833,207
Non-cash	-	4,214,358	-	4,214,358
Grant revenue	-	8,051,778	-	8,051,778
Total Contributions	370,705	22,246,750	481,888	23,099,343
In-kind contributed operational services	3,768,898	-	-	3,768,898
Investment income	871,407	3,584,300	78,663	4,534,370
Vending income	1,053,730	-	-	1,053,730
Special events income, net of expenses of $559,175 in 2015 and $785,161 in 2014	-	1,028,071	-	1,028,071
Real estate rental income	3,444,766	30,186	-	3,474,952
Gain on sale of property and equipment	61,281	-	-	61,281
Uncollectible pledges	-	(30,395)	-	(30,395)
Miscellaneous revenue	31,621	(5,752)	324	26,193
	9,602,408	26,853,160	560,875	37,016,443
Net assets released from restrictions	17,906,720	(17,906,720)	-	-
Reclassification of donor intent	-	(343,961)	343,961	-
Total Revenue, Gains and Support	**27,509,128**	**8,602,479**	**904,836**	**37,016,443**
EXPENSES				
Financial aid to students	2,872,585	-	-	2,872,585
Building improvements, supplies and equipment	6,806,926	-	-	6,806,926
Faculty and staff development	151,335	-	-	151,335
Special programs	2,289,843	-	-	2,289,843
Community outreach/promotional expense	1,373,433	-	-	1,373,433
Donations to Ivy Tech Community College	258,977	-	-	258,977
Donated property to Ivy Tech Community College	449,843	-	-	449,843
In-kind expense	2,546,647	-	-	2,546,647
Real estate rental expenses	6,151,723	-	-	6,151,723
Other real estate expenses	66,646	-	-	66,646
Total College Assistance Program Expenses	22,967,958	-	-	22,967,958
Administrative expenses	1,522,620	-	-	1,522,620
Fundraising expenses	3,266,362	-	-	3,266,362
Total Expenses	**27,756,940**	**-**	**-**	**27,756,940**
INCREASE (DECREASE) IN NET ASSETS BEFORE GAIN (LOSS) ON INTEREST RATE SWAPS	(247,812)	8,602,479	904,836	9,259,503
Gain (Loss) on interest rate swaps	(2,935)	-	-	(2,935)
INCREASE (DECREASE) IN NET ASSETS	**(250,747)**	**8,602,479**	**904,836**	**9,256,568**
NET ASSETS				
Beginning of Year	11,153,357	58,409,035	25,430,571	94,992,963
End of Year	**$10,902,610**	**$67,011,514**	**$26,335,407**	**$104,249,531**

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

Ivy Tech Community College of Indiana
Statement of Cash Flows

For the Year Ended June 30, 2015 With Comparative Figures at June 30, 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	$130,613,056	$137,807,680
Gifts, Grants and Contracts	8,143,356	30,515,104
Auxiliary Enterprises	7,392,739	8,598,992
Sales and Services of Educational Departments	1,334,800	1,301,285
Payments to Suppliers	(126,269,372)	(102,691,514)
Payments to or on Behalf of Employees	(301,828,092)	(330,922,648)
Payments to Students	(109,343,751)	(128,282,951)
Other Receipts (Payments)	5,282,128	5,528,750
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**(384,675,136)**	**(378,145,302)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal and State Scholarships & Grants	206,618,064	231,903,361
State Appropriations	233,699,160	234,180,304
Receipts from Direct Federal Loan Proceeds	126,306,937	160,166,755
Payments from Direct Federal Loan Proceeds to Students/Financial Institutions	(126,143,690)	(159,838,748)
Other Nonoperating Receipts (Payments)	630,374	2,284,720
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	**441,110,845**	**468,696,392**
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital/Federal Appropriations	16,833,299	2,312,431
Deposit With Trustee	41,603,149	(54,096,100)
Proceeds from Issuance of Capital Debt	6,840,000	104,107,340
Purchase of Capital Assets	(60,890,622)	(37,134,332)
Principal Paid on Capital-Related Debt	(30,141,819)	(69,774,566)
Interest Paid on Capital-Related Debt	(13,263,305)	(12,380,544)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	**(39,019,298)**	**(66,965,771)**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	(30,000,000)	(201,008,000)
Proceeds from Sales and Maturities of Investments	39,999,228	17,736,762
Income on Investments	4,375,935	3,101,637
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	**14,375,163**	**(180,169,601)**
Net Increase (Decrease) in Cash	31,791,574	(156,584,282)
Cash and Cash Equivalents–Beginning of Year	52,936,647	209,520,929
Cash and Cash Equivalents–End of Year	**$84,728,221**	**$52,936,647**

RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Net Operating Income (Loss)	(390,912,845)	(421,816,741)
Adjustments to reconcile net operating expenses to cash used by operating activities:		
Depreciation	27,319,649	27,105,938
Amortization	-	2,727,109
Deferred Ouflow–Amortization of the Loss on Refunding	235,729	-
Deferred Outflow–Pension	401,496	-
Deferred Inflow–Pension	3,898,572	-
Allowance for Doubtful Accounts	346,574	1,873,935
CHANGES IN ASSETS AND LIABILITIES:		
Accounts Receivable	(14,297,628)	4,115,901
Cash with Fiscal Agent	(79,721)	(98,968)
Prepaid Expense	(111,973)	226,327
Inventories	(15,017)	-
Accounts Payable and Accrued Liabilities	(6,888,804)	13,897,409
Net Pension Liability	(5,760,593)	-
Compensated Absences	972,092	(2,165,840)
Unearned Revenue	217,333	(4,010,372)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**($384,675,136)**	**($378,145,302)**

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, 2015 and 2014

	2015	2014
OPERATING ACTIVITIES		
Increase in net assets	$2,059,735	$9,256,568
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation of property and equipment	3,701,425	3,673,046
Gain on sales of property and equipment	(73,862)	(61,281)
Net realized and unrealized gains on investments	(49,630)	(3,121,778)
In-kind contribution of property	(1,703,757)	-
Contribution of property to Ivy Tech Community College	2,784,261	449,843
Loss on interest rate swap	13,295	2,935
(Increase) decrease in value of beneficial interest in trusts	71,384	(99,263)
(Increase) decrease in certain operating assets:		
Pledges receivable	(218,497)	(347,920)
Prepaid expenses and other assets	1,074,877	(2,348,010)
Increase (decrease) in certain operating liabilities:		
Accounts payable and accrued expenses	(1,009,698)	1,172,006
Deferred income	-	(257,562)
Contributions restricted for long-term purposes	(4,467,586)	(560,875)
Net Cash Provided by Operating Activities	**2,181,947**	**7,757,709**
INVESTING ACTIVITIES		
Proceeds from note receivable from related party	33,000	-
Purchases of property and equipment	(50,115)	(1,589,550)
Proceeds from sales of property and equipment	245,000	449,613
Proceeds from direct financing lease with related party	59,721	-
Purchases of investments	(15,930,927)	(26,934,783)
Sales and maturities of investments	18,980,358	20,982,859
Decrease in cash restricted for Ivy Tech Properties, Inc.	368,128	1,279,277
Decrease in assets restricted for property	-	195,592
Net Cash Provided (Used) by Investing Activities	**3,705,165**	**(5,616,992)**
FINANCING ACTIVITIES		
Net repayments on lines of credit	(557,528)	(81,523)
Payments on notes payable	(1,127,554)	(1,255,271)
Payments on capital lease obligations	(495,774)	-
Net change in accounts payable-related party	819,675	(117,129)
Net change in other liabilities	303,324	(3,994)
Proceeds from contributions restricted for long-term purposes:		
Investment in permanently restricted endowment	508,418	561,216
Net Cash Used by Financing Activities	**(549,439)**	**(896,701)**
NET DECREASE IN CASH AND EQUIVALENTS	**5,337,673**	**1,244,016**
CASH AND EQUIVALENTS AND INVESTING		
Beginning of Year	5,164,469	3,920,453
End of Year	**$10,502,142**	**$5,164,469**

IVY TECH FOUNDATION, INC. CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2015 AND 2014

SUPPLEMENTAL DISCLOSURES	2015	2014
Interest paid	$1,088,350	$1,129,806
Noncash investing and financing activities:		
In-kind contribution of property	1,703,757	-
Contribution of property to Ivy Tech Community College	2,784,261	449,843
Assets acquired through capital lease obligation	6,350,000	-
Net investment in direct financing lease with related party	6,350,000	-
Property purchase financed with note payable	-	1,916,997
Note payable refinanced	6,000,000	-
Payments on line of credit made by related party	360,174	225,232
Line of credit borrowings refinanced with notes payable	-	911,527

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

IVY TECH COMMUNITY COLLEGE OF INDIANA NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015

I. Summary of Significant Accounting Policies

A. GENERAL INFORMATION

Ivy Tech Community College of Indiana (Ivy Tech) prepares Indiana residents to learn, live, and work in a diverse and globally competitive environment by delivering professional, technical, transfer, and lifelong education. Through its affordable, open-access education and training programs, the College enhances the development of Indiana's citizens and communities and strengthens its economy. The Indiana General Assembly through IC 20-12-61-2 established Ivy Tech in 1963. In 2005 the General Assembly adopted Senate Bill 296 which broadened the institution's mission to include serving as the state's community college system. Ivy Tech's official name changed to "Ivy Tech Community College of Indiana." Ivy Tech is governed by a board of trustees, composed of 14 members, appointed by the governor. Each member of the state board must have knowledge or experience in one or more of the following areas; manufacturing; commerce; labor; agriculture; state and regional economic development needs; or Indiana's educational delivery system. At least one trustee must reside in each College region. Appointments are made for three year terms on a staggered basis. Ivy Tech has 14 main regional sites located across the State of Indiana. The President's office and other statewide administrative offices are located in Indianapolis, Indiana.

Ivy Tech Foundation (the Foundation) was incorporated on June 9, 1969, under The Indiana Foundations and Holding Companies Act of 1921 as a corporation organized exclusively for charitable, educational and scientific purposes. The Foundation, whose principal activity is to promote educational, scientific and charitable purposes in connection with or at the request of Ivy Tech Community College (the College), commenced its financial activities with the receipt of various unrestricted contributions in October 1970 and provided $21.5 million to assist the College during fiscal year 2014-15. 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 Governmental Accounting Standards Board (GASB) Statement No. 39 *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61 *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, the audited financial statements of the Foundation are discretely presented with the College's financial statements. The Foundation's fiscal year reporting period is from July 1 through June 30. Further information regarding the Foundation may be obtained at Ivy Tech Foundation; 50 West Fall Creek Parkway Drive North, Indianapolis, IN 46208-5752 or http://ivytech.edu/giving.

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

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

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

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

There were new GASB statements that were effective for the fiscal year 2014-15. The new standards were reviewed and any required changes were incorporated. Specifically GASB Statement No. 68 *Accounting and Financial Reporting for Pensions and GASB Statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date*. The standards impacted the reporting of the College's involvement in the State of Indiana's Public Employee Retirement Fund as a pension liability and the classification of contributions made after June 30, 2014, as deferred outflow of resources.

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

The College's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Eliminations have been made to prevent the double counting of internal activities.

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

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

Operating revenues of the College 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, and State appropriations are components of non-operating income.

C. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of cash (in banks and on hand) and investments with maturity dates of 0-90 days at date of purchase as of June 30, 2015.

D. 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 2014-15.

E. CASH WITH FISCAL AGENT

The balance is primarily attributable to the debt principal and interest payment made in fiscal year 2014-15 and not due until July 1, 2015.

F. CAPITAL ASSETS ACCOUNTING POLICY DISCLOSURE

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

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

Land Improvements	10 years
Buildings	40 years
Building Improvements	Remaining life of the building
Furniture, Fixtures, and Equipment	3-8 years
Library Books and Materials	5 years

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

The College capitalizes interest related to construction of major facilities. Capitalized interest is recorded as part of the related asset, and is amortized over the asset's estimated useful life. The College capitalized interest in the amount of $3,052,039 for the year ended June 30, 2015.

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

II. Accrual of Loss Contingency

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

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

The College has five (5) active matters in litigation; one (1) in county Superior Court and four (4) in United States District Court; and five (5) matters with the Equal Employment Opportunity Commission.

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

III. Lease Obligations

The College has entered into certain operating 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. The schedule on page 56 provides the minimum future annual payments for those leases, which were in effect on June 30, 2015.

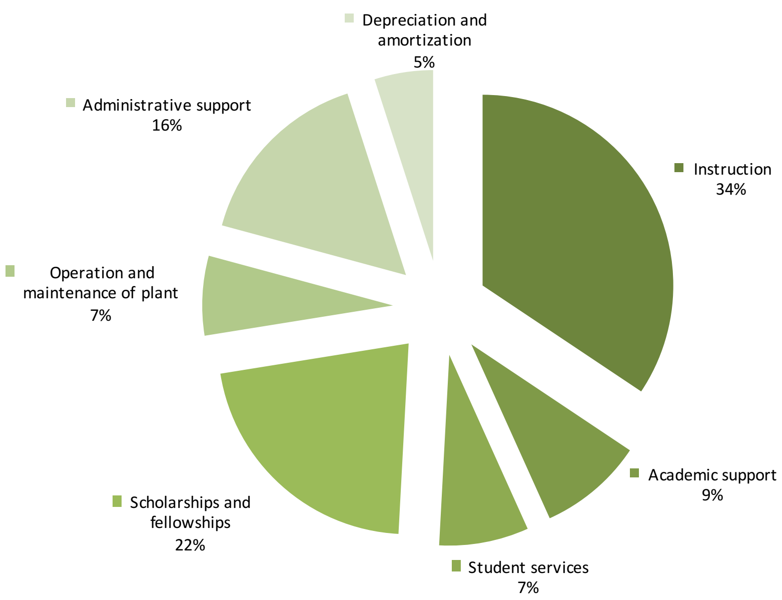
The College has multiple lease obligations with Ivy Tech Foundation, Inc. which were determined to meet the requirements necessary to be recognized as capital leases and are reflected in the College's Statement of Net Position.

IV. Operating Expenses

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

Expenses by Function:	2015	2014
Instruction	$190,847,029	$206,323,425
Public service	1,429,636	1,592,452
Academic support	50,639,711	53,349,166
Student services	43,351,399	45,562,994
Auxiliary services	1,996,634	1,841,792
Administrative support	91,769,823	95,023,481
Operation and maintenance of plant	39,369,693	40,428,290
Scholarships and fellowships	110,524,275	129,741,445
Depreciation and amortization	27,555,378	29,833,048
Total	**$557,483,578**	**$603,696,093**

2015 FUNCTIONAL EXPENSES



As a percentage of total expenses, all of the functional expense categories remained stable as compared to the previous year.

V. Natural Gas Procurement

Ivy Tech has entered into contracts to centralize the purchasing of natural gas through fixed and variable rate contracts. The contract period is October 1, 2014 through September 30, 2015. This allows the College to generate cost savings by protecting against increases in the market price of natural gas. In the event the College uses a higher volume than stated in the contract, market price is paid for the amount of the increase. If the quantity used is less than the amount stated in the contract, the remaining volume is sold.

VI. Investments

Indiana Code Title 21, Article 21, Chapter 3, Section .3 provides authorization for investment activity. Indiana Prudent Investor Act, IC 30-4-3.5, 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 and General Counsel.

The College's current investment policy was approved by the Board of Trustees in August 2013. The overall investment allocation is designed in accordance with the College's Investment Philosophy and Objectives. 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. 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:

	Fair Value	<1 year	1-5 years	6-10 years	More than 10 years
Demand Deposits	$83,229,364	$83,229,364	$ -	$ -	$ -
Certificates of Deposit	15,000,000	9,000,000	6,000,000	-	-
Investment Manager Cash	4,051,183	4,051,183	-	-	-
U.S. Treasury & Agencies	70,090,850	13,789,866	51,941,024	2,107,779	2,252,181
Agency Backed Mortgages	15,500,060	890,180	9,687,432	1,851,628	3,070,820
Corporate Bonds & Notes	79,737,178	14,723,181	64,928,449	85,548	-
Structured Securities	44,695,718	-	26,141,996	2,434,820	16,118,902
Foreign Bonds (in U.S. Dollars)	22,038,748	3,635,409	18,403,339	-	-
Municipal Bonds	6,621,993	2,427,501	4,072,968	121,524	-
Total	**$340,965,094**	**$131,746,684**	**$181,175,208**	**$6,601,299**	**$21,441,903**

B. CREDIT RISK

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is addressed in the College's Investment Policy. The College's Investment Policy requires that all commercial paper investments have a Standard and Poor's rating of A-1 or better or a Moody's Investors Service rating of P-1. Investment grade corporate bonds and notes must have an average credit rating of at least A- as measured by the market value weighted average and relying upon the credit rating agencies of Moody's, Standard and Poor's, or Fitch. Municipal bonds must have an average credit quality of at least AA-. Asset and mortgage backed securities must be rated at least AAA at time of purchase. At June 30, 2015, College investments had debt securities with associated credit ratings based on Moody's Investors Service as shown on the following page.

	Fair Value	AAA	Aa and A*	Baa	Ba and B**	MIG-1	Cash and Short Term Liquid Investments	Not Rated
Demand Deposits	$83,229,364	$ -	$ -	$ -	$ -	$ -	$83,229,364	$ -
Certificates of Deposit	15,000,000	-	-	-	-	-	-	15,000,000
Investment Manager Cash	4,051,183	-	-	-	-	-	4,051,183	-
U.S. Treasury & Agencies	70,090,850	63,625,541	-	-	-	-	-	6,465,309
Agency Backed Mortgages	15,500,060	2,249,475	-	-	-	-	-	13,250,585
Corporate Bonds & Notes	79,737,178	987,846	43,602,074	29,478,210	2,679,260	-	-	2,989,788
Structured Securities	44,695,718	32,735,854	-	-	-	-	-	11,959,864
Foreign Bonds (in U.S. dollars)	22,038,748	658,789	17,163,462	2,885,963	1,330,534	-	-	-
Municipal Bonds	6,621,993	940,440	4,120,139	-	25,569	176,633	-	1,359,212
Total	**$340,965,094**	**$101,197,945**	**$64,885,675**	**$32,364,173**	**$4,035,363**	**$176,633**	**$87,280,547**	**$51,024,758**
As a percentage of total portfolio	-	29.7%	19.0%	9.5%	1.2%	0.1%	25.6%	14.9%

*Aa and A is comprised of $15,550,657 in Aa
**Ba and B is comprised of $2,747,466 in Ba

C. CONCENTRATION OF CREDIT RISK

In the allocation of assets, diversification of investments among asset classes that are not similarly affected by economic, political, or social developments is a highly desirable objective of credit risk. Thus to avoid undue risk concentrations in any single asset class or investment category, the College's policy requires that certificates of deposit at any one bank do not exceed 20% of the College's total investment portfolio at the time of investment. Commercial paper may not exceed 50% of total investments, and no more than $1 million or 10% of the College's total investment, whichever is less, may be invested in any one company at one time. No more than 25% of the total commercial paper portfolio may be invested in a single industry. Investment grade corporate bonds and commercial paper shall not exceed 50% of the College's total investment portfolio, and no security of an individual investment grade corporate bond or note issuer shall exceed 5% of the College's total investment portfolio. Municipal bonds shall not exceed 25% of the College's investment portfolio, and no security of a municipal bond issuer shall exceed 5% of the College's total investment portfolio. Combined exposure to non-Government sectors, including commercial paper, corporates, municipal bonds, mortgage-backed, commercial mortgage-backed and asset-backed securities, shall not exceed 75% of the College's total investment portfolio.

The financial institutions that hold 5% or more of the College's investments at June 30, 2015:

Name of Institution	Amount	Percentage
Lake City Bank	$83,229,364	24.4%

D. 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, 2015, 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. Certificates of Deposits, totaling $15,000,000, are also covered under the Indiana Public Deposits Insurance Fund, as they were invested in financial institutions on the approved list of depositories for the Public Deposits Insurance Fund.

E. FOREIGN CURRENCY RISK

As of June 30, 2015, all of the College's accounts are in U.S. dollars and not exposed to foreign currency risk.

F. ENDOWMENT AND FOUNDATION INVESTMENTS

The College's policy regarding the Endowment investments are the same as the College's investment policy, unless restricted by the Endowment Trustee.

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

VII. Post-Employment Benefits

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. For pre-Medicare coverage, the retiree pays 100% of the premium cost of an active employee. The College subsidizes the difference between the retiree premium cost and active premium cost. The expenditure is accrued and recognized under the terms of GASB Statement No. 45. The College does not subsidize the cost of retiree coverage for Medicare eligible retirees.

In addition, 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 programs pay only 20% of the full premium expense. The College pays the remaining 80% of the premium, and the expenditure is recognized when paid.

ANNUAL OPEB COST AND NET OPEB OBLIGATION

The College's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of the GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the College's annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the College's net OPEB obligation to the plan:

Ivy Tech Community College of Indiana July 1, 2014 to June 30, 2015	
Annual required contribution	$2,956,259
Interest on net OPEB obligation	1,046,330
Adjustment to annual required contribution	(909,248)
Annual OPEB cost	3,093,341
Contributions made	(1,450,221)
Increase (decrease) in net OPEB obligation	1,643,120
Net OPEB obligation, beginning of year	20,926,598
Net OPEB obligation, end of year	**$22,569,718**

The College's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06-30-13	3,088,296	15.7%	19,357,804
06-30-14	3,048,372	20.4%	20,926,598
06-30-15	3,093,341	46.9%	22,569,718

FUNDED STATUS AND FUNDING PROGRESS

As of June 30, 2015, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was $30,270,758, and the actuarial value of assets was $0.00 resulting in an unfunded actuarial accrued liability (UAAL) of $30,270,758.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Schedule of Funding Progress	July 1, 2014	July 1, 2013	July 1, 2012
1. Actuarial Value of Assets	$ -	$ -	$ -
2. Accrued Liability	30,270,758	27,745,221	27,643,926
3. Unfunded Accrued Liability (UAL) (2.–1.)	30,270,758	27,745,221	27,643,926
4. Funded Ratio (1. / 2.)	0.0%	0.0%	0.0%
5. Covered Payroll	N/A	N/A	N/A
6. UAL as a Percentage of Covered Payroll (3. / 5.)	N/A	N/A	N/A

ACTUARIAL METHODS AND ASSUMPTION

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of asset, consistent with the long-term perspective of the calculations.

In the June 30, 2015 actuarial valuation, the Unit Credit actuarial cost method was used. The actuarial assumptions included a 5% investment rate of return (net of administrative expenses), which is the employer's own investment calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10% initially, reduced by 1% decrements to an ultimate rate of 5% after 5 years. Both rates included a 3% inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2015, was 23 years.

VIII. Risk Management

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

The College has commercial property coverage with a limit of $1,000,000,000 and a $100,000 retention for damage to buildings, building contents and property. The College also has commercial general liability coverage with a $3,000,000 general aggregate limit, a $1,000,000 occurrence limit, and a $100,000 retention. The College's commercial educators' legal liability coverage has a limit of $25,000,000 per claim and an annual aggregate of $25,000,000. Additionally, the College has commercial professional liability coverage with a $1,000,000 per claims limit and annual aggregate limit of $3,000,000. The College also has commercial auto liability with a combined single limit of $1,000,000. The College's commercial WRAP coverage that includes both crime and fiduciary liability coverage with a limit of $1,000,000 and a retention of $25,000. The College's commercial cyber liability coverage has a limit of $1,000,000 with a $75,000 retention. The College also has commercial foreign liability coverage with a program aggregate limit of $4,000,000 and a general aggregate limit of $2,000,000. Ivy Tech's supplemental commercial umbrella liability policy has a $25,000,000 per occurrence limit. The College provides healthcare plans for international students through a fully insured plan with a $1,000,000 maximum limit.

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

The College did not have a significant reduction in insurance coverage from coverage in the prior year. Additionally the College did not have any settlements exceeding insurance coverage for any of the prior three years.

The 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, the unpaid claim liability was actuarially determined to be $2.1 million for the medical plan and $56 thousand for the dental plan. 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 $780 thousand of medical and $46 thousand of dental expense incurred in June and not paid until July.

Changes in the balance of claims liabilities are as follows:

Unpaid claims, 7/01/2014	$5,122,899
Claims incurred	26,251,916
Claims paid	(29,197,360)
Unpaid claims, 6/30/2015	**$2,177,455**

A reserve (the excess of employer share over claims paid) was recognized in the amount of $9.8 million.

IX. Retirement Plans

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

The College sponsors a defined contribution plan under section 403(b) of the Internal Revenue Code for full-time faculty, administrative staff, and beginning in fiscal year 2014-15, for full-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. The College also sponsors a defined contribution plan under section 457(b) of the Internal Revenue Code in which all employees are eligible to participate. Additionally, the College sponsors a defined contribution plan under section 401(a) for certain eligible employees of the College. This plan is a governmental plan as defined under section 414(d) and section 3(32) of the Employee Retirement Income Security Act of 1974. As part of this plan, the College adopted the Qualified Excess Benefit Arrangement (QEBA) under section 415(m)(3). The sole purpose of the Arrangement is to provide for contributions that would have been made to the 401(a) plan absent the limitations of section 415(c).

The College provided retirement plan coverage to 3,111 and 3,058 active employees as of June 30, 2014, and June 30, 2015, respectively.

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

Full-time faculty and administrative staff are eligible to participate in a 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.

Employees may elect to allocate contributions to their retirement plan account between several funding options offered by Teachers Insurance and Annuity Association (TIAA) and College Retirement Equities Fund (CREF) or American United Life Insurance Company (AUL). The allocation may be designated in whole or prescribed ratios to a fixed-dollar fund or to a diversified common stock fund(s).

During the fiscal year ending June 30, 2015, the College remitted $17.1 million to TIAA/CREF and $2.8 million to AUL, representing $133.8 million in total salaries. On June 30, 2015, there were 2,334 employees participating in the defined contribution retirement plan.

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

B. PUBLIC EMPLOYEES' RETIREMENT FUND

Plan Description

The Indiana Public Retirement System (INPRS) administers nine pension trust funds including eight Defined Benefit retirement plans and one Defined Contribution retirement plan, two Other Postemployment Benefit funds and one Agency fund. The College participates in the Public Employees' Retirement Fund (PERF) for full-time, non-exempt employees hired prior to July 1, 2014, which is one of the eight Defined Benefit retirement plans. INPRS is governed by a nine-member Board of Trustees, appointed by the Governor.

The PERF as part of the implementation of GASB Statement No. 67 changed from an agent to a cost-sharing, multiple-employer defined benefit plan effective July 1, 2013 based on 35 IAC 21-1-1, 35 IAC 21-1-2 and amended IC 5-10.2-2-11(b). PERF was established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees. There are two tiers to the PERF Plan. The first is the Public Employees' Defined Benefit Plan (PERF Hybrid Plan) and the second is the Public Employees' Annuity Savings Account Only Plan (PERF ASA Only Plan). The College participates in the PERF Hybrid Plan.

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

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

Membership

PERF members are officers and employees of units of State and local governments in Indiana (referred to as political subdivisions), including counties, cities, towns, townships, libraries, and school corporations. The political subdivisions become participants by ordinance or resolution of the governing body, which specifies the classifications of employees who will become members of the plan. The ordinance or resolution is filed with and approved by INPRS. In order to be a member, employees hired after June 30, 1982, except employees of a participating school corporation, must occupy positions normally requiring performance of service of more than 1,000 hours during a year. Effective July 1, 2008, members who have at least one year of service in both PERF and TRF, have the option of choosing from which of these funds they would like to retire.

As of June 30, 2014, there were 1,125 participating political subdivisions, including the College, in addition to the State. As of June 30, 2014, PERF membership consisted of:

Retired Members, Beneficiaries, and Disabled Members Receiving Benefits	75,950
Terminated Vested Members Entitled To But Not Yet Receiving Benefits	24,013
Terminated Non-Vested Members Entitled To a Distribution of ASA Balance	50,997
Active Members: Vested and Non-Vested	137,567
Total	**288,527**
Total Actual Covered Payroll for Active Members (dollars in thousands)	**$4,896,635**

Contributions

The College participates in the PERF Hybrid Plan and is obligated by statute to make contributions to the plan. The required contributions are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. As PERF is a cost-sharing plan, all risks and costs, including benefit costs, are shared proportionately by the participating employers. During fiscal year 2014, the College was required to contribute 11.2% of covered payroll, which totaled $3,258,170. In accordance to IC 5-10.3-12-24, the amount credited from the employer's contribution rate to the member's account shall not be less that 3% and not be greater than the normal cost of the fund which was 4.7% for fiscal year 2014 and any amount not credited to the member's account shall be applied to the pooled assets of the PERF Hybrid Plan. 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. For the PERF Hybrid Plan, the employer may elect to make the contributions on behalf of the member, which is the case with the College. In addition, members of the PERF Hybrid Plan may elect to make additional voluntary contributions, under certain criteria, of up to 10% of their compensation into their annuity savings accounts.

Retirement Benefits–Defined Benefit Pension

The PERF Hybrid Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's annuity savings account. Pension benefits (non ASA) vest after 10 years of creditable service. Members are immediately vested in their annuity savings account. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account, receive the amount as an annuity, or leave the contributions invested with INPRS. Vested PERF members leaving a covered position, who wait 30 days after termination, may withdraw their annuity savings account and will not forfeit creditable service or a full retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the annuity savings account. A non-vested member who terminates employment prior to retirement may withdraw his/her annuity savings account after 30 days, but by doing so, forfeits his/her creditable service. A member who returns to covered service and works no less than six months in a covered position may reclaim his/her forfeited creditable service.

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. The same calendar quarter may not be included in two different groups. Member contributions paid by the employer on behalf of the member and severance pay up to $2,000 are included as part of the member's annual compensation. Members may be eligible for reduced pension benefit based on age and years of service. Additional information may be obtained from the INPRS' Annual Financial Report.

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, 2014; however, eligible members received a one-time check (a.k.a. 13th check) in September 2013. The amount of the one-time check 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, 2012, and who was entitled to receive a monthly benefit on July 1, 2013.

Disability and Survivor Benefits

The PERF Hybrid Plan also provides disability and survivor benefits. A member who has at least five years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is $180 per month, or the actuarial equivalent.

Upon the death in service of a member with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

Retirement Benefits–Annuity Savings Account

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

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

SIGNIFICANT ACTUARIAL ASSUMPTIONS

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations for the College's participation in PERF are below.

Valuation Date:	
Assets	June 30, 2014
Liabilities	June 30, 2013–Member census data as of June 30, 2013 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2013 and June 30, 2014. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2013 to June 30, 2014.
Actuarial Assumptions:	
Experience Study Date	Period of 5 years ended June 30, 2010
Investment Rate of Return	6.75%, net of investment expense, including inflation
Cost of Living Increase	1.0%
Future Salary Increases	3.25-4.5%
Inflation	3.0%
Mortality	Determined based on 2013 IRS Static Mortality projected 5 years with Scale AA

DISCOUNT RATE

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

The asset allocation is as follows:

	Target Asset Allocation	Geometric Basis Long-Term Expected Real Rate of Return
Public Equity	22.5%	6.0%
Private Equity	10.0%	7.7%
Fixed Income-Ex Inflation-Linked	22.0%	2.1%
Fixed Income-Inflation-Linked	10.0%	0.5%
Commodities	8.0%	2.5%
Real Estate	7.5%	3.9%
Absolute Return	10.0%	1.8%
Risk Parity	10.0%	4.3%

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 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%)
$25,181,201	$15,685,882	$7,640,891

PENSION PLAN'S FIDUCIARY NET POSITION

INPRS is a pension trust fund of the State of Indiana for financial statement reporting purposes. The PERF fund, in which the College participates, is one of nine pension trust funds included in INPRS's financial statements. 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 $15,685,882, which is 0.597% of PERF's total net pension liability. The College's proportion of the net pension liability was based on wages reported by employers relative to the collective wages of the plan. The measurement date of the collective net pension liability is June 30, 2014. The actuarial valuation date upon which the total pension liability is based, is June 30, 2013. Standard actuarial roll forward techniques were used to project the total pension liability computed as of June 30, 2014.

The contribution rates were calculated as of June 30, and the newly calculated contribution rates will become effective either July 1, 2015 or January 1, 2016.

The following methods and assumptions were used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Actuarial Amortization Method for Unfunded Liability	Level Dollar
Actuarial Amortization Period for Unfunded Liability	30 Years, Closed
Asset Valuation Method	4 year smoothing of gains and losses on the Market Value of assets subject to a 20% corridor
Investment Rate of Return	6.75%, net of investment expense, including inflation
Cost of Living Increase	1.0%
Future Salary Increases	3.25-4.5%
Inflation	3.0%

House Bill 1075 passed in 2014 impacted the PERF benefit terms by reducing the Annuity Savings Account interest crediting rate on annuities from 7.5% to 5.75% effective October 1, 2014. Effective October 1, 2015, the rate becomes the greater of 4.5% or market. On January 1, 2017, the Annuity Savings Accounts may be outsourced to a third party provider.

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, will no longer be 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, 2015, is $15,685,882. The College's total pension expense was $1,269,160.

Deferred inflows and outflows of resources were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$70,387
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	3,048,446
Changes in proportion and differences between employer contributions and proportionate share of contributions	126,989	779,739
Employer contributions subsequent to measurement date	2,729,685	-
Totals	**$2,856,674**	**$3,898,572**

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

Amortization of Net Deferred Outflows (Inflows) of Resources	
2015	($968,721)
2016	(968,721)
2017	(968,721)
2018	(865,420)
2019	-
Thereafter	-
Total	**($3,771,583)**

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

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

D. FEDERAL SOCIAL SECURITY ACT

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

X. Capital Assets

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

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	FY-Additions	FY-Retirements	Ending Balance
Land	$30,662,285	$423,089	$71,571	$31,013,803
Construction Work In Progress	26,460,996	56,550,528	11,604,567	71,406,957
Land Improvements & Infrastructure	26,335,919	1,478,225	-	27,814,144
Buildings	658,658,311	19,121,019	1,599,544	676,179,786
Furniture, Fixtures & Equipment	86,576,747	7,505,203	2,001,614	92,080,336
Library Materials	3,646,874	180,453	-	3,827,327
Total	**832,341,132**	**85,258,517**	**15,277,296**	**902,322,353**
Less Accumulated Depreciation:				
Land	-	-	-	-
Land Improvements & Infrastructure	13,240,748	1,432,194	-	14,672,942
Buildings	186,741,866	18,381,111	312,448	204,810,529
Furniture, Fixtures & Equipment	64,869,727	7,190,418	1,940,743	70,119,402
Library Materials	2,926,844	315,926	-	3,242,770
Total Accumulated Depreciation	**267,779,185**	**27,319,649**	**2,253,191**	**292,845,643**
Capital Assets Net	**$564,561,947**	**$57,938,868**	**$13,024,105**	**$609,476,710**

CONSTRUCTION WORK IN PROGRESS

The following table presents the construction projects in process as of June 30, 2015:

Anderson Planning	$340,352
A&E Planning/Expansion–Bloomington	323,142
Anderson Construction Series R	15,536,378
Bloomington Construction Series R	15,417,151
Indianapolis Construction Series R	22,890,360
Capitalized Int-Series R–Anderson	1,586,995
Capitalized Int-Series R–Bloomington	1,576,060
Capitalized Int-Series R–Indianapolis	1,849,345
Hamilton County Campus–Noblesville	9,393,318
Culinary Arts Expansion Col.- Ft. Wayne	186,148
Snowmelt Pad Project Tech Ctr–Ft. Wayne	74,161
Insurance Refund–Richmond	56,304
Lawrenceburg Mfg Training Center	337,041
Michelin Project–Sellersburg	41,211
Pain Rehab-Annex–Bloomington	459,223
4th Street Project–Bloomington	81,990
Various Repair & Rehabilitation & Parking Lot Projects	1,257,778
Total Construction Work In Progress	**$71,406,957**

XI. Long Term Liabilities

	Primary Institution				
	Restated Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Leases, Notes, and Bonds Payable:					
Lease Obligations	$38,096,647	$6,350,000	$3,134,227	$41,312,420	$3,024,861
Notes Payable–Interim Financing/Mortgage	2,784,491	-	337,592	2,446,899	352,595
Total Lease & Notes Payable	**40,881,138**	**6,350,000**	**3,471,819**	**43,759,319**	**3,377,456**
Series H Student Fee Bonds Bond Yield 1.32%–3.96%	11,200,000	-	-	11,200,000	-
Series I Student Fee Bonds Bond Yield 2.30%–4.55%	8,830,000	-	8,830,000	-	-
Series J Student Fee Bonds Bond Yield 4.25%–4.47%	9,245,000	-	-	9,245,000	-
Series K Student Fee Bonds Bond Yield 3.76%–4.74%	35,675,000	-	2,590,000	33,085,000	-
Series L Student Fee Bonds Bond Yield 2.86%–4.85%	38,105,000	-	2,715,000	35,390,000	2,815,000
Series M Student Fee Bonds Bond Yield .485%–1.95%	3,735,000	-	3,735,000	-	-
Series N Student Fee Bonds Bond Yield 3.51%–6.155%	70,290,000	-	-	70,290,000	3,840,000
Series O Student Fee Bonds Bond Yield 3.25%–3.55%	9,200,000	-	-	9,200,000	-
Series P Student Fee Bonds Bond Yield .28%–4.11%	30,590,000	-	945,000	29,645,000	3,510,000
Series Q Student Fee Bonds Bond Yield .90%	11,490,000	-	3,040,000	8,450,000	2,810,000
Series R Student Fee Bonds Bond Yield .21%–4.20%	71,355,000	-	6,035,000	65,320,000	4,650,000
Series S Student Fee Bonds Bond Yield .794%	-	6,840,000	-	6,840,000	2,270,000
Total Bonds Payable	**299,715,000**	**6,840,000**	**27,890,000**	**278,665,000**	**19,895,000**
Premium on Bonds–Series H,I,J,K,L,M,P	13,220,258	-	1,215,164	12,005,094	1,086,375
Total Leases, Notes, & Bonds Payable	**353,816,396**	**13,190,000**	**32,576,983**	**334,429,413**	**24,358,831**
Other Liabilities:					
Compensated Absences	14,093,018	9,884,119	8,912,027	15,065,110	9,294,395
Other post-employment benefits	20,926,598	1,643,120	-	22,569,718	-
Net Pension Liability Refer to Note XIV.	21,446,475	1,396,149	7,156,742	15,685,882	-
Total Other Liabilities	**56,466,091**	**12,923,388**	**16,068,769**	**53,320,710**	**9,294,395**
Total Long-Term Liabilities	**$410,282,487**	**$26,113,388**	**$48,645,752**	**$387,750,123**	**$33,653,226**

A. NOTES PAYABLE

The College initiated a qualified energy savings project as defined by the Indiana Code, which was financed with a Qualified Energy Conservation Promissory Note totaling $3,260,000. The College signed a promissory note with the Foundation relating to the purchase of 43 acres in Elkhart. The principal balances as of June 30, 2015 were $2,185,848 and $261,051, respectively.

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Note Payable w/Foundation 43 acres Elkhart Land	$294,051	$ -	$33,000	$261,051	$33,000
Qualified Energy Savings–Indianapolis	2,490,440	-	304,592	2,185,848	319,595
Totals	**$2,784,491**	**$ -**	**$337,592**	**$2,446,899**	**$352,595**

Qualified Energy Savings Project.

In August 2010, the College entered into a Qualified Energy Conservation Note in the amount of $3,260,000 with a maturity of January 10, 2021. Under terms of the loan agreement, the College pays a fixed interest rate of 4.80% per annum for the entire term of the loan. Under this financing mechanism, the College is eligible to receive an interest subsidy equal to 3.35% from the federal government less an assumed federal sequestration at 7.2% of the credit. The College makes principal and interest payments semi-annually.

QUALIFIED ENERGY CONSERVATION NOTE $3,260,000 ORIGINAL LOAN AMOUNT						
Year Ending June 30	**Principal**	**Interest**	**Total**	**Federal Interest Credit**	**Net Total**	**Outstanding Principal Balance**
2016	$319,595	$102,495	$422,090	($71,447)	$350,643	$1,866,253
2017	335,084	87,006	422,090	(60,651)	361,439	1,531,169
2018	351,844	70,246	422,090	(48,967)	373,123	1,179,325
2019	369,175	52,915	422,090	(36,886)	385,204	810,151
2020	387,360	34,729	422,089	(24,209)	397,880	422,790
2021	422,790	15,706	438,496	(10,949)	427,547	-
Totals	**$2,185,848**	**$363,097**	**$2,548,945**	**($253,109)**	**$2,295,836**	**-**

B. PREMIUM ON BONDS

The June 30, 2014, Premium on Bonds of $13.2 million includes the remaining balance from the sale of Series H, I, J, K, L, M, P and R Student Fee Bonds. The ending balance at June 30, 2015, of $12.0 million includes the remaining balance from the sale of Series H, I, J, K, L, M, P and R Student Fee Bonds. It is amortized over the remaining life of the related bonds.

C. COMPENSATED ABSENCES

Accrued time for vacation and sick vests to a maximum and is equal to the amount accrued during the preceding 18 months. Unused vacation time is paid out upon termination regardless of age or years of service. The sick maximum is equal to 1,056 hours. Unused sick is paid out upon retirement only if the employee's age is a least fifty-five years and their age plus years of service equal seventy-five or more. Employees eligible for this benefit are paid at a rate of one-half the accumulated time up to an accumulated maximum of 100 days. The accrued vacation benefit is $11.1 million and the eligible sick leave benefit is $4.0 million. The College has internally designated a portion of its unrestricted funds to offset the entire liability for compensated absences as identified on page 13 of the Management Discussion & Analysis section.

D. BOND SCHEDULES

Ivy Tech Community College of Indiana
Schedule of Annual Requirements for Principal and Interest
Series H of 2003, Series I and Series J of 2005, Series K of 2007, Series L of 2009, Series M and Series N of 2010, Series O, Series P, Series Q of 2012, Series R of 2014, and Series S of 2015

Year Ending June 30	Principal	Interest	Total	Series N 35% Federal Interest Credit*	Net Total	Outstanding Principal Balance
2016	$19,895,000	$12,616,497	$32,511,497	($1,209,812)	$31,301,685	$258,770,000
2017	20,695,000	11,928,564	32,623,564	(1,162,041)	31,461,523	238,075,000
2018	21,315,000	11,149,941	32,464,941	(1,106,501)	31,358,440	216,760,000
2019	19,755,000	10,248,396	30,003,396	(1,044,611)	28,958,785	197,005,000
2020	20,165,000	9,279,036	29,444,036	(977,360)	28,466,676	176,840,000
2021-2025	91,365,000	32,709,207	124,074,207	(3,706,679)	120,367,528	85,475,000
2026-2030	72,150,000	10,473,651	82,623,651	(1,239,331)	81,384,320	13,325,000
2031-2033	13,325,000	808,013	14,133,013	-	14,133,013	-
Totals	**$278,665,000**	**$99,213,305**	**$377,878,305**	**($10,446,335)**	**$367,431,970**	**$-**

*Taxable bonds under the Build America Bond ("BAB") program, which receive a 35% interest reimbursement from the Federal government. Includes 7.2% sequestration reduction.

XII. Property Subject to Capital Leases

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

The 2013 Indiana General Assembly authorized the College to lease and renovate the Noblesville East Middle School. The lease between the Hamilton County Board of Commissioners and the College is $1 per year for 20 years, at which time the building will revert to the College. The lease agreement commenced on July 1, 2014 and was not recorded as a capital lease.

XIII. Subsequent Event

Student Fee Bonds Series T, in the amount of $28,090,000 were issued on August 19, 2015. Proceeds from the Series T bonds will be used to refund the outstanding Student Fee Bonds, Series K. The proceeds from Series T will be held in escrow until the Series K Bonds are called on July 1, 2016.

XIV. Restatement of Prior Year Balances

GASB Statement No.68, *Accounting and Financial Reporting for Pensions–An Amendment of GASB Statement No. 27* revised and established new financial reporting requirements for pension plans effective for the reporting period ending June 30, 2015. The Statement required the recognition of a beginning balance for net pension liability for fiscal year 2014-15.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68* required, at transition, a recognition of a beginning deferred outflow be reported for pension contributions made subsequent to the measurement date of the beginning net pension liability.

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

ADJUSTMENTS TO STATEMENT OF NET POSITION			
Category	**FY 14 Beginning Balance**	**Adjustments**	**Adjusted Beginning Balance**
Deferred Outflows Related to Pension	$-	$3,258,170	$3,258,170
Net Pension Liability	-	21,446,475	21,446,475
Total Noncurrent Liabilities	354,070,540	21,446,475	375,517,015
Total Liabilities	448,307,517	21,446,475	469,753,992
Net Position–Unrestricted	291,236,737	(18,188,305)	273,048,432
Total Net Position	$549,399,731	($18,188,305)	$531,211,426

REQUIRED SUPPLEMENTARY INFORMATION

IVY TECH COMMUNITY COLLEGE OF INDIANA SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	
	Measurement Date as of June 30, 2014
College's proportion of the net pension liability (asset)	0.597%
College's proportionate share of the net pension liability (asset)	$15,685,882
College's covered-employee payroll	$29,142,157
College's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	53.83%
Plan fiduciary net position as a percentage of the total pension liability	84.30%

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

SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS	
	2014
Contractually required contribution	$3,258,170
Contributions in relation to the contractually required contributions	(3,258,170)
Contribution deficiency (excess)	**$ -**
College's covered-employee payroll	$29,142,157
Contributions as a percentage of covered-employee payroll	11.18%

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

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

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

SCHEDULES OF ANNUAL BOND REQUIREMENTS FOR OUTSTANDING DEBTS

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

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2015	$0	$588,000	$588,000	$11,200,000
2016	0	588,000	588,000	11,200,000
2017	0	588,000	588,000	11,200,000
2018	0	588,000	588,000	11,200,000
2019	3,780,000	488,775	4,268,775	7,420,000
2020	3,985,000	284,944	4,269,944	3,435,000
2021	3,435,000	90,169	3,525,169	0
Totals	$11,200,000	$3,215,888	$14,415,888	$0

Ivy Tech Community College of Indiana
Schedule of Annual Requirements for Principal and Interest
Series I Evansville, Valparaiso, Madison, and Portage
Original Issue–$39,650,000

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2015	$2,055,000	$350,898	$2,405,898	$0
Totals	$2,055,000	$350,898	$2,405,898	$0

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

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2015	$0	$462,250	$462,250	$9,245,000
2016	0	462,250	462,250	9,245,000
2017	0	462,250	462,250	9,245,000
2018	0	462,250	462,250	9,245,000
2019	0	462,250	462,250	9,245,000
2020	0	462,250	462,250	9,245,000
2021	0	462,250	462,250	9,245,000
2022	2,780,000	392,750	3,172,750	6,465,000
2023	2,925,000	250,125	3,175,125	3,540,000
2024	3,075,000	100,125	3,175,125	465,000
2025	465,000	11,625	476,625	0
Totals	$9,245,000	$3,990,375	$13,235,375	$0

Ivy Tech Community College of Indiana Schedule of Annual Requirements for Principal and Interest Series K Valparaiso Phase II, Marion Construction and Madison Construction Original Issue–$60,670,000				
Year Ending June 30	**Principal**	**Interest**	**Total**	**Outstanding Principal Balance**
2015	$2,590,000	$1,695,738	$4,285,738	$33,085,000
2016	0	1,643,938	1,643,938	33,085,000
2017	2,820,000	1,573,438	4,393,438	30,265,000
2018	2,965,000	1,428,813	4,393,813	27,300,000
2019	3,115,000	1,276,813	4,391,813	24,185,000
2020	3,275,000	1,117,063	4,392,063	20,910,000
2021	1,000,000	1,010,188	2,010,188	19,910,000
2022	3,600,000	900,588	4,500,588	16,310,000
2023	3,780,000	721,488	4,501,488	12,530,000
2024	3,970,000	530,238	4,500,238	8,560,000
2025	4,170,000	329,238	4,499,238	4,390,000
2026	4,390,000	112,494	4,502,494	0
Totals	**$35,675,000**	**$12,340,037**	**$48,015,037**	**$0**

Ivy Tech Community College of Indiana Schedule of Annual Requirements for Principal and Interest Series L Fort Wayne, Logansport and Greencastle Projects; Fairbanks Refinancing and Series E Refunding Original Issue–$65,095,000				
Year Ending June 30	**Principal**	**Interest**	**Total**	**Outstanding Principal Balance**
2015	$2,715,000	$1,746,231	$4,461,231	$35,390,000
2016	2,815,000	1,642,419	4,457,419	32,575,000
2017	2,935,000	1,527,419	4,462,419	29,640,000
2018	3,070,000	1,391,969	4,461,969	26,570,000
2019	3,225,000	1,234,594	4,459,594	23,345,000
2020	0	1,153,969	1,153,969	23,345,000
2021	3,530,000	1,065,719	4,595,719	19,815,000
2022	3,210,000	897,219	4,107,219	16,605,000
2023	2,915,000	744,094	3,659,094	13,690,000
2024	3,065,000	594,594	3,659,594	10,625,000
2025	0	517,969	517,969	10,625,000
2026	3,370,000	435,825	3,805,825	7,255,000
2027	3,540,000	267,394	3,807,394	3,715,000
2028	3,715,000	90,553	3,805,553	0
Totals	**$38,105,000**	**$13,309,968**	**$51,414,968**	**$0**

Ivy Tech Community College of Indiana
Schedule of Annual Requirements for Principal and Interest
Series M (Tax-Exempt) Elkhart, Sellersburg, Warsaw and Indianapolis Projects
Original Issue–$18,800,000

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2015	$3,735,000	$63,525	$3,798,525	$0
Totals	$3,735,000	$63,525	$3,798,525	$0

Ivy Tech Community College of Indiana
Schedule of Annual Requirements for Principal and Interest
Series N (Taxable Build America–Direct Pay Option) Elkhart, Sellersburg, Warsaw and Indianapolis Projects
Original Issue–$70,290,000

Year Ending June 30	Principal	Interest	Total	35% Federal Interest Credit*	Net Total	Outstanding Principal Balance
2015	$0	$3,792,181	$3,792,181	($1,231,700)	$2,560,481	$70,290,000
2016	3,840,000	3,724,789	7,564,789	(1,209,812)	6,354,977	66,450,000
2017	3,935,000	3,577,714	7,512,714	(1,162,041)	6,350,673	62,515,000
2018	4,045,000	3,406,714	7,451,714	(1,106,501)	6,345,213	58,470,000
2019	4,165,000	3,216,167	7,381,167	(1,044,611)	6,336,556	54,305,000
2020	4,300,000	3,009,113	7,309,113	(977,360)	6,331,753	50,005,000
2021	4,440,000	2,789,625	7,229,625	(906,070)	6,323,555	45,565,000
2022	4,600,000	2,555,714	7,155,714	(830,096)	6,325,618	40,965,000
2023	4,760,000	2,299,832	7,059,832	(746,985)	6,312,847	36,205,000
2024	4,940,000	2,027,504	6,967,504	(658,533)	6,308,971	31,265,000
2025	5,135,000	1,739,514	6,874,514	(564,994)	6,309,520	26,130,000
2026	5,320,000	1,435,535	6,755,535	(466,262)	6,289,273	20,810,000
2027	5,545,000	1,110,208	6,655,208	(360,596)	6,294,612	15,265,000
2028	5,765,000	762,143	6,527,143	(247,544)	6,279,599	9,500,000
2029	6,000,000	400,075	6,400,075	(129,944)	6,270,131	3,500,000
2030	3,500,000	107,713	3,607,713	(34,985)	3,572,728	0
Totals	$70,290,000	$35,954,541	$106,244,541	$11,678,034	$94,566,507	0

*Taxable bonds issued under the Build America Bond ("BAB") program, which receive a 35% interest reimbursement from the Federal government. Includes 7.2% sequestration reduction.

Ivy Tech Community College of Indiana Schedule of Annual Requirements for Principal and Interest Series O (Tax-Exempt) Series I Refunding Original Issue–$9,200,000				
Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2015	$0	$314,728	$314,728	$9,200,000
2016	0	314,728	314,728	9,200,000
2017	0	314,728	314,728	9,200,000
2018	0	314,728	314,728	9,200,000
2019	0	314,728	314,728	9,200,000
2020	0	314,728	314,728	9,200,000
2021	0	314,728	314,728	9,200,000
2022	0	314,728	314,728	9,200,000
2023	0	314,728	314,728	9,200,000
2024	0	314,728	314,728	9,200,000
2025	2,250,000	278,165	2,528,165	6,950,000
2026	3,415,000	183,548	3,598,548	3,535,000
2027	3,535,000	62,746	3,597,746	0
Totals	$9,200,000	$3,671,739	$12,871,739	$0

Ivy Tech Community College of Indiana Schedule of Annual Requirements for Principal and Interest Series P (Tax-Exempt) Indianapolis & Muncie Projects, Lafayette Refinancing and Series I & K Refundings Original Issue–$32,415,000				
Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2015	$945,000	$1,203,275	$2,148,275	$29,645,000
2016	3,510,000	1,106,350	4,616,350	26,135,000
2017	1,015,000	1,013,450	2,028,450	25,120,000
2018	1,050,000	978,550	2,028,550	24,070,000
2019	3,390,000	877,525	4,267,525	20,680,000
2020	3,530,000	738,300	4,268,300	17,150,000
2021	5,235,000	581,825	5,816,825	11,915,000
2022	540,000	477,500	1,017,500	11,375,000
2023	555,000	458,375	1,013,375	10,820,000
2024	570,000	441,500	1,011,500	10,250,000
2025	965,000	417,269	1,382,269	9,285,000
2026	615,000	389,288	1,004,288	8,670,000
2027	5,035,000	263,700	5,298,700	3,635,000
2028	665,000	135,450	800,450	2,970,000
2029	700,000	104,738	804,738	2,270,000
2030	725,000	75,394	800,394	1,545,000
2031	760,000	46,600	806,600	785,000
2032	785,000	15,700	800,700	0
Totals	$30,590,000	$9,324,789	$39,914,789	$0

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

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2015	$3,040,000	$89,730	$3,129,730	$8,450,000
2016	2,810,000	63,405	2,873,405	5,640,000
2017	2,855,000	37,913	2,892,913	2,785,000
2018	2,785,000	12,533	2,797,533	0
Totals	$11,490,000	$203,581	$11,693,581	$0

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

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2015	$6,035,000	$3,174,145	$9,209,145	$65,320,000
2016	4,650,000	3,020,795	7,670,795	60,670,000
2017	4,855,000	2,806,420	7,661,420	55,815,000
2018	5,110,000	2,557,295	7,667,295	50,705,000
2019	2,080,000	2,377,545	4,457,545	48,625,000
2020	5,075,000	2,198,670	7,273,670	43,550,000
2021	2,290,000	2,014,545	4,304,545	41,260,000
2022	2,415,000	1,896,920	4,311,920	38,845,000
2023	2,540,000	1,773,045	4,313,045	36,305,000
2024	2,665,000	1,642,920	4,307,920	33,640,000
2025	5,545,000	1,437,670	6,982,670	28,095,000
2026	2,950,000	1,225,295	4,175,295	25,145,000
2027	3,095,000	1,074,170	4,169,170	22,050,000
2028	3,250,000	915,545	4,165,545	18,800,000
2029	3,425,000	748,670	4,173,670	15,375,000
2030	3,595,000	573,170	4,168,170	11,780,000
2031	3,770,000	407,895	4,177,895	8,010,000
2032	3,925,000	252,033	4,177,033	4,085,000
2033	4,085,000	85,785	4,170,785	0
Totals	$71,355,000	$30,182,533	$101,537,533	$0

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

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2015	$0	$0	$0	$6,840,000
2016	2,270,000	49,824	2,319,824	4,570,000
2017	2,280,000	27,234	2,307,234	2,290,000
2018	2,290,000	9,091	2,299,091	0
Totals	**$6,840,000**	**$86,149**	**$6,926,149**	**$0**

Ivy Tech Community College of Indiana
Schedule of Annual Requirements for Principal and Interest
Series H of 2003, Series I and Series J of 2005, Series K of 2007, Series L of 2009, Series M and Series N of 2010, Series O, Series P, and Series Q of 2012, Series R of 2014, and Series S of 2015

Year Ending June 30	Principal	Interest	Total	Series N 35% Federal Interest Credit*	Net Total	Outstanding Principal Balance
2015	$21,115,000	$13,480,700	$34,595,700	($1,231,700)	$33,364,000	$278,665,000
2016	19,895,000	12,616,497	32,511,497	(1,209,812)	31,301,685	258,770,000
2017	20,695,000	11,928,564	32,623,564	(1,162,041)	31,461,523	238,075,000
2018	21,315,000	11,149,941	32,464,941	(1,106,501)	31,358,440	216,760,000
2019	19,755,000	10,248,396	30,003,396	(1,044,611)	28,958,785	197,005,000
2020	20,165,000	9,279,036	29,444,036	(977,360)	28,466,676	176,840,000
2021	19,930,000	8,329,047	28,259,047	(906,070)	27,352,977	156,910,000
2022	17,145,000	7,435,418	24,580,418	(830,096)	23,750,322	139,765,000
2023	17,475,000	6,561,686	24,036,686	(746,985)	23,289,701	122,290,000
2024	18,285,000	5,651,608	23,936,608	(658,533)	23,278,075	104,005,000
2025	18,530,000	4,731,449	23,261,449	(564,994)	22,696,455	85,475,000
2026	20,060,000	3,781,983	23,841,983	(466,262)	23,375,721	65,415,000
2027	20,750,000	2,778,218	23,528,218	(360,596)	23,167,622	44,665,000
2028	13,395,000	1,903,691	15,298,691	(247,544)	15,051,147	31,270,000
2029	10,125,000	1,253,483	11,378,483	(129,944)	11,248,539	21,145,000
2030	7,820,000	756,276	8,576,276	(34,985)	8,541,291	13,325,000
2031	4,530,000	454,495	4,984,495	0	4,984,495	8,795,000
2032	4,710,000	267,733	4,977,733	0	4,977,733	4,085,000
2033	4,085,000	85,785	4,170,785	0	4,170,785	0
Totals	**$299,780,000**	**$112,694,006**	**$412,474,006**	**($11,678,034)**	**$400,795,972**	**$0**

Series H Bonds Principal Debt of $11,200,000
Series I Bonds Principal Debt of $2,055,000
Series J Bonds Principal Debt of $9,245,000
Series K Bonds Principal Debt of $35,675,000
Series L Bonds Principal Debt of $38,105,000
Series M Bonds Principal Debt of $3,735,000
Series N Bonds Principal Debt of $70,290,000
Series O Bonds Principal Debt of $9,200,000
Series P Bonds Principal Debt of $30,590,000
Series Q Bonds Principal Debt of $11,490,000
Series R Bonds Principal Debt of $71,355,000
Series S Bonds Principal Debt of $6,840,000

*Taxable bonds issued under the Build America Bond ("BAB") program, which receive a 35% interest reimbursement from the Federal government. Includes 7.2% sequestration reduction.

Schedule of Lease Obligations

The College leases certain facilities. The majority of the leases include renewal options. Some leases are in substance lease-purchases and, as such, are recorded as capital lease obligations.

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

	Capital	Operating
2016	$4,354,698	$2,515,616
2017	4,244,551	2,214,516
2018	4,246,817	494,172
2019	4,220,551	203,950
2020 and beyond	36,772,072	840,110
Total future minimum payments	**53,838,689**	**6,268,364**
Less: Interest	(12,526,269)	
Total Principal Payments Outstanding	**$41,312,420**	

SCHEDULE OF STUDENT FINANCIAL AID EXPENDITURES
FOR YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE FIGURES AT JUNE 30, 2014

	CURRENT UNRESTRICTED	CURRENT RESTRICTED	06/30/15 TOTAL	06/30/14 TOTAL
WORKSTUDY	$0	$1,171,863	$1,171,863	$1,558,613
SCHOLARSHIP/ FELLOWSHIP (1)	0	175,138,094	175,138,094	200,669,616
GRANTS	0	30,016,882	30,016,882	28,869,693
FEE REMISSIONS	6,287,714	0	6,287,714	6,509,858
ADMINISTRATIVE ALLOWANCE (2)	291,225	0	291,225	805,437
TOTAL FINANCIAL AID EXPENSES	**$6,578,939**	**$206,326,839**	**$212,905,778**	**$238,413,217**

(1) The amount of $175,138,094 includes $166,226,341 in Pell grants as compared to $192,452,412 for the prior year. The College has no choice in determining the recipients for the Pell grant program.
(2) Administrative allowance is made up of $291,225 for Pell.

IVY TECH COMMUNITY COLLEGE OF INDIANA
FIVE YEAR TREND IN STUDENT ENROLLMENT

	Actual				
Credit Student	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15***
Full Time	47,775	44,810	40,206	37,119	41,661
Part Time	127,031	131,144	140,192	142,072	131,710
Total	**174,806**	**175,954**	**180,398**	**179,191**	**173,371**
FTE	76,905	74,583	71,055	67,265	61,807
Non-Credit Students	23,875	25,862	20,346	21,506	18,018

*Estimated

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.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