



FINANCIAL REPORT

2022-2023



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DEAR FRIENDS,

On behalf of the Trustees of Ivy Tech Community College of Indiana, I am pleased to present the College's 2022-2023 Financial Report.

This year we kicked off our 60th anniversary and launched a refreshed Strategic Plan – Higher Education at the *Speed of Life*. This plan focuses on four important goals that elevate and accelerate teaching and learning, workforce and careers, the student experience, and operational excellence.

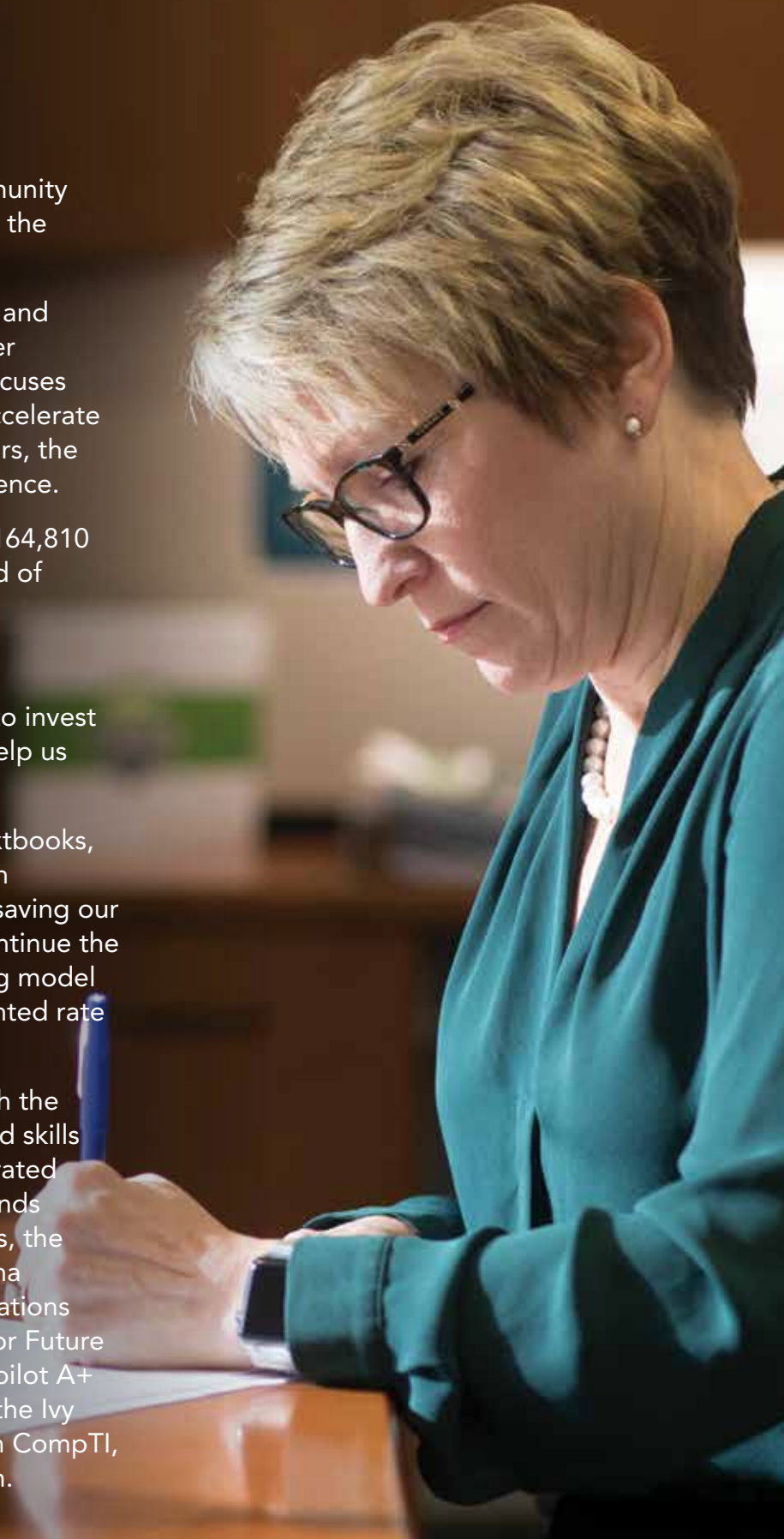
Total enrollment increased during 2023 to 164,810 (by 6.1%), and completions through the end of 2022-2023 totaled 40,846.

Here are just a few highlights:

The Indiana General Assembly committed to invest \$33 million in our Indianapolis campus to help us modernize and expand for future growth.

In the first two years of Ivy+ Tuition and Textbooks, the College provided 135,572 students with required textbooks on day one at no cost, saving our students \$73.9 million. We're excited to continue the momentum in 2023-2024 with a new pricing model that allowed us to negotiate an unprecedented rate for textbooks that will keep costs low.

We also expanded our Ivy+ model to launch the IT Academy, a high-touch digital, humanized skills training offering that gives students accelerated skills training certificates to meet the demands of Indiana's employers. In its first six months, the Academy has served over 1,700 local Indiana Hoosiers who signed up for Google certifications via Ivy+ Academy's partnership with Jobs for Future (JFF). Additionally, we recently launched a pilot A+ bootcamp via Ivy+ IT Academy, located at the Ivy Tech Campus in Muncie, in partnership with CompTI, and we are actively expanding this program.



Furthermore, we are leaning into employer needs for Skills Training, that is, those industry certifications and employer-specific skills. Skills Training saw an 18% increase last year and is up nearly 30% this year. Ivy Tech is building the systems to both scale to meet industry demand and crosswalk these certifications into credit-bearing programs, maximizing the value to students and employers.

We're also innovating in other educational offerings, such as the first ever Industry 4.0 associate degree and Cyber Academy offerings, with our students placing in the Top 10 power rankings of collegiate competitions.

Thanks to support from the Indiana State Legislature and many healthcare partner organizations, we were also able to expand our nursing program to meet the critical need our state has for nurses. We opened 575 new seats in our programs across 19 campuses. This nearly meets our goal of 600 additional students by 2025, only one year into the effort. We anticipate we will have 766 seats by Spring 2024.

Other partnerships are paying off too, including significant employer partnerships through Achieve Your Degree and Guild. Both programs allow employers to invest in their employees with training and skills needed for the workforce of the future. Currently, more than 300 employers are taking advantage of these programs.

Shifting demographics and declining enrollment across the nation have many institutions of higher education concerned. At Ivy Tech, we see this as an opportunity to introduce even more students to relevant education at a reasonable cost that can help them have a better day every day after graduation.

The world is not slowing down, and we are committed to delivering Higher Education at the *Speed of Life*.

Thank you for your continued support.



Sincerely,

A handwritten signature in black ink that reads "Sue Ellspermann". The signature is fluid and cursive.

Sue Ellspermann
President



IVY TECH
COMMUNITY COLLEGE

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Dr. Susan Ellspermann

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October 20, 2023

To the President and State Board of Trustees of Ivy Tech Community College of Indiana:

I am pleased to submit the Annual Financial Report for Ivy Tech Community College of Indiana for the fiscal year concluded on June 30, 2023. This report consolidates financial data from Ivy Tech's nineteen campuses and various other locations across Indiana, providing a detailed and insightful overview of our financial stature.

The financial statements have been crafted in accordance with Governmental Accounting Standards Board (GASB) protocols and are supplemented by accompanying notes and a detailed Management Discussion and Analysis. These elements collectively offer a holistic overview of Ivy Tech's fiscal position.

An analysis is included herein, which compares the College's financial position for the fiscal years ended June 30, 2023, and June 30, 2022, with comparative information for fiscal year 2021. This comparison represents Ivy Tech Community College's continued fiscal strength and sound financial position.

With the essential support of the General Assembly, Ivy Tech proudly maintains the lowest tuition costs in the state, reinforcing our commitment to making higher education universally accessible to all Hoosiers. We are devoted to efficient resource management and strategic financial planning to ensure the sustainability and growth of our institution, allowing us to deliver unparalleled value to our students and stakeholders.

The enclosed financial statements have been subjected to a comprehensive audit by the Indiana State Board of Accounts, the results of which are available on pages 5-7 of the report, affirming the accuracy and reliability of the presented financial information.

This report serves as a complete and authoritative record of Ivy Tech Community College of Indiana's financial status for the stated period and underscores our unwavering commitment to transparency, accountability, and excellence in fiscal management.

Respectfully submitted,

A handwritten signature in black ink that reads 'Dominick Chase'.

Dominick M. Chase

Senior Vice President for Business Affairs, Chief Financial Officer & Treasurer



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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Ivy Tech Community College of Indiana (College), a component unit of the State of Indiana, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit, of the College, as of June 30, 2023 and 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Ivy Tech Foundation, Inc. (Foundation), a component unit of the College as described in Note I, which represents 100 percent, 100 percent, and 100 percent, respectively, of the total assets, net position, and revenues of the discretely presented component unit as of June 30, 2023 and 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended. Those statements, which were audited in accordance with auditing standards generally accepted in the United States of America, but were not audited in accordance with *Government Auditing Standards*, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the College, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note I. V., to the financial statements, in fiscal year 2023, the College adopted new accounting guidance Governmental Accounting Standards Board Statement 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of College's Other Postemployment Benefits, the Schedule of College's Proportionate Share of the Net Pension Liability, and the Schedule of the College's Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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

Management is responsible for the other information included in the annual report. The other information comprises the President's Letter, State Board of Trustees, Management Letter, and Five Year Trend in Student Enrollment, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2023, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.



Beth Kelley, CPA, CFE
Deputy State Examiner

October 31, 2023



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 ended June 30, 2023, and 2022 along with comparative data for the year ending June 30, 2021. 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.

Ivy Tech is the largest, singly accredited community college in the country. Ivy Tech Community College has 43 locations in Indiana: 19 full-service campuses, plus 24 satellite locations where students can take classes and receive select student services. Each location offers a unique set of programs and services.

Ivy Tech also graduates the highest number of associate-level nurses in the nation. The College offers 70+ programs with true hands-on learning using modern equipment, state-of-art labs, internship and apprenticeship options which results in filling Indiana jobs; 93% of Ivy Tech alumni work in the State of Indiana. Overall, Ivy Tech is affordable and 92% of alumni would choose to attend Ivy Tech again.

Ivy Tech is a component unit of the State of Indiana. The financial reporting entity consists of the College and the Ivy Tech Foundation (Foundation). The Foundation is included as a component unit of the College under the GASB regulations. The Foundation's principal activity is to promote educational, scientific and charitable purposes in connection with or at the request of the College. Accordingly, the Foundation is discretely presented in the College's financial statements. The Foundation is a private organization that reports under Financial Accounting Standards Board (FASB) standards. As such, certain revenue recognition criteria and presentation features are sometimes different from GASB. No modifications have been made to the Foundation financial information included in the College's financial report to account for these differences. Refer to Note I. Summary of Significant Accounting Policies section C for more information.



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 2022-23 fiscal year reflects that commitment.

Overall, the College's financial position continues to strengthen. During fiscal year 2023, the College's net position increased by a total of \$28.6 million, a 2.9% increase in Net Position, including a \$26.4 million increase in unrestricted net position. Net position represents the residual interest in the College's total assets and deferred outflows after total liabilities and deferred inflows are deducted.

	2023	2022 (As Restated)	2021
Operating revenues and appropriations	\$479,014,119	\$465,657,641	\$431,405,605
Operating expenses	(620,021,150)	(681,133,793)	(602,781,109)
	(141,007,031)	(215,476,152)	(171,375,504)
Net investment income	12,706,654	(15,867,236)	4,542,973
Other non-operating net revenue	156,850,644	285,257,025	225,626,031
Increase in net position	\$28,550,267	\$53,913,637	\$58,793,500

This performance has allowed the College to continue to fully fund internally designated funds to offset employee-related liabilities while also increasing reserves for operations, repair and rehabilitation, and technology-related infrastructure.

The College's primary source of operating revenue is student tuition and fees. Total enrollment has increased to 164,810 (by 6.1%) this year, reaching a five-year high after several years of declining enrollment as demonstrated in the Five-Year Trend in Student Enrollment other informational schedule attached to this report. The increase in enrollment resulted from initiatives through the College's strategic plan, Higher Education at the *Speed of Life*, which has a metric goal of reaching 190,000 total enrollments. The College is using data to convert opportunities to registration, focusing on increasing retention, and offering programs including free summer classes for High School Students, partnering with employees for students to earn degrees through the Achieve Your Degree Program, affordable flat full-time tuition and textbook rate through Ivy+, and Summer-Flex Scholarship to ensure students take 30 credits per academic year.



The College's primary expense is employee compensation. Ivy Tech employed 6,553 faculty and staff as of Spring and 5,587 as of June 30th throughout the state. Planned variances in faculty levels occur during the year due to the utilization of 9-month faculty. Ivy Tech is a key employer in the State of Indiana offering a competitive benefits package which results in liabilities related to participation in the State's Public Employee's Retirement Fund (PERF) for employee pension benefits and medical and dental benefits provided to eligible retirees and their spouses/dependents. Full-time employees receive performance evaluations, which are leveraged along with College leadership recommendations to allocate pay for performance increases, with the most recent going into effect on June 20, 2022. Additionally, the College provided a one-time Inflationary Pay on May 26, 2023, and has continued to use prior reserves to keep employee medical and dental rates low to remain competitive. The cost to remain competitive resulted in Salaries and Wages and Benefit expenses increasing by 6.6%.

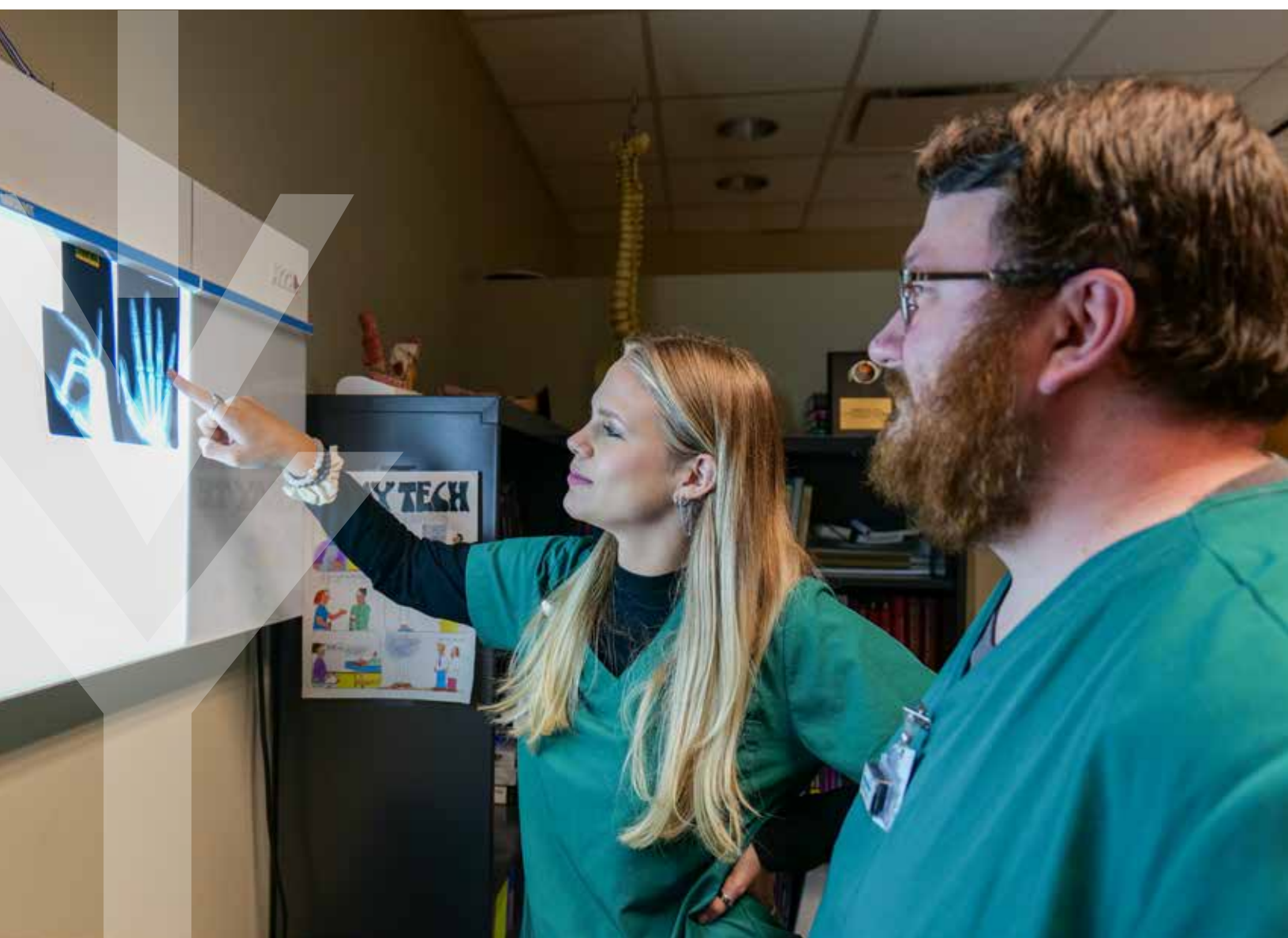
Investments are a significant asset of the College. The College's investment strategy is to ensure liquidity while maximizing return. The College's investment strategy is structured in three tiers. Tier 1 provides for cash flow needs of less than one year and has a target of \$50 million, Tier 2 acts as a contingency account and has a target of \$30 million, and Tier 3 is comprised of the remaining balance in which risk-adjusted returns are maximized. The State Board of Trustees approved the changes to the Investment Policy during the February 2023 board meeting, which will expand investment options for Tier 3, allowing the College to maximize its return by taking advantage of the high bond yield primarily through higher duration bonds, which resulted in some adjustment to investments in FY23 which will continue through the next fiscal year. The College earned a Federal Fund rate minus 20 basis points for Tier 1, contributing to an increase in investment income. The College does not invest in equities per its investment policy.

The College relies on the Ivy Tech Foundation to invest and manage donor endowments (\$49 million in fiscal year 2023) which produces annual scholarships to students and supports academic initiatives. The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The target return, net of fees, is 7%. The Foundation targets a diversified asset allocation of 55% equity investments, 35% fixed income investments, and 10% alternative investments to achieve its long-term return objectives within prudent risk constraints. The Foundation has a policy of appropriating for distribution 6% of its endowment fund's asset value each year for the benefit of the College and its students. The Foundation recently completed a five-year campaign raising \$340 million on a campaign goal of \$285 million, which shows Ivy Tech has strength with donors. The Foundation is in the planning stage of its next campaign.

Ivy Tech continues to invest in keeping buildings modern to serve the needs of its programs. These capital projects are primarily funded by public debt bonds with the payments reimbursed by the State. The State approved an all-cash project in Indianapolis for a total of \$33 million. On average, the College is paying 2.3% in interest each year (\$5.8 million in fiscal year 2023), to manage the investment in capital (\$667.8 million in fiscal year 2023) with leveraged debt (\$254.1 million in fiscal year 2023). The College is committed to providing a safe place for students that meets the needs of their programs. The strategy is to have the right type of space at the right size for programs. During the fiscal year 2023, the College invested in the Hamilton County's Health and Nursing Lab renovation and started several projects, including additional nursing labs using grant funds. The College continues to monitor capital needs and is in the process of updating the Statewide Facilities Plan which will outline the College's capital needs for the next few years.

During the fiscal year ending 2023, the College embraced another change, which resulted in recording additional assets and liabilities. The change is the adoption of GASB Statement Number (No.) 96, Subscription-based Information Technology Arrangements ("SBITA"). This statement establishes new requirements for calculating and reporting the College's SBITA activities. The College recognized SBITA assets and related SBITA subscription payables at the present value of expected future payments for SBITA agreements. The impacts to the Statement of Revenues, Expenses, and Changes in Net Position include reclassifying SBITA payments from operating expenses to nonoperating expenses and recognizing annual amortization of SBITA assets and deferred inflows of resources over the term of the agreement. The adoption of GASB 96 has been reflected as of July 1, 2021, recording a SBITA asset and liability of \$11,970,421 in the financial statements for the year ended June 30, 2022. See Note VI for more details.

Included is an analysis of the College's Statement of Net Position, which presents the assets, deferred outflows, liabilities, deferred inflows, and net position of the College. All are measured as of the fiscal year end. The Statement of Revenues, Expenses, and Changes in Net Position (SRECNP) reflects revenues and expenses recognized during the fiscal year. The College's financial statements, related footnote disclosures, and required supplementary information (RSI), including management's discussion and analysis, have been prepared by management. GASB required supplementary information is not audited and should be read in conjunction with the financial statements and footnotes.



Statement of Net Position

The Statement of Net Position includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service to the College, regardless of when cash is exchanged. Deferred outflows of resources are the consumption of net assets by the College that are applicable to a future reporting period. Deferred inflows of resources are the acquisition of net position by the College that are applicable to a future reporting period.

A three-year summarized comparison of the College's assets, deferred outflows, liabilities, deferred inflows, and net position is below:

June 30	2023	2022 (As Restated)	2021
Current assets	\$311,178,561	\$336,761,211	\$324,137,093
Noncurrent			
Capital assets, net	667,759,883	655,316,800	617,426,590
Other noncurrent assets	388,854,527	385,058,534	401,047,553
Total assets	1,367,792,971	1,377,136,545	1,342,611,236
Deferred outflows of resources	2,318,432	2,417,366	6,322,861
Current liabilities	82,119,517	111,905,277	110,066,427
Noncurrent liabilities	275,290,479	277,479,418	307,986,543
Total liabilities	357,409,996	389,384,695	418,052,970
Deferred inflows of resources	12,051,899	18,069,975	12,695,523
Total net position	\$1,000,649,508	\$972,099,241	\$918,185,604

Current Assets

Current assets consist of cash and cash equivalents, investments, net accounts receivable, and other assets. In 2023, cash and cash equivalents increased by \$45.6 million due to temporarily converting short-term investments to cash. Investments decreased by \$46.7 million due to converting short-term investments to cash to reallocate our short-term investments in fiscal year 2024. Accounts receivable decreased by \$23.7 million primarily due to decreased grant receivables associated with State and Federal contracts.

In 2022, cash and cash equivalents increased by \$26.1 million due to the function of the College's operating, financing, and investing activities as reported in the Statement of Cash Flows. Cash with fiscal agent decreased by \$11.4 million due to refunding of Series P and O bonds. Investments decreased by \$12.6 million due to market fluctuations. Accounts receivable increased by \$10.8 million primarily due to increased grants receivables associated with State contracts as well as an increased number of grants overall.

Noncurrent assets

Noncurrent assets include deposit with trustee, lease receivables, investments, and capital assets. In 2023, deposit with trustee decreased by \$4.0 million due to the continued proceeds from the Series W bond being held by U.S. Bank for the Columbus construction project. Long-term investments increased by \$7.9 million due to market fluctuations.

In 2022, deposit with trustee decreased by \$19.9 million due to the continued proceeds from the Series W bond being held by U.S. Bank for the Columbus construction project. Long-term investments increased by \$4.1 million due to a combination of a shift from cash and cash equivalents to long-term investments in response to market opportunities and investment income.

During fiscal year 2023, net capital assets increased by \$12.4 million or 1.9%. The most significant changes to Net Assets in 2023 were the capitalization of Workday as a Right-to-use subscription, lower capital building projects/acquisitions and an increase in depreciation expense. The College's implementation of Workday as its financial and human resources software, along with other Right-to-use subscriptions, resulted in a \$30.6 million or 332.0% increase in Right-to-use subscriptions in 2023. Wind down in completed projects and acquisitions in 2023 along with an increase in depreciation expense resulted in buildings overall net book value decreasing by \$16.6 million or 3.0% in 2023. See Note III for additional information.

Net capital assets increased during fiscal year 2021-2022 by \$37.9 million or 6.1%. The most significant changes impacting net assets in 2022 were the completion of multiple large-scale projects along with the implementation of GASB 96. Construction Work in Progress decreased by \$58.2 million or 83.9% in 2022 due to the completion of two bonded projects at Columbus and Kokomo's campuses along with the completion of the Automotive Center at the Indianapolis campus. Buildings increased by \$75.7 million or 15.6% in 2022 due to the completion of the capital projects mentioned above along with the purchase of the Corporate College and Culinary Center in Indianapolis. The implementation of GASB 96 resulted in the College recognizing a \$9.2 million increase in asset net book value for multiple subscriptions recognized as Right-to-use subscription assets in 2022.



Capital Assets, Net, At Year-End

	2023	2022 (As Restated)	2021
Construction work in progress	\$14,720,931	\$11,173,878	\$69,369,547
Land	31,248,943	31,253,540	29,292,564
Land improvements and infrastructure	13,297,294	17,165,668	10,460,388
Buildings	545,777,231	562,424,917	486,716,409
Furniture, fixtures, and equipment	15,438,453	16,151,591	13,922,766
Library materials	128,606	178,350	240,723
Right-to-use lease equipment	1,602,861	347,173	523,777
Right-to-use lease buildings	5,115,124	6,824,644	6,290,350
Right-to-use lease land	559,638	568,093	610,066
Right-to-use subscriptions	39,870,802	9,228,946	-
Totals	\$667,759,883	\$655,316,800	\$617,426,590

Significant additions to capital assets during 2023, 2022 and 2021 included:

	2023	2022	2021
Ft. Wayne Water Infiltration Repairs	\$465,380	\$ -	\$ -
Ft. Wayne Parking Lot Light Replacement	533,620	-	-
Workday Right-to-use subscription	32,976,886	-	-
Smith Field Aviation Building	2,103,705	-	-
Columbus bonded construction project	-	23,472,621	-
Kokomo bonded construction project	-	42,452,269	-
Indianapolis Automotive project	-	13,084,546	-
C4 building	-	40,089,974	-
CDL Lot: Mill-Resurface	-	-	488,569
DEVELOP Surgical Lab Coliseum	-	-	509,727
Fairbanks HVAC VUV Phase II	-	-	454,894
C4 - 6th Floor Buildout	-	-	1,326,349
Totals	\$36,079,591	\$119,099,410	\$2,779,539

Construction in-progress reflects multi-year projects which, once completed and placed into service, are generally categorized as buildings, land improvements, and infrastructure. Significant in-progress projects on June 30, 2023, 2022, and 2021 include:

	2023	2022	2021
Security Project- Lake County	\$746,589	\$710,669	\$506,805
East Chicago Welding Lab Project	1,765,581	668,751	37,013
Statewide Facilities Plan	901,944	-	-
Workday Implementation Project-Statewide	-	2,056,392	-
Hashman Hall Project-Ft. Wayne	-	510,367	497,882
Columbus bonded construction project	-	-	5,772,193
Kokomo bonded construction project	-	-	43,091,184
Various Repair & Rehabilitation & Parking Lot Projects	11,306,817	7,227,699	19,464,470
Total construction in progress	\$14,720,931	\$11,173,878	\$69,369,547

As of June 30, 2023, upcoming projects include the renovation of the Corporate College and Culinary Center at the Indianapolis campus funded by the State and the renovation of nursing classrooms throughout our campuses funded by private and public grants.

Deferred Outflows of Resources

Deferred outflows of resources are a consumption of net assets applicable to a future reporting period. For the College, the deferred outflows relate to pension. Deferred outflows in fiscal year 2023 remained consistent when compared to fiscal year 2022. In fiscal year 2022, deferred outflows decreased by \$3.9 million. The changes are the result of the pension and OPEB plans projected and actual investment contributions, changes in assumptions, and participants. Additional information about this item can be found in Note VII and Note VIII, section B.

Current liabilities

Current liabilities include accounts payable and accrued liabilities, and current portions of compensated absences, unearned revenue, and debt obligations. Accounts payable and accrued liabilities fluctuate annually based on timing considerations of payroll and receipt of goods and services. The most significant change in 2023 was the \$32.6 million decrease in accounts payable and accrued liabilities due to a purchasing freeze during June 2023 while we transitioned to Workday, our new enterprise resource planning software. The most significant change in 2022 was the \$7.5 million decrease in the current portion of debt obligations due to the refunding of Series O and Series P.



Noncurrent liabilities

The College's noncurrent liabilities include compensated absences, long-term debt, net pension liability, and other postemployment benefits. Pension and OPEB obligations continue to fluctuate based on the assumptions by the actuary, market valuation of investments, and contributions to the plans. As a result, combined pension and OPEB liabilities experienced changes of \$2.4 million and \$13.3 million, in 2023 and 2022 respectively.

During the year ended June 30, 2023, total bond obligations and related premiums decreased by \$21.7 million due to scheduled debt payments. However, the decrease in bond obligations was offset by the addition of subscription obligations due to the implementation of GASB 96 of \$24.2 million. During fiscal year 2022, total bond obligations and related premiums decreased by \$32.3 million due to scheduled bond payments. The College periodically reviews its debt capacity and related capital asset needs to optimize the use of its long-term resources. As of June 30, 2023, the College's outstanding debt carried an investment grade credit rating from Standard & Poor's of 'AA' and with Fitch 'AA' with a positive outlook. Additional information about noncurrent liabilities can be found in Note IV.



Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net assets applicable to future reporting periods. For the College, the deferred inflows primarily relate to pension and OPEB activity and certain leases where the College is the lessor. The pension and OPEB deferred inflows are the result of plan projected and actual investment contributions, changes in assumptions, and participants. As a result, combined pension and OPEB deferred inflows decreased by \$5.9 million during 2023 and increased by \$5.8 million during 2022. Additional information about deferred inflows of resources can be found in Note VII and Note VIII, Section B.

Net Position

Net position represents residual College assets and deferred outflows after liabilities and deferred inflows are deducted. The College's net position on June 30, 2023, 2022, and 2021 was as follows:

	2023	2022 (As Restated)	2021
Net investment in capital assets	\$380,986,490	\$389,961,724	\$333,498,038
Restricted:			
Nonexpendable	-	-	-
Expendable	19,917,264	8,814,895	23,273,518
Unrestricted	599,745,754	573,322,622	561,414,048
Totals	\$1,000,649,508	\$972,099,241	\$918,185,604

Net investment in capital assets represents the College's land, buildings, software, and equipment net of accumulated depreciation and amortization, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted nonexpendable net position is subject to externally imposed stipulations that they be maintained permanently. Such net position includes the corpus portion (historical value) of gifts to the College's permanent endowment funds and certain investment earnings stipulated by the donor to be reinvested permanently. The College does not currently have a restricted nonexpendable net position. However, the Ivy Tech Foundation does have a restricted nonexpendable net position.

Restricted expendable net position is subject to externally imposed restrictions governing its use. Such net position includes the net appreciation of the College's permanent endowment funds that have not been stipulated by the donor to be reinvested permanently, restricted quasi-endowments, restricted gifts, and federal and state sponsored programs. During 2023, expendable restricted net position increased by \$11.1 million due to continued work on outstanding capital projects that were unfinished at year end. During 2022, expendable restricted net position decreased by \$14.5 million, mainly attributable to the completion of the two large, bonded construction projects at Columbus and Kokomo and the Indianapolis Automotive project.

Unrestricted net position is not subject to externally imposed restrictions; however, virtually all of the College's unrestricted net position is internally designated to meet various specific commitments. These commitments include internally designated funds to offset employee-related liabilities, reserves for operations, repair and rehabilitation, and technology related infrastructure. In 2023, unrestricted net position increased by \$26.4 million due to an increase in operating revenue and investment income. In 2022, unrestricted net position increased by \$11.9 million due to the increases in unrestricted reserves.



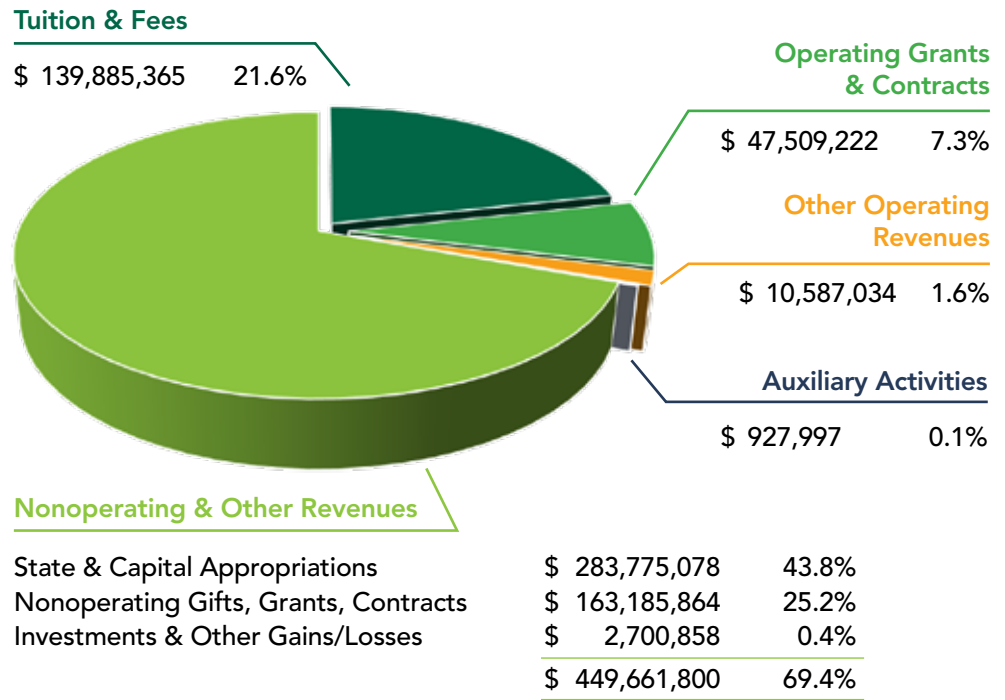
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position presents the operating results of the College, as well as the nonoperating revenues and expenses. Operating revenues primarily include net student tuition and fees, grants and contracts, and auxiliary activities. Given a public college's dependency on revenues such as state appropriations, gifts, and investment income, which are prescribed by GASB as nonoperating revenues, operating expenses will typically exceed operating revenues, resulting in an operating loss. Net nonoperating revenues or expenses are an integral component in determining the increase or decrease in net position.

A summarized comparison of the College's revenues, expenses, and changes in net position for the years ended June 30, 2023, 2022, and 2021 follows:

Year Ended June 30	2023	2022 (As Restated)	2021
Student tuition and fees, net	\$139,885,365	\$138,596,329	\$129,909,567
Grants and contracts	47,509,222	43,446,198	31,201,476
Auxiliary and other	11,515,031	8,121,981	10,226,041
Total operating revenues	198,909,618	190,164,508	171,337,084
Operating expenses	(620,021,150)	(681,133,793)	(602,781,109)
Total operating losses	(421,111,532)	(490,969,285)	(431,444,025)
Nonoperating revenues	453,067,803	528,594,378	488,181,960
Nonoperating expenses	(10,005,797)	(6,140,603)	(12,929,966)
Income before other revenues, expenses, gains, or losses	21,950,474	31,484,490	43,807,969
Other revenues	6,599,793	22,429,147	14,985,531
Increase in net position	28,550,267	53,913,637	58,793,500
Net position, beginning of year	972,099,241	918,185,604	869,052,222
Implementation of GASB 84 and 87			(9,660,118)
Net position, beginning of year, as restated	972,099,241	918,185,604	859,392,104
Net position, end of year	\$1,000,649,508	\$972,099,241	\$918,185,604

Total Net Revenues by Source for the Fiscal Year Ending June 30, 2023



Restatement in fiscal year 2022 relates to implementation of GASB 96, SBITAs. Restatements in fiscal year 2021 are related to implementation of new standards to derecognize certain fiduciary activities for \$1.6 million, and to remove capital leases and record leases as required by GASB 87 for \$11.3 million.

The College is supported by a diverse stream of revenues including student tuition and fees, state appropriations, federal and state grants, private gifts and grants, and investment income. The College continues to seek revenue sources that are consistent with its mission and to manage these financial resources to make quality education affordable to its students.

Operating Revenues

The primary source of operating revenue is tuition and fees, which includes scholarship discounts and allowances for the difference between the stated tuition rates and the amounts paid by students and/or third-party payers (state and federal financial aid). Gross student tuition and fees assessed for educational purposes increased by \$13.7 million or 6.6% as the result of an increase in full-time equivalent enrollment, which was offset by an increase in scholarship discounts of \$12.4 million, producing an increase in net tuition of \$1.3 million. Grants and contracts increased by \$4.1 million or 9.4% primarily due to increases in state and nongovernmental grants. Auxiliary enterprise revenue decreased by \$30 thousand or 3.1% due to decreased bookstore commissions that were mostly offset by increased catering and rental sales.

In 2022, gross student tuition and fees assessed for educational purposes decreased by \$3.6 million or 1.7% as the result of a 0.57% reduction in full-time equivalent enrollment, which was offset by a decrease in scholarship discounts of \$12.3 million, producing an increase in net tuition of \$8.7 million. In 2022, grants and contracts increased by \$12.2 million or 39%, primarily due to a combination of a new contract with the Indiana Department of Corrections (\$8.0 million), a new Department of Labor grant (\$1.2 million), Federal CARES Act funding (\$1 million), private grants for Ivy+ Career Link program (\$1.9 million), and general increases in grant and contract support grants. In 2022, auxiliary enterprises decreased \$2.9 million or 75.3% because of decreased enrollment and sales due to the COVID-19 pandemic.



Nonoperating and Other Revenues

This category consists of State and Federal appropriations, investment income, interest on capital asset-related debt, governmental grants and contracts, gains (losses) on the sale and disposal of capital assets, gifts, and student government support. Most of the decreases in nonoperating revenue during 2023 were due to fully spending Federal Higher Education Emergency Relief Funds (HEERF) funds during 2022 (\$107 million) and decreases in capital gifts & grants (\$15.8 million). These decreases were partially offset by increases in state appropriations (\$4.6 million) and investment income (\$28.6 million).

The major factors for the increase in 2022 were a \$48.1 million increase in federal grants (primarily HEERF) and \$15.5 million in state appropriations, which offset decreases in investment income of \$20.4 million related to market conditions and state Workforce Ready grants of \$3.1 million. In 2022, other revenue increased by \$7.4 million or 49.7% primarily attributable to additional gift revenue for capital gifts.

Operating Expenses

Operating expenses are costs incurred as part of the day-to-day operations of the College. They 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.

Employee pay and benefits continued to be the most significant operating expenses for the College during 2023. The College depends on its highly skilled and qualified workforce to continue successfully executing its mission. As a result, these expenses increased in 2023 by \$22.2 million or 6.6% to provide a performance increase to full-time employees that was effective June 20, 2022, as well as a one-time inflationary pay on May 26, 2023. Scholarship expenses decreased by \$80.6 million due to the final amounts of Federal Student HEERF awarded in FY22. Supplies and other services decreased by \$10.1 million due to the implementation of GASB 96 which resulted in expenses being recorded as liability. Depreciation and amortization continue to increase as major construction projects are completed as well as amortization of leases and software due to GASB 87 & 96.

In 2022, salaries and benefits increased by \$17.3 million due to salary increases and the expansion of the College's defined contribution retirement plan to immediately include eligible employees, subject to a 2-year vesting period, instead of waiting two years to begin contributions. Scholarship expenses increased by \$36.8 million due to Federal HEERF awarded. Supplies and other services increased by \$16.7 million due to eligible expenditures made from HEERF. Depreciation and amortization continue to increase as major construction projects are completed.

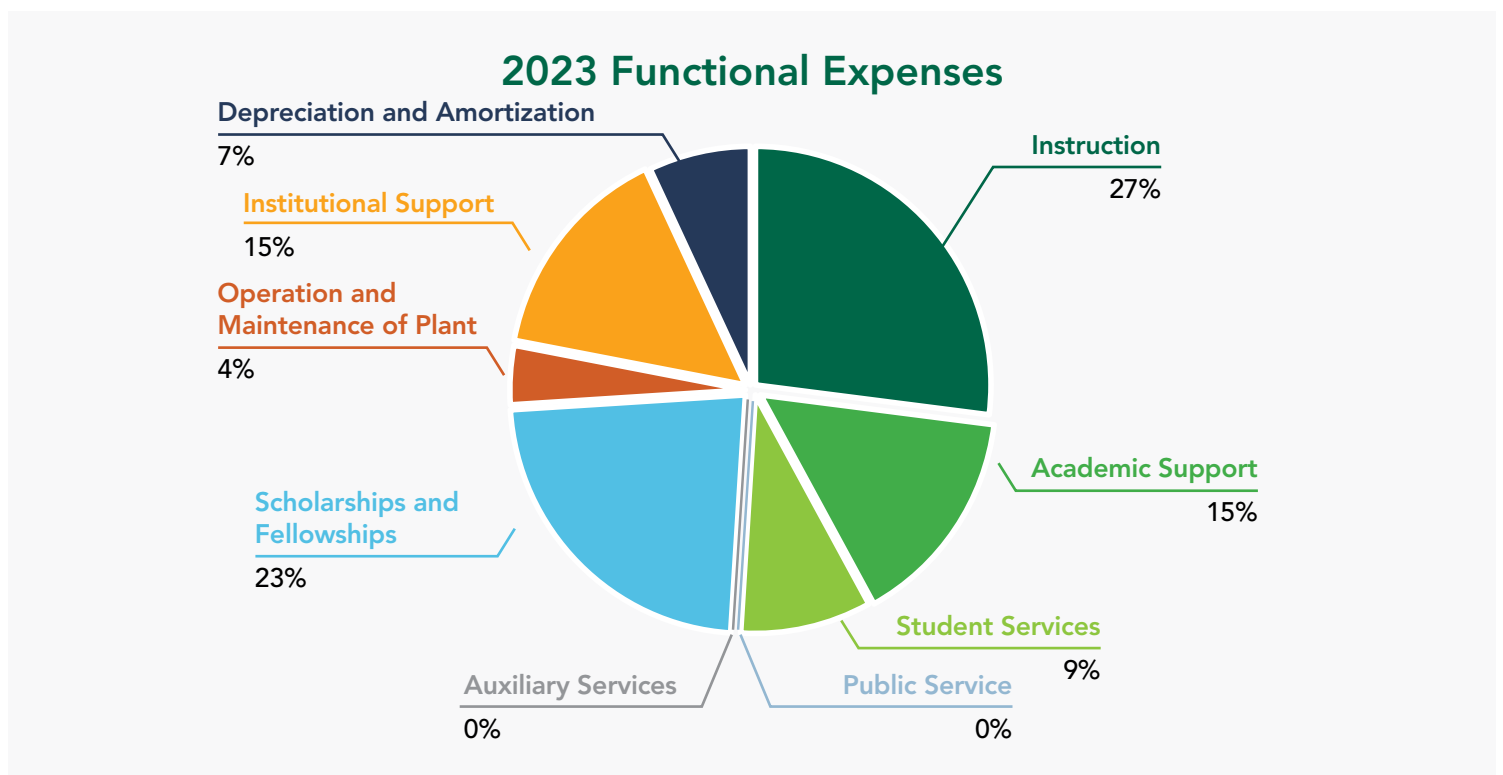
In addition, the College is required to report expenses by their functional categories:

Functional Classification	2023	2022 (As Restated)	2021
Instruction	\$170,797,208	\$160,384,528	\$174,997,392
Institutional support	90,818,099	89,128,742	43,301,736
Scholarships & fellowships	142,238,460	212,021,475	188,718,766
Academic support	90,102,072	83,584,322	73,627,353
Student services	55,481,528	56,759,444	49,810,284
Operations & maintenance of plant	25,250,406	36,363,863	34,329,342
Depreciation & amortization	45,246,980	39,475,615	32,991,255
Auxiliary services	(711,390)	2,660,341	4,327,063
Public services	797,787	755,463	677,918
Total	\$620,021,150	\$681,133,793	\$602,781,109

During fiscal year 2023, as a percentage of total expenses, instruction costs increased by 4.0%, academic support increased by 2.3% while scholarships & fellowships decreased by 8.2%. Instruction and academic support increased as the College invested in the development of faculty, staff, and tools to support instruction. Scholarships and fellowships have fluctuated over the years due to the Federal HEERF support for emergency student grants. In fiscal year 2023, scholarships and fellowships decreased due to HEERF support ending during the year. The other functional expenses did not show a significant change from the prior year.

In fiscal year 2022, as a percentage of total expenses, instruction costs decreased by 5.5% and auxiliary services decreased by 0.3% while institutional support increased by 5.9%. Instruction costs decreased as the College became more strategic in its course offerings to meet the student demand. The increase in institutional support is attributable to additional services provided to help students navigate changes because of COVID-19 and the receipt of monies to support the institution during the pandemic. This includes additional student financial aid and institutional support provided by Federal HEERF. All other functional expenses did not change significantly from the prior year.

Operating expenses by source for the year ended June 30, 2023:



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 from different activities
- its ability to meet its obligations as they come due
- its need for external financing

See the Statement of Cash Flows for details.



Factors Impacting Future Periods

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

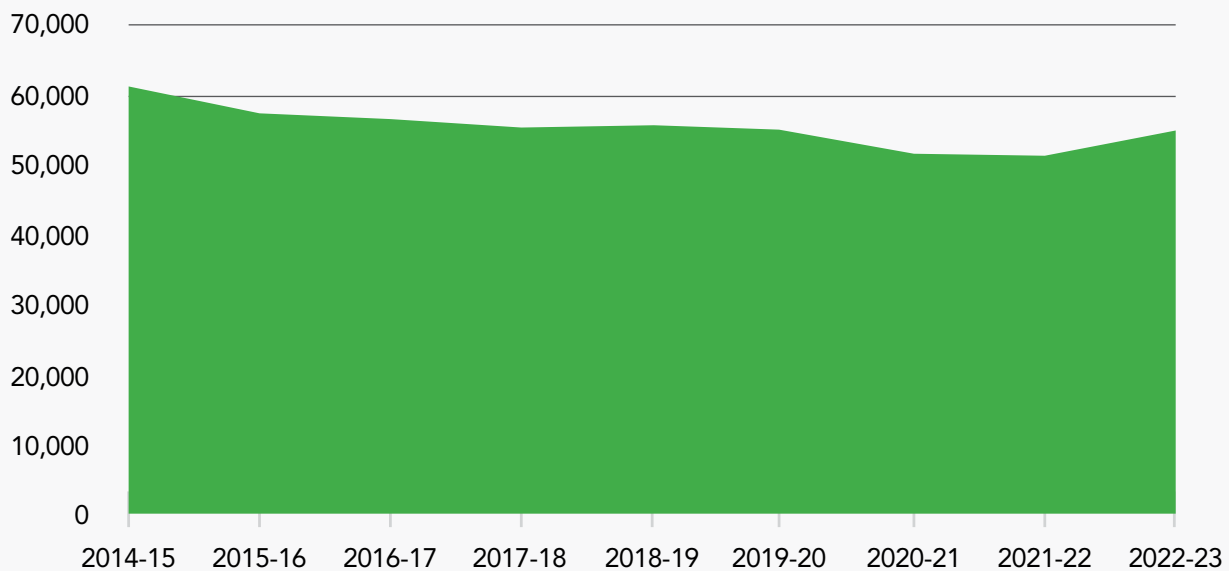
State of Indiana general fund revenues decreased -.6% compared to the prior year. The State's largest source of revenue – sales and use taxes – increased 4.7% compared to fiscal year 2022 while individual income tax revenue declined by 7.4%. The State ended fiscal year 2023 with reserves totaling \$2.9 billion and a \$3.6 billion operating surplus. The most recent economic and revenue forecast published by the State Budget Agency on April 19, 2023, projects an increase in revenue of 3.9% in fiscal year 2024, a \$564.1 million operating surplus for the State of Indiana in 2023-24, and combined balances of \$2.9 billion.

The College received a \$4.6 million or 1.7% increase in its State operating allotment. The Indiana approved budget will increase the State operating allotment by \$31.4 million or 11.4% for fiscal year 24 and \$4.6 or 1.5% for fiscal year 25. Additionally, the State appropriated \$33 million in cash for a project in Indianapolis.

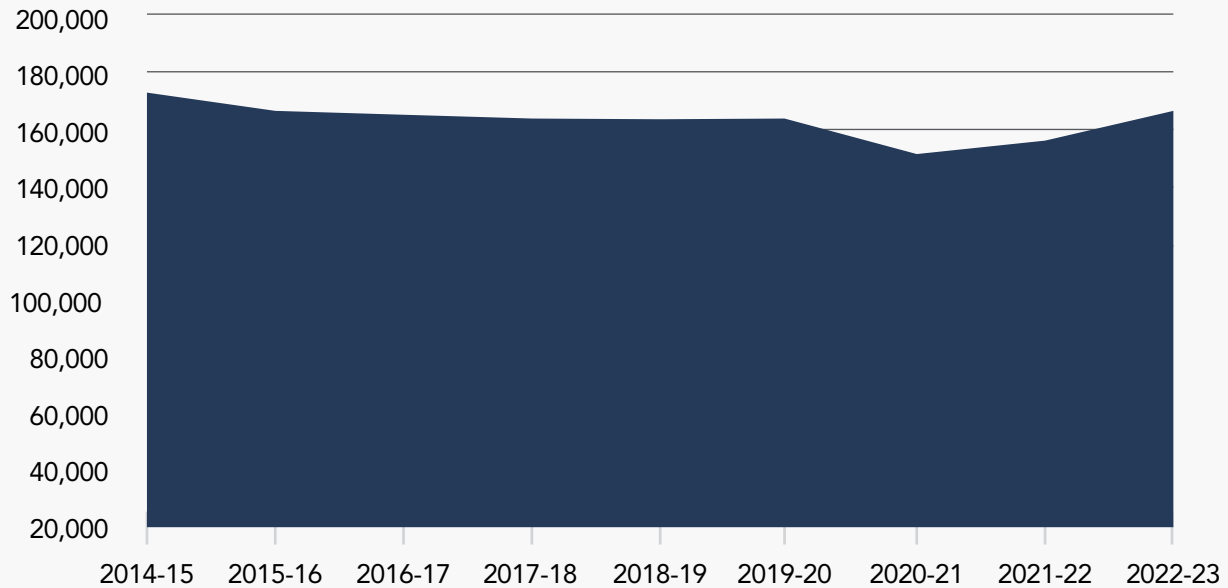
During the upcoming fiscal year 2023-24, the College will continue to focus on the College's strategic plan, Higher Education at the *Speed of Life*, which has the following metric goals: reaching 190,000 total enrollment, 50,000 annual completions, 5% increase in student retention, and 60% of graduates earning above median wage. The College implemented Workday Foundation Data Model/Finance (FDM) and Human Capital Management (HCM) during fiscal year 2023 and is working towards implementing Workday Student.

Headcount enrollment and FTE at Ivy Tech increased to 54,437 by 6.6% in 2022-23 when compared to 2021-22. Total enrollment has increased by 6.1% to 164,810 this year, reaching a five-year high after several years of declining enrollment. Historical annual unduplicated headcount and FTE are reflected in the following charts.

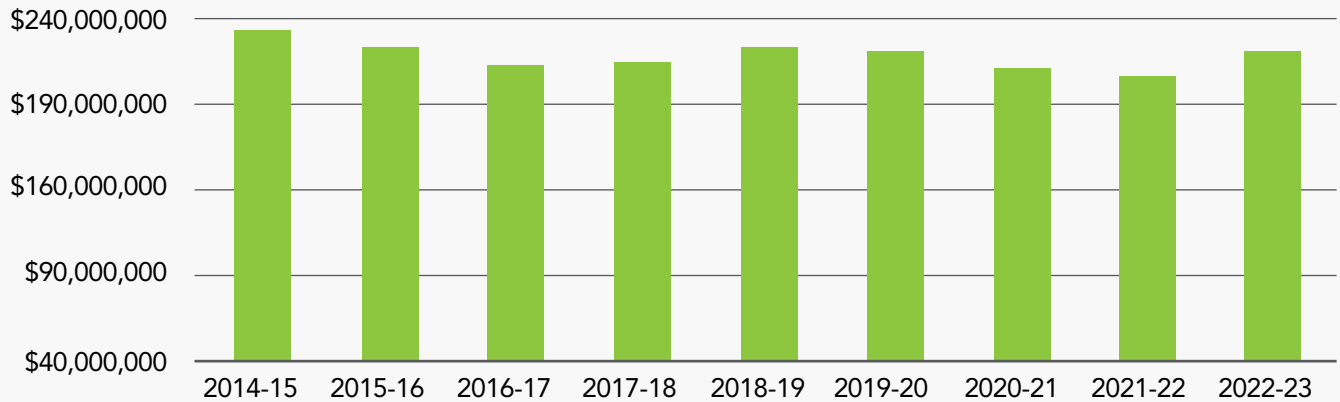
Annualized FTE Student Enrollment Trend



Annualized Student Enrollment Trend



Gross Student Fee Revenue



Authorized Facilities

In the 2023 General Assembly, no new bonded projects were approved for the fiscal years 2023-2024 and 2024-2025. The State approved an all-cash project in Indianapolis for a total of \$33 million.





IVY TECH
COMMUNITY COLLEGE

FINANCIAL STATEMENTS

IVY TECH COMMUNITY COLLEGE OF INDIANA AND IVY TECH FOUNDATION INC. STATEMENT OF NET POSITION

JUNE 30, 2023

WITH COMPARATIVE FIGURES AT JUNE 30, 2022

	JUNE 30, 2023		JUNE 30, 2022	
	COLLEGE	FOUNDATION	COLLEGE (AS RESTATED)	FOUNDATION
ASSETS				
Current assets				
Cash and cash equivalents	\$237,104,842	\$2,928,573	\$191,458,719	\$9,860,885
Cash with fiscal agent	24,256,436	-	23,821,790	-
Short-term investments	98,171	55,815,986	46,783,649	56,325,438
Accounts receivable	49,947,407	-	73,658,894	-
Allowance for doubtful accounts	(4,046,209)	-	(2,344,132)	-
Promises to give, net	-	13,164,024	-	7,210,415
Inventories	7,801	-	4,713	-
Prepaid expenses	3,810,113	233,767	3,377,578	324,346
Total current assets	311,178,561	72,142,350	336,761,211	73,721,084
Noncurrent assets				
Deposit with trustee	162,252	-	4,175,003	-
Promises to give, net	-	13,385,210	-	3,813,040
Note receivable from bank	-	10,442,150	-	10,442,150
Long-term lease receivable	1,033,683	-	1,131,811	-
Long-term investments	387,658,592	48,887,080	379,751,720	42,979,958
Capital assets, net	667,759,883	16,769,915	655,316,800	18,475,541
Total noncurrent assets	1,056,614,410	89,484,355	1,040,375,334	75,710,689
TOTAL ASSETS	1,367,792,971	161,626,705	1,377,136,545	149,431,773

**IVY TECH COMMUNITY COLLEGE OF INDIANA AND IVY TECH FOUNDATION INC.
STATEMENT OF NET POSITION
CONTINUED**

	JUNE 30, 2023		JUNE 30, 2022	
	COLLEGE	FOUNDATION	COLLEGE (AS RESTATED)	FOUNDATION
Deferred outflows of resources				
Deferred outflows related to pension	2,318,432	-	2,417,366	-
Total deferred outflows of resources	2,318,432	-	2,417,366	-
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	29,314,718	325,265	61,931,790	3,471,635
Compensated absences	10,344,442	-	10,013,276	-
Unearned revenue	14,588,587	-	13,686,787	-
Current portion of debt obligation	27,871,770	95,058	26,273,424	81,892
Total current liabilities	82,119,517	420,323	111,905,277	3,553,527
Noncurrent liabilities				
Compensated absences	6,157,543	-	6,989,510	-
Long-term debt and other obligations	226,214,740	14,525,993	229,973,185	16,153,179
Other post-employment benefits	37,740,235	-	37,922,661	-
Net pension liability	5,177,961	-	2,594,062	-
Total noncurrent liabilities	275,290,479	14,525,993	277,479,418	16,153,179
TOTAL LIABILITIES	357,409,996	14,946,316	389,384,695	19,706,706
Deferred inflows of resources				
Deferred inflows related to leasing	1,215,025	-	1,336,693	-
Deferred inflows related to pension	1,701,841	-	5,859,741	-
Deferred inflows related to OPEB	9,135,033	-	10,873,541	-
Total deferred inflows of resources	12,051,899	-	18,069,975	-
NET POSITION				
Net investment in capital assets	380,986,490	-	389,961,724	-
Restricted for:				
Nonexpendable - endowments	-	46,108,269	-	41,639,211
Expendable:				
Capital projects	19,917,264	-	8,814,895	-
Endowment	-	2,778,811	-	1,340,747
Programs & Other	-	81,391,845	-	73,142,965
Unrestricted	599,745,754	16,401,464	573,322,622	13,602,144
TOTAL NET POSITION	\$1,000,649,508	\$146,680,389	\$972,099,241	\$129,725,067

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



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

FOR THE PERIOD ENDING JUNE 30, 2023
WITH COMPARATIVE FIGURES AT JUNE 30, 2022

	JUNE 30, 2023		JUNE 30, 2022	
	COLLEGE	FOUNDATION	COLLEGE (AS RESTATED)	FOUNDATION
REVENUES				
Operating Revenues				
Student Tuition and Fees	\$220,131,684	\$ -	\$206,430,921	\$ -
Scholarship Allowances	(80,246,319)	-	(67,834,592)	-
Net Student Tuition and Fees	139,885,365	-	138,596,329	-
Federal Grants and Contracts	3,551,321	-	3,862,109	-
State and Local Grants and Contracts	28,571,616	-	26,289,765	-
Nongovernment Grants and Contracts	15,386,285	21,582,057	13,294,324	13,723,623
Sales and Service of Educational Departments	2,067,669	-	1,598,878	-
Auxiliary Enterprises	927,997	860,506	957,735	954,610
Contributions and Other Support	-	16,717,586	-	26,146,895
Other Operating Revenues	8,519,365	547,589	5,565,368	516,868
TOTAL OPERATING REVENUES	198,909,618	39,707,738	190,164,508	41,341,996
EXPENSES				
Operating Expenses				
Salaries and Wages	263,457,213	-	250,485,309	-
Benefits	94,121,815	-	84,894,317	-
Foundation Pay and Benefits	-	11,369,267	-	6,164,067
Scholarships and Fellowships	64,258,684	5,255,429	144,843,524	3,969,449
Utilities	12,956,889	327,240	11,337,927	542,668
Supplies and Other Services	139,979,570	1,828,173	150,097,101	1,039,719
Depreciation and Amortization	45,246,979	1,049,974	39,475,615	2,399,255
Other Operating Expenses	-	10,399,433	-	18,236,021
TOTAL OPERATING EXPENSES	620,021,150	30,229,516	681,133,793	32,351,179
Operating Income (Loss)	(421,111,532)	9,478,222	(490,969,285)	8,990,817

**IVY TECH COMMUNITY COLLEGE OF INDIANA AND IVY TECH FOUNDATION INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
CONTINUED**

	JUNE 30, 2023		JUNE 30, 2022	
	COLLEGE	FOUNDATION	COLLEGE (AS RESTATED)	FOUNDATION
Nonoperating Revenues (Expenses)				
State Appropriations	280,104,501	-	275,493,133	-
Federal Appropriations	-	-	-	-
Investment Income	12,706,654	6,992,801	(15,867,236)	(6,734,999)
Interest on Capital Asset-Related Debt	(5,765,490)	-	(6,910,026)	-
Gain (Loss) on Interest Rate Swap	-	103,715	-	154,709
Governmental Grants and Contracts- Federal	125,759,616	-	233,232,146	-
Governmental Grants and Contracts- State	31,956,039	-	33,663,472	-
Gain (Loss) on Sale and Disposal of Capital Assets	(4,215,653)	380,584	771,088	(57,159)
Gain (Loss) on Leases	(24,654)	-	(1,665)	-
Gifts	2,532,774	-	2,067,432	-
Student Government Support	8,219	-	5,431	-
NET NONOPERATING REVENUES	443,062,006	7,477,100	522,453,775	(6,637,449)
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	21,950,474	16,955,322	31,484,490	2,353,368
Capital Gifts and Grants	2,929,216	-	18,758,570	-
Capital Appropriations	3,670,577	-	3,670,577	-
Total Other Revenues and Gains	6,599,793	-	22,429,147	-
INCREASE IN NET POSITION	28,550,267	16,955,322	53,913,637	2,353,368
Net Position - Beginning of Year	972,099,241	129,725,067	918,185,604	127,371,699
Net Position - End of Year	\$1,000,649,508	\$146,680,389	\$972,099,241	\$129,725,067



IVY TECH COMMUNITY COLLEGE OF INDIANA STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDING JUNE 30, 2023
WITH COMPARATIVE FIGURES AT JUNE 30, 2022

	2023	2022 (AS RESTATED)
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	\$139,627,766	\$ 138,576,773
Gifts, Grants and Contracts	67,302,665	26,970,909
Auxiliary Enterprises	1,146,098	1,032,723
Sales and Services of Educational Departments	2,067,670	1,598,878
Payments to Suppliers	(174,122,478)	(133,627,082)
Payments to or on Behalf of Employees	(367,603,458)	(344,917,745)
Payments to Students	(67,458,541)	(144,843,524)
Other Receipts (Payments)	8,519,365	13,637,508
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$(390,520,913)	\$(441,571,560)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal and State Scholarships & Grants	157,715,654	266,895,618
State Appropriations	280,104,501	275,493,133
Receipts from Direct Federal Loan Proceeds	39,155,098	33,015,850
Payments from Direct Federal Loan Proceeds to Students/Financial Institutions	(39,312,389)	(33,027,407)
Gifts	2,069,514	1,344,844
Other Nonoperating Receipts (Payments)	8,219	5,431
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$439,740,597	\$543,727,470
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital/Federal Appropriations	3,670,577	3,670,577
Capital Grants/Gifts	2,805,808	6,139,156
Proceeds from Issuance of Capital Debt	-	9,330,000
Purchase of Capital Assets	(34,454,070)	(90,064,682)
Proceeds from Sale of Capital Assets	786,838	1,612,991
Principal Paid on Capital-Related Debt	(22,182,255)	(18,515,000)
Interest Paid on Capital-Related Debt	(9,363,148)	(10,738,416)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	\$(58,736,250)	\$(98,565,374)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	46,685,478	-
Proceeds from Sales and Maturities of Investments	(7,906,872)	8,462,319
Income on Investments	12,805,978	(17,250,008)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$51,584,584	\$(8,787,689)

IVY TECH COMMUNITY COLLEGE OF INDIANA
STATEMENT OF CASH FLOWS
CONTINUED

	2023	2022 (AS RESTATED)
Net Increase (Decrease) in Cash	42,068,018	(5,197,153)
Cash and Cash Equivalents - Beginning of Year	219,455,512	224,652,665
Cash and Cash Equivalents - End of Year	261,523,530	219,455,512
CASH AND CASH EQUIVALENTS-END OF YEAR AS PRESENTED IN STATEMENT OF NET POSITION		
Cash and cash equivalents (current)	237,104,842	191,458,719
Cash and cash equivalents - Cash with fiscal agent (current)	24,256,436	23,821,790
Cash and cash equivalents - Deposit with trustee (non-current)	162,252	4,175,003
CASH AND CASH EQUIVALENTS-END OF YEAR	\$261,523,530	\$219,455,512
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Net Operating Income (Loss)	(421,111,532)	(490,969,285)
Adjustments to reconcile net operating expenses to cash used by operating activities:		
Depreciation and Amortization	45,246,980	39,475,615
Changes in Assets and Liabilities:		
Allowance for Doubtful Accounts	1,702,077	1,354,305
Deferred Outflow - Pension & OPEB	(83,492)	(3,905,495)
Deferred Inflow - Pension & OPEB	(5,896,408)	3,035,347
Account Receivable	17,163,590	8,606,115
Prepaid Expense	1,088,472	(161,516)
Inventories	(3,088)	(1,186)
Accounts Payable and Accrued Liabilities	(31,612,411)	6,823,658
Net Pension Liability	2,583,899	(4,286,698)
Compensated Absences	(500,800)	34,629
Unearned Revenue	901,800	(1,577,049)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$(390,520,913)	\$(441,571,560)
SIGNIFICANT NONCASH TRANSACTIONS		
Unrealized gain/(loss) on investments	(10,154,051)	(17,112,943)
Right-to-use leased assets	2,374,864	2,160,990
Right-to-use subscriptions	33,744,433	11,970,421

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, 2023

I. Summary of Significant Accounting Policies

A. Organization

Ivy Tech Community College of Indiana (Ivy Tech) serves the people of Indiana through accessible and affordable world-class education and adaptive learning. The College empowers students to achieve their career and transfer aspirations. Ivy Tech embraces the vision of economic transformation inspired by the education and earnings attainment of Indiana's citizens, the vitality of the workforce, and the prosperity of Indiana's unique and diverse communities. The Indiana General Assembly through IC 20-12-61-2 established Ivy Tech in 1963. In 2005, the General Assembly adopted Senate Bill 296, which broadened the institution's mission to include serving as the state's community college system. Ivy Tech is governed by a board of trustees, composed of 15 members, appointed by the governor. According to Indiana law, each Trustee must have knowledge or experience in one or more of the following areas: manufacturing, commerce, labor, agriculture, State and regional economic development needs, and/or Indiana's educational delivery system. Appointments are made for three-year terms on a staggered basis. Ivy Tech has over 43 locations across the State of Indiana. The President's office and other statewide administrative offices are located in Indianapolis, Indiana.

B. Basis of Presentation

The College's financial statements have been prepared in accordance with generally accepted accounting principles accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board ("GASB"). The College follows all applicable GASB pronouncements. The College's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Eliminations have been made to prevent the double counting of internal activities.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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

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

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

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

C. Discretely Presented Component Unit

Ivy Tech Foundation (the Foundation) was incorporated on June 9, 1969, under The Indiana Foundations and Holding Companies Act of 1921 as a corporation organized exclusively for charitable, educational and scientific purposes. The Foundation, whose principal activity is to promote educational, scientific and charitable purposes in connection with or at the request of Ivy Tech Community College (the College), commenced its financial activities with the receipt of various unrestricted contributions in October 1970 and recorded \$23.8 million of expenditures assisting the College during fiscal year 2023. The Foundation currently operates under the Indiana Nonprofit Corporations Law of 1971 as amended, which is codified as IC 23-17. As required by the GASB Statement No. 39 *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61 *The Financial Reporting Entity: Omnibus* an amendment of GASB Statements No. 14 and No. 34, the audited financial statements of the Foundation are discretely presented with the College's financial statements. The Foundation's fiscal year reporting period is from July 1 through June 30. Further information regarding the Foundation may be obtained at Ivy Tech Foundation; 50 West Fall Creek Parkway Drive North, Indianapolis, IN 46208-5752 or <http://ivytech.edu/giving>.



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

D. Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash (in banks and on hand) and investments with maturity dates of 0-90 days from date of purchase. The College considers cash with fiscal agent and deposit with trustee as cash equivalents for the purposes of the Statement of Cash Flows.

E. Investments

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

F. Scholarship and Other Allowances

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

G. Inventories

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

H. Prepaid Expenses

Prepaid expenses primarily represent cash payments made in advance of when the related expenditures are recognized for financial statement purposes.

I. Capital Assets

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

College capital equipment and facilities are depreciated on a straight-line basis dividing the cost of the asset by the appropriate useful life. Right-to-use leased assets are amortized on a straight-line basis over the shorter of the useful life of the asset or the non-cancellable term of the lease agreement. Building improvements are depreciated over the remaining life of the facilities to which they pertain.

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
Right-to-use Assets	Shorter of the useful life of the asset or the non-cancelable term of the agreement

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

J. Leases

Lessee: The College is the lessee for various noncancelable leases of equipment, buildings, and land. As the lessee, the College recognizes a lease liability and an intangible Right-to-use lease asset (lease asset) in the statement of net position. The College recognizes lease assets and liabilities with an initial value of \$3,000 or more.

At the commencement of the lease, the College initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over its useful life or the non-cancelable lease term, whichever is shorter.

Key estimates and judgments related to leases include how the College determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The College uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the College uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the College is reasonably certain to exercise.

The College monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor: The College is the lessor for various noncancelable leases of buildings, equipment, and land. The College recognizes a lease receivable and a deferred inflow of resources in the Statement of Net Position.

At the commencement of the lease, the College initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the College determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) the lease term, and (3) lease receipts.

- The College uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The College monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.



K. Subscription-Based Information Technology Arrangement (SBITA)

The College obtains the right to use vendors' information technology software through various long-term contracts. The College recognizes a subscription liability and an intangible Right-of-use (ROU) subscription asset (the "subscription asset") in the Statement of Net Position. The College recognizes subscription assets and liabilities with an initial value of \$3,000 or more.

At the commencement of a subscription, the College initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus initial implementation costs. Subsequently, the subscription asset is depreciated on a straight-line basis over its useful life.

Key estimates and judgments related to subscriptions include how the College determines the discount rate it uses to discount the expected subscription payments to present value and the subscription term.

The College uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the College uses its estimated incremental borrowing rate as the discount rate for subscriptions.

The subscription term includes the noncancelable period of the subscription.

The College monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets, and subscription liabilities are reported with long-term debt on the Statement of Net Position.

For contracts that are fully paid at the beginning of the contract term, the College recognizes a subscription asset and no corresponding liability. This is consistent with GASB 96's methodology to measure a subscription liability at the present value of subscription payments expected to be made during the subscription term. Since no more payments are expected to be made during the remaining terms of the software, only the ROU assets will be recorded and amortized over the remaining course.

L. Deferred Outflows of Resources

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

M. Compensated Absences

Liabilities for compensated absences are recorded for eligible employees' vacation time and employees meeting eligibility criteria, sick leave as of June 30, 2023. Accrued time for vacation and sick leave vests to a maximum and is equal to the amount accrued during the preceding 18 months. Unused vacation time is paid out upon termination regardless of age or years of service. Effective July 1, 2021 employees may accrue up to 320 hours of vacation time and the College has capped the maximum terminal vacation payout at 240 hours. Accrued vacation liability is calculated using the maximum payout of 240 hours.

The sick leave maximum is equal to 1,056 hours. Employees hired on or before December 31, 2019, are eligible to have their unused sick leave paid out upon retirement if the employee's age is at least fifty-five years and their age plus years of service equal seventy-five or more. Employees hired on or after January 1, 2020, are not eligible for the program. Employees eligible for this benefit are paid at a rate of one-half the accumulated time up to an accumulated maximum of 100 days.

N. Unearned Revenues

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

O. Net Pension Liability and Related Items

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

P. Other Postemployment Liability and Related Items

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

Q. Deferred Inflow of Resources

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

R. Net Position

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

- Net investment in capital assets: Represents the College's capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- Restricted for: Capital projects.
- Unrestricted: Unrestricted net position is not subject to external restrictions and may be spent at the discretion of the State Board of Trustees for the programs and initiatives, capital purposes and overall operations of the College.

S. Restricted and Unrestricted Resources

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



T. Operating and Nonoperating Revenues and Expenses

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

U. COVID-19 Impact

The College received grants and other relief from the Coronavirus Aid, Relief, and Economic Security (CARES) Act in the amount of \$34.7 million. Subsequent appropriations from federal HEERF including \$91.1 million from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and an additional \$157.3 million from the American Rescue Plan (ARP) bring total HEERF funding to the College of \$283.1 million. More than half of HEERF funds were awarded directly to students as emergency financial aid grants with the balance of funds being used for a variety of institutional needs resulting from the disruption to campus activities as a result of COVID-19. All remaining student aid for HEERF was awarded during FY22. All remaining HEERF was claimed and drawn in FY23 with no remaining funds available.

The Federal Public Health Emergency for COVID-19 expired at the end of the day on May 11, 2023. The College's operations have returned to a new normal of operations.

V. Upcoming & Adopted Pronouncements

In the current fiscal year, the College adopted GASB Statement No. 96, Subscription- Based Information Technology Arrangements (SBITAs), which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible Right-to-use subscription asset for SBITAs. This change in guidance has resulted in the College's financial statements to reflect the implementation of the new standard for fiscal year 2022. This change in guidance has resulted in the College's financial statements being restated to reflect the implementation of the new standard for fiscal year 2022, including the recognition of \$9.2 million in net SBITA assets and \$8.3 million in liabilities as of June 30, 2022. See Note III and VI for additional information on the impact to the College.

In June 2022, the GASB issued Statement No. 101, Compensated Absences, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the College's financial statements for the year ending June 30, 2025.

W. Reclassifications

Certain reclassifications have been made to prior year statements and certain notes for comparative purposes and do not constitute a restatement of prior periods.

II. Deposits and Investments

Indiana Code Title 21, Article 22, Chapter 4, Section 4 provides authorization for investment activity. IC 30-4-3.5 (Indiana Prudent Investor Act) requires the State Board of Trustees to act “as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust. In satisfying this standard, the trustee shall exercise reasonable care, skill, and caution”. The trustees have the responsibility to ensure 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 Treasurer.

The College’s current investment policy was approved by the Board of Trustees in February 2023. The overall investment allocation is designed in accordance with the College’s Investment Philosophy and Objectives, and the portfolio shall maintain a prudently diversified investment portfolio. The investment structure is divided into liquidity tiers to provide for income maximization while meeting the daily liquidity requirements of the College.

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

Classification	2023	2022
Cash and cash equivalents	\$237,104,842	\$191,458,719
Cash with fiscal agent	24,256,436	23,821,790
Short-term investments	98,171	46,783,649
Deposit with trustee	162,252	4,175,003
Long-term investments	387,658,592	379,751,720
Total cash and investments	\$649,280,293	\$645,990,881

Type	2023	2022
Cash	\$ 24,725,640	\$ 33,576,837
Demand Deposits	77,156,452	178,238,743
Investment Manager Cash and Cash Equivalents	159,641,439	7,639,933
Fixed income investments	387,756,762	426,535,368
Total cash and investments	\$649,280,293	\$645,990,881

A. Fair value measurement

Ivy Tech’s investment portfolio is a source of funds for current and future operations of the College. GASB Statement No. 72, *Fair Value Measurement & Application*, states that investments must be measured at fair value.

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



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

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

As of June 30, 2023, the College's investment portfolio unrealized loss was \$10.2 million for the year. Based on the criteria outlined by GASB Statement No. 72, the breakdown by level of the College's investment portfolio is as follows:

	Fair Value	Level 1	Level 2	Level 3	Cash and Accrual
Demand Deposits	\$77,156,452	\$ -	\$ -	\$ -	\$77,156,452
Investment Manager Cash & Cash Equivalents	159,641,439	158,803,826	511,111	-	326,502
U.S. Treasury & Agencies	112,491,247	89,648,294	22,291,607	-	551,346
Agency Backed Mortgages	26,627,438	-	26,543,851	-	83,587
Corporate Bonds & Notes	129,001,592	-	127,854,809	-	1,146,783
Structured Securities	65,329,833	-	65,223,879	-	105,954
Foreign Bonds (in U.S. dollars)	28,686,948	-	28,479,595	-	207,353
Municipal Bonds	25,619,704	-	25,427,574	-	192,130
Total	\$624,554,653	\$248,452,120	\$296,332,426	\$ -	\$79,770,107

June 30, 2022, the College's investment portfolio unrealized loss was \$17.1 million for the year. Based on the criteria outlined by GASB Statement No. 72, the breakdown by level of the College's investment portfolio is as follows:

	Fair Value	Level 1	Level 2	Level 3	Cash and Accrual
Demand Deposits	\$178,238,743	\$ -	\$ -	\$ -	\$178,238,743
Investment Manager Cash & Cash Equivalents	7,639,933	5,986,795	1,649,584	-	3,554
U.S. Treasury & Agencies	101,920,017	98,526,920	3,138,938	-	254,159
Agency Backed Mortgages	10,871,074	-	10,851,185	-	19,889
Corporate Bonds & Notes	153,264,559	-	152,343,789	-	920,770
Structured Securities	93,099,618	-	92,975,060	-	124,558
Foreign Bonds (in U.S. dollars)	41,661,760	-	41,454,424	-	207,336
Municipal Bonds	25,718,340	-	25,553,514	-	164,826
Total	\$612,414,044	\$104,513,715	\$327,966,494	\$ -	\$179,933,835

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

B. Interest Rate Risk

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

Information about the sensitivity of the fair values of the College's investments to market interest rate fluctuations is provided by the following table showing the distribution of Ivy Tech's investments by maturity, as of June 30, 2023:

	Fair Value	<1 Year	1-5 Years	6-10 Years	More than 10 Years
Demand Deposits	\$77,156,452	\$77,156,452	\$ -	\$ -	\$ -
Certificates of Deposit	-	-	-	-	-
Investment Manager Cash & Cash Equivalents	159,641,439	159,641,439	-	-	-
U.S. Treasury & Agencies	112,491,247	-	93,286,975	9,537,790	9,666,482
Agency Backed Mortgages	26,627,438	98,171	2,613,852	3,637,394	20,278,021
Corporate Bonds & Notes	129,001,592	-	109,801,297	13,287,093	5,913,202
Structured Securities	65,329,833	-	22,820,460	18,657,546	23,851,827
Foreign Bonds (in U.S. dollars)	28,686,948	-	25,039,366	3,647,582	-
Municipal Bonds	25,619,704	-	21,608,524	4,011,180	-
Total	\$624,554,653	\$236,896,062	\$275,170,474	\$52,778,585	\$59,709,532



As of June 30, 2022, the distribution of Ivy Tech's investments by maturity was as follows:

	Fair Value	<1 Year	1-5 Years	6-10 Years	More than 10 Years
Demand Deposits	\$178,238,743	\$178,238,743	\$ -	\$ -	\$ -
Certificates of Deposit	-	-	-	-	-
Investment Manager Cash & Cash Equivalents	7,639,933	7,639,933	-	-	-
U.S. Treasury & Agencies	101,920,017	10,625,919	91,294,098	-	-
Agency Backed Mortgages	10,871,074	942,897	2,234,693	4,766,107	2,927,377
Corporate Bonds & Notes	153,264,559	25,309,380	126,261,080	1,694,099	-
Structured Securities	93,099,618	191,541	49,875,209	7,430,875	35,601,993
Foreign Bonds (in U.S. dollars)	41,661,761	4,115,025	37,447,159	-	99,577
Municipal Bonds	25,718,339	5,598,886	19,506,367	192,801	420,285
Total	\$612,414,044	\$232,662,324	\$326,618,606	\$14,083,882	\$39,049,232

C. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Credit risk is addressed in the College's Investment Policy. The average credit quality rating minimum (S&P/Moody's/Fitch) for each style of fixed income available for investment is as follows: Active Cash is AA-/Aa3/AA-, Defensive is A-/A3/A-, and Intermediate is A-/A3/A-. As of June 30, 2023, College investments had debt securities with associated credit ratings based on Moody's Investors Service as shown below.

	Fair Value	AAA	Aa and A*	Baa	Ba and B*	Caa	MIG	Cash & Short-Term Liquid Investments	Not Rated
Demand Deposits	\$77,156,452	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$77,156,452	\$ -
Certificates of Deposit	-	-	-	-	-	-	-	-	-
Investment Manager Cash & Cash Equivalents	159,641,439	-	-	-	-	-	-	159,641,439	-
U.S. Treasury & Agencies	112,491,247	107,738,057	-	-	-	-	-	-	4,753,190
Agency Backed Mortgages	26,627,438	1,060,559	-	-	-	-	-	-	25,566,879
Corporate Bonds & Notes	129,001,592	4,176,764	60,357,992	52,092,425	1,252,661	-	-	-	11,121,750
Structured Securities	65,329,833	36,938,820	3,521,992	75,573	-	-	-	-	24,793,448
Foreign Bonds (in U.S. dollars)	28,686,948	3,334,976	18,179,374	5,671,496	120,420	-	-	-	1,380,682
Municipal Bonds	25,619,704	1,021,023	15,121,579	122,761	-	-	-	-	9,354,341
Total	\$624,554,653	\$154,270,199	\$97,180,937	\$57,962,255	\$1,373,081	\$ -	\$ -	\$236,797,891	\$76,970,290
As a percentage of total portfolio		24.7%	15.6%	9.3%	0.2%	0%	0%	37.9%	12.3%



As of June 30, 2022, College investments had debt securities with associated credit ratings based on Moody's Investors Service as shown below.

	Fair Value	AAA	Aa and A*	Baa	Ba and B*	Caa	MIG	Cash & Short-Term Liquid Investments	Not Rated
Demand Deposits	\$178,238,743	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$178,238,743	\$ -
Certificates of Deposit	-	-	-	-	-	-	-	-	-
Investment Manager Cash & Cash Equivalents	7,639,933	-	-	-	-	-	-	7,639,933	-
U.S. Treasury & Agencies	101,920,017	99,591,545	-	-	-	-	-	-	2,328,472
Agency Backed Mortgages	10,871,074	177,265	-	-	-	-	-	-	10,693,809
Corporate Bonds & Notes	153,264,559	3,867,022	77,313,511	65,051,321	-	-	-	-	7,032,705
Structured Securities	93,099,618	54,418,627	3,525,469	-	-	-	-	-	35,155,522
Foreign Bonds (in U.S. dollars)	41,661,761	-	29,467,123	9,646,393	118,890	-	-	-	2,429,355
Municipal Bonds	25,718,339	1,087,863	12,986,665	238,451	-	-	527,948	-	10,877,412
Total	\$612,414,044	\$159,142,322	\$123,292,768	\$74,936,165	\$118,890	\$ -	\$527,948	\$185,878,676	\$68,517,275

As a percentage of total portfolio

	26.0%	20.1%	12.2%	0%	0%	0.1%	30.4%	11.2%
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D. Concentration of Credit Risk

In the allocation of assets, diversification of investments among asset classes that are not similarly affected by economic, political, or social developments is a highly desirable objective of credit risk. The allowable total sector weightings for active cash, defensive, and intermediate are 100% for certificates of deposit/interest-bearing deposit accounts, 100% for U.S. Treasuries, 100% for U.S. Agencies, 100% for money markets, 50% for commercial paper, 50% for corporate investment grade, 40% for asset-backed securities, 25% for municipal bonds, 20% for commercial mortgage-backed, and 10% for mortgage-backed (residential non-agency). Allowable weighting for mortgage-backed (residential agency) is 30% for active cash and 60% for both defensive and intermediate. Most of our investments are currently under defensive at this time.

The financial institutions that hold five percent (5%) or more of the College's investments as of June 30, 2023:

Name of Institution	Amount	Percentage
Fifth Third Bank	\$57,074,245	9.1%

The financial institutions that hold five percent (5%) or more of the College's investments as of June 30, 2022:

Name of Institution	Amount	Percentage
Lake City Bank	\$178,238,743	29.1%

E. Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The College manages custodial credit risk through the types of investments that are allowed by the Investment Policy. As of June 30, 2023, and June 30, 2022, Ivy Tech deposits with financial institutions held in uncollateralized accounts are insured up to \$250,000 by the FDIC and in excess of \$250,000 by the Indiana Public Deposits Insurance Fund.

F. Foreign Currency Risk

As of June 30, 2023, and June 30, 2022, all of the College's accounts are in U.S. dollars and not exposed to foreign currency risk.

G. Foundation Investments

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

FEDERAL DIRECT LENDING PROGRAM

The College distributed \$39.3 million and \$33.8 million for student loans through the U.S. Department of Education federal direct lending program for the years ended June 30, 2023 and 2022, respectively. These distributions and the related funding sources are included as cash disbursements and cash receipts in the accompanying Statement of Cash Flows.



III. Capital Assets

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

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	FY-Additions	FY-Retirements	Balance
Capital assets not being depreciated:				
Land	\$31,253,540	\$ -	\$4,597	\$31,248,943
Construction work in progress	11,173,878	9,704,104	6,157,051	14,720,931
Total capital assets not being depreciated	42,427,418	9,704,104	6,161,648	45,969,874
Capital assets being depreciated:				
Land improvements & infrastructure	39,422,786	2,091,967	23,364	41,491,389
Buildings	924,961,456	14,017,235	3,817,847	935,160,844
Furniture, fixtures & equipment	104,496,250	9,270,040	6,129,941	107,636,349
Library materials	3,798,969	35,681	195,966	3,638,684
Right-to-use leased equipment	690,013	1,800,551	678,598	1,811,966
Right-to-use leased buildings	9,036,642	550,080	2,482,071	7,104,651
Right-to-use leased land	652,039	24,233	63,097	613,175
Right-to-use subscription	11,970,421	33,744,433	177,265	45,537,589
Total capital assets being depreciated	1,095,028,576	61,534,220	13,568,149	1,142,994,647
Less accumulated depreciation and amortization:				
Land improvements & infrastructure	22,257,118	5,949,827	12,850	28,194,095
Buildings	362,536,539	30,634,566	3,787,492	389,383,613
Furniture, fixtures & equipment	88,344,659	5,459,965	1,606,728	92,197,896
Library materials	3,620,619	78,528	189,069	3,510,078
Right-to-use leased equipment	342,840	226,632	360,367	209,105
Right-to-use leased buildings	2,211,998	973,411	1,195,882	1,989,527
Right-to-use leased land	83,946	18,145	48,554	53,537
Right-to-use leased subscription	2,741,475	3,102,577	177,265	5,666,787
Total accumulated depreciation	482,139,194	46,443,651	7,378,207	521,204,638
Total capital assets being depreciated, net	612,889,382	15,090,569	6,189,942	621,790,009
Capital assets, net	\$655,316,800	\$24,794,673	\$12,351,590	\$667,759,883

Capital asset activity for the year ended June 30, 2022 (as restated), was as follows:

	Beginning Balance	FY-Additions	FY-Retirements	Balance
Capital assets not being depreciated:				
Land	\$29,292,564	\$1,960,976	\$ -	\$31,253,540
Construction work in progress	69,369,547	32,959,781	91,155,450	11,173,878
Total capital assets not being depreciated	98,662,111	34,920,757	91,155,450	42,427,418
Capital assets being depreciated:				
Land improvements & infrastructure	31,369,403	8,065,883	12,500	39,422,786
Buildings	805,444,650	123,170,748	3,653,942	924,961,456
Furniture, fixtures & equipment	101,843,748	7,583,922	4,931,420	104,496,250
Library materials	3,811,313	37,611	49,955	3,798,969
Right-to-use leased equipment	710,046	3,059	23,092	690,013
Right-to-use leased buildings	7,469,929	2,157,931	591,218	9,036,642
Right-to-use leased land	652,039	-	-	652,039
Right-to-use software	-	11,970,421	-	11,970,421
Total capital assets being depreciated	951,301,128	152,989,575	9,262,127	1,095,028,576
Less accumulated depreciation and amortization:				
Land improvements & infrastructure	20,909,015	1,352,321	4,218	22,257,118
Buildings	318,728,241	46,160,480	2,352,182	362,536,539
Furniture, fixtures & equipment	87,920,982	5,249,404	4,825,727	88,344,659
Library materials	3,570,590	99,984	49,955	3,620,619
Right-to-use leased equipment	186,269	179,663	23,092	342,840
Right-to-use leased buildings	1,179,579	1,464,184	431,765	2,211,998
Right-to-use leased land	41,973	41,973	-	83,946
Right-to-use software	-	2,741,475	-	2,741,475
Total accumulated depreciation	432,536,649	57,289,484	7,686,939	482,139,194
Total capital assets being depreciated, net	518,764,479	95,700,091	1,575,188	612,889,382
Capital assets, net	\$617,426,590	\$130,620,848	\$92,730,638	\$655,316,800



IV. Long-Term Liabilities

Long-Term Liability activity for year ended June 30, 2023 was as follows:

	2023				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Leases, Notes, and Bonds Payable:					
Leases	\$8,043,490	\$2,312,124	\$2,942,996	\$7,412,618	\$917,119
Subscriptions	8,296,578	24,219,557	4,001,402	28,514,733	4,307,269
Bonds Payable-Public Offering	239,906,541	-	21,747,382	218,159,159	22,647,382
Total Leases, Notes, & Bonds Payable	256,246,609	26,531,681	28,691,780	254,086,510	27,871,770
Other Liabilities:					
Compensated Absences	17,002,786	10,827,148	11,327,949	16,501,985	10,344,442
Net Other post employment benefits	37,922,661	3,911,059	4,093,485	37,740,235	-
Net pension liability	2,594,062	7,317,298	4,733,399	5,177,961	-
Total Other Liabilities	57,519,509	22,055,505	20,154,833	59,420,181	10,344,442
Total Long-Term Liabilities	\$313,766,118	\$48,587,186	\$48,846,613	\$313,506,691	\$38,216,212

Long-Term Liability activity for year ended June 30, 2022 was as follows:

	2022 (As Restated)				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Leases, Notes, and Bonds Payable:					
Leases	\$7,591,306	\$2,160,989	\$1,708,805	\$8,043,490	\$908,813
Subscriptions	-	11,970,421	3,673,843	8,296,578	3,617,229
Bonds Payable-Public Offering	272,235,371	9,330,000	41,658,830	239,906,541	21,747,382
Total Leases, Notes, & Bonds Payable	279,826,677	23,461,410	47,041,478	256,246,609	26,273,424
Other Liabilities:					
Compensated Absences	17,037,414	10,757,892	10,792,520	17,002,786	10,013,276
Net Other post employment benefits	46,933,838	2,699,582	11,710,759	37,922,661	-
Net pension liability	6,880,760	5,345,082	9,631,780	2,594,062	-
Total Other Liabilities	70,852,012	18,802,556	32,135,059	57,519,509	10,013,276
Total Long-Term Liabilities	\$350,678,689	\$42,263,966	\$79,176,537	\$313,766,118	\$36,286,700

A. Bonds

Authorization by the Indiana General Assembly enables the College to issue bonds for the purpose of financing facility construction and improvements or refinancing and refunding. None of these bonds are direct borrowings. Series J bonds were issued for projects on the Richmond and Marion campuses. The Series O bonds supported the refunding of Series I. Projects on the Indianapolis and Muncie campuses, the Lafayette refinancing, and Series I & K refunds were supported by the Series P bonds. The Series R bonds supported projects at the Anderson, Bloomington, and Indianapolis campuses as well as the Series H & L partial refinancing. Series U issued during fiscal year 2018 supported the Series L refunding. Series V issued during fiscal year 2019 supported the projects at Kokomo and Muncie. Series W issued during fiscal year 2021 supported the Columbus project and refunded Series N. Series X-1 and Series X-2 issued during fiscal year 2021, supported the refunding of Series R-2 and Series P, respectively. Series X-3 was issued during fiscal year 2022 and supported the refunding of the Series O bond. No bonds were issued in fiscal year 2023.

The June 30, 2022, Premium on Bonds of \$29.8 million includes the remaining balance from the sale of Series J, K, L, P, R, T, U, V, and W Student Fee Bonds. The ending balance on June 30, 2023, of \$27.3 million includes the remaining balance from the sale of Series J, K, L, P, R, T, U, V, and W Student Fee Bonds. It is amortized over the remaining life of the related bonds.

Bonds Outstanding as of 06/30/2023

Issue Type/Series	Issue Date	Original Issue Amount	Interest Rate	Final Maturity Date	Principal Outstanding as of June 30, 2023	Principal Outstanding as of June 30, 2022	Current Portion
Series J: Richmond, Marion	01/06/2005	\$9,245,000	4.25% - 4.47%	2025	\$3,540,000	\$6,465,000	\$3,075,000
Series R: Anderson, Bloomington, Indianapolis, Series H & L Partial Refunding	11/21/2013 & 11/27/2013	64,925,000	.21% - 4.20%	2033	24,525,000	27,065,000	2,665,000
Series T: Refunding Series K	08/19/2015	28,090,000	.20% - 2.71%	2026	11,335,000	14,810,000	3,615,000
Series U: Refunding Series L	09/19/2017	20,550,000	.99% - 2.15%	2028	11,980,000	14,515,000	2,665,000
Series V: Kokomo and Muncie	07/17/2018	69,205,000	1.43% - 3.17%	2039	56,235,000	58,475,000	2,355,000
Series W: Columbus; Refunding of Series N	07/15/2020	62,175,000	0.20% - 1.82%	2040	51,345,000	56,000,000	4,885,000
Series X-1: Refunding of Series R-2	12/30/2020	11,915,000	1.80%	2033	11,835,000	11,875,000	40,000
Series X-2 Refunding of Series P	06/30/2020	11,525,000	1.41%	2032	10,815,000	11,525,000	720,000
Series X-3 Refunding of Series O	12/31/2021	9,330,000	1.12%	2026	9,250,000	9,330,000	80,000
Student Fee Bonds		286,960,000			190,860,000	210,060,000	20,100,000
Add: Unamortized bond premium					27,299,159	29,846,541	
Totals					\$218,159,159	\$239,906,541	



Bonds Outstanding as of 06/30/2022

Issue Type/Series	Issue Date	Original Issue Amount	Interest Rate	Final Maturity Date	Principal Outstanding as of June 30, 2022	Principal Outstanding as of June 30, 2021	Current Portion
Series J: Richmond, Marion	01/06/2005	\$9,245,000	4.25% - 4.47%	2025	\$6,465,000	\$9,245,000	\$2,925,000
Series O: Refunding of Series I	12/15/2011	9,200,000	3.25% - 3.55%	2027	-	9,200,000	-
Series P: Indianapolis, Muncie, Lafayette, Series I & K Partial Refunding	01/04/2012	32,415,000	.28% - 4.11%	2032	-	11,915,000	-
Series R: Anderson, Bloomington, Indianapolis, Series H & L Partial Refunding	11/21/2013 & 11/27/2013	64,925,000	.21% - 4.20%	2033	27,065,000	29,480,000	2,540,000
Series T: Refunding Series K	08/19/2015	28,090,000	.20% - 2.71%	2026	14,810,000	18,115,000	3,475,000
Series U: Refunding Series L	09/19/2017	20,550,000	.99% - 2.15%	2028	14,515,000	17,365,000	2,535,000
Series V: Kokomo and Muncie	07/17/2018	69,205,000	1.43% - 3.17%	2039	58,475,000	60,605,000	2,240,000
Series W: Columbus; Refunding of Series N	07/15/2020	62,175,000	0.20% - 1.82%	2040	56,000,000	60,455,000	4,655,000
Series X-1: Refunding of Series R-2	12/30/2020	11,915,000	1.80 %	2033	11,875,000	11,915,000	40,000
Series X-2 Refunding of Series P	06/30/2020	11,525,000	1.41%	2032	11,525,000	11,525,000	710,000
Series X-3 Refunding of Series O	12/31/2021	9,330,000	1.12%	2026	9,330,000	-	80,000
Student Fee Bonds		328,575,000			210,060,000	239,820,000	19,200,000
Add: Unamortized bond premium					29,846,541	32,415,371	
Totals					\$239,906,541	\$272,235,371	

B. Compensated Absences

As of June 30, 2023, the accrued vacation benefit is \$11.4 million, and the eligible sick leave benefit is \$5.1 million which remained consistent with June 30, 2022. The College has internally designated a portion of its unrestricted funds to offset the entire liability for compensated absences as identified in the Internally Designated Reserves of Unrestricted Funds of the Management Discussion & Analysis section.

V. Lease

A. Lease Receivable

During the current fiscal year, the College had contractual agreements for leasing of space in various College buildings and land to third parties. The leases range from 1 year – 25 years in length as the lessor.

Lease receivable for the years ending June 30, 2023, and 2022 are as follows:

	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022
Building Space	1,273,722	1,370,279
Land	7,589	10,335
Total Lease Receivable	1,281,311	1,380,614

The College has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$1,215,025 compared to a balance of \$1,336,693 recognized as of June 30, 2022.

During FY23, the College recognized \$280,609 in lease revenue and \$57,855 in interest revenue. In fiscal year 2022, the College recognized \$518,558 in lease revenue and \$69,293 in interest revenue during the current fiscal year related to these leases.

B. Lease Payable

During the current fiscal year, the College had contractual agreements for various leases of buildings, land, and equipment ranging from 1 – 45 years in length as the lessee.

Lease liability for the years ending June 30, 2023, and 2022 are as follows:

	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022
Right-to-use leased equipment	1,430,075	358,330
Right-to-use leased buildings,	5,383,541	7,089,955
Right-to-use leased land	599,002	595,205
Total	7,412,618	8,043,490

For leases entered during the current fiscal year, an initial lease liability was recorded in the amount of \$2,312,124 during the current fiscal year. For leases entered during the fiscal year 2022, an initial lease liability was recorded in the amount of \$2,160,989.

The College is required to make payments throughout the year for both principal and interest. The leases have interest rates ranging from 2.15% – 8.5% utilizing the College's estimated incremental borrowing rates.

The Right-to-use leased assets related to the lease liabilities have estimated useful lives ranging from 1 – 45 years based on the non-cancellable portion of the contractual agreements. See note III for additional information regarding the Right-to-use leased assets including the asset balance and accumulated amortization as of June 30, 2023, and 2022.

During the current fiscal year, the College paid \$204,050 in variable lease expenses. In fiscal year 2022, the College paid \$190,508 in variable lease expenses.



As of June 30, 2023, scheduled lease payments for the years ending June 30 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$917,119	\$378,381	\$1,295,500
2025	783,333	330,618	1,113,951
2026	772,245	284,599	1,056,844
2027	745,647	238,871	984,518
2028	603,759	196,428	800,187
2029-2033	1,950,159	634,015	2,584,174
2034-2038	568,911	321,844	890,755
2039-2043	468,950	213,000	681,950
2044-2048	409,401	88,545	497,946
2049-2053	107,623	30,330	137,953
2054-2058	23,565	18,608	42,173
2059-2063	30,246	11,926	42,172
2064-2068	31,659	3,484	35,143
Totals	\$7,412,617	\$2,750,649	\$10,163,266

As of June 30, 2022, scheduled lease payments for the years ending June 30 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$908,812	\$372,063	\$1,280,875
2024	729,594	337,837	1,067,431
2025	513,899	309,582	823,481
2026	487,303	284,570	771,873
2027	511,284	259,651	770,935
2028-2032	2,730,827	885,362	3,616,189
2033-2037	1,020,652	367,302	1,387,954
2038-2042	445,854	232,976	678,830
2043-2047	482,941	107,796	590,737
2048-2052	137,087	32,906	169,993
2053-2057	18,839	16,587	35,426
2058-2062	24,177	11,248	35,425
2063-2067	31,028	4,398	35,426
2068	1,193	6	1,199
Totals	\$8,043,490	\$3,222,284	\$11,265,774

In 2022, the College had multiple lease obligations with Ivy Tech Foundation, Inc., a related party. Some of these leases met the requirements to be recognized as Right-to-use leased assets with recognition of long-term debt and Right-to-use leased assets on the College's Statement of Net Position. Ivy Tech Foundation, Inc. reports these assets in the financial statements. Therefore, the Foundation also shows these assets in its Statements of Assets, Liabilities, and Fund Balance, which are incorporated herein. Consequently, the College and the Foundation have reported the same leased assets on their respective financial statements. As of June 30, 2023, all lease obligations with the Foundation had been terminated.

VI. Subscription-Based Information Technology Arrangements

A. Subscription Payable

During the current fiscal year, the College is the licensee for various noncancelable Subscription-Based Information Technology Arrangements (SBITAs). The SBITAs range from 2 years – 15 years in length.

Subscription balances for the years ending June 30, 2023, and 2022 are as follows:

	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022
Short-Term Subscription Liability	4,307,269	3,617,229
Long-Term Subscription Liability	24,207,464	4,679,349
Total Subscription Liability	28,514,733	8,296,578

In FY23, the College incurred initial implementation cost of \$4,778,542 associated with the SBITA Workday prior to its go-live date of 6/25/2023. The cost was capitalized and added to the subscription assets during FY23. Additionally, the College made two subscription payments at the beginning of April 2022 and 2023, totaling \$4,746,335, prior to the go-live date. These payments were recorded as prepayments and then reclassified to subscription assets as Workday was placed in service in FY23. The subscription asset (which now includes the initial implementation cost and the prepaid subscription cost) will be amortized over Workday's remaining term.

The College is required to make payments throughout the year for both principal and interest. The SBITAs have interest rates ranging from 6.0% – 8.5%, utilizing the College's estimated incremental borrowing rates.

The Right-to-use SBITAs related to the lease liabilities have estimated useful lives ranging from 2-15 years in length based on the non-cancellable portion of the contractual agreements. See note III for additional information regarding the Right-to-use SBITA assets including the asset balance and accumulated amortization as of June 30, 2023, and 2022.

As of June 30, 2023, scheduled subscription payments for the years ending June 30 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$4,307,269	\$2,063,229	\$6,370,498
2025	2,735,234	2,135,752	4,870,986
2026	2,448,516	1,900,760	4,349,276
2027	1,921,037	1,684,598	3,605,635
2028	2,001,377	1,518,821	3,520,198
2029-2033	15,101,300	4,400,823	19,502,123
Totals	\$28,514,733	\$13,703,983	\$42,218,716



As of June 30, 2022, scheduled subscription payments for the years ending June 30 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$3,617,229	\$677,572	\$4,294,801
2024	2,526,742	373,275	2,900,017
2025	1,168,189	185,970	1,354,159
2026	845,155	86,922	932,077
2027	139,263	12,317	151,580
Totals	\$8,296,578	\$1,336,056	\$9,632,634

B. GASB 96 Implementation Impact

The College implemented GASB 96 – Subscription-Based Information Technology Arrangements as of June 30, 2022, with restatement of the net position as of June 30, 2022. As discussed in Note 1, section T, the implementation of GASB 96 requires the College to report a subscription liability and an intangible Right-to-use subscription asset. Due to the change in reporting a restatement of net position was required to include the College’s subscriptions.

(a) Implementation of GASB Statement No. 96, Leases

Effective for the fiscal year ended June 30, 2023, the College adopted GASB Statement 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This statement establishes new requirements for calculating and reporting the College’s subscription activities. The adoption of GASB 96 has been reflected using an implementation date of June 30, 2022. As a result, the College recorded the following at June 30, 2022:

Right-to-Use subscription Assets	11,970,421
Accumulated Amortization	2,741,475
Net Right-to-use subscription assets	9,228,946
Subscription Payable	8,296,578
Accrued Subscription Interest Payable	278,041

These balances were calculated using the facts and circumstances that existed on July 1, 2021, as prescribed by GASB 96. Net position on June 30, 2022, was restated for the removal of the College’s previously reported prepaid expense assets that were eligible for reporting under GASB 96. In addition, the College has adjusted payments for capital assets and principal paid on capital-related debt and leases within the capital and related financing activities on the restated Statement of Cash Flows. There was no impact to the beginning net position as of July 1, 2021.

GASB 96 Impact on Statement of Net Position as of June 30, 2022:

	GASB 96 Impact			
	June 30, 2022, as originally reported	Remove Prepaid Expenses	Add GASB 96 Subscription	June 30, 2022, as Restated
Current assets	\$338,282,218	\$(1,521,007)	\$ -	\$336,761,211
Noncurrent assets	1,031,146,388	-	9,228,946	1,040,375,334
Total assets	1,369,428,606	(1,521,007)	9,228,946	1,377,136,545
Total deferred outflows of resources	2,417,366	-	-	2,417,366
Current liabilities	108,010,006	-	3,895,271	111,905,277
Noncurrent liabilities	272,800,069	-	4,679,349	277,479,418
Total liabilities	380,810,075	-	8,574,620	389,384,695
Total deferred inflows of resources	18,069,975	-	-	18,069,975
Net Position	\$972,965,922	\$(1,521,007)	\$654,326	\$972,099,241

GASB 96 Impact on Statement of Revenues, Expenses, and Changes in Net Position as of June 30, 2022:

	GASB 96 Impact				
	June 30, 2022, as originally reported	Add Prepaid Expenses	Remove GASB 96 Subscription Payments	Add GASB 96 Amortization Expense	June 30, 2022, as Restated
Operating Revenues	\$190,164,508	\$ -	\$ -	\$ -	\$190,164,508
Operating Expenses	680,267,112	1,521,007	(3,395,801)	2,741,475	681,133,793
Operating Income (Loss)	(490,102,604)	(1,521,007)	3,395,801	(2,741,475)	(490,969,285)
Net Non-Operating Revenues (Expenses)	522,453,775	-	-	-	522,453,775
Income (loss) Before Other Revenues, Expenses, Gains or Losses	32,351,171	(1,521,007)	3,395,801	(2,741,475)	31,484,490
Total Other Revenues and Gains	22,429,147	-	-	-	22,429,147
Increase in Net Position	54,780,318	(1,521,007)	3,395,801	(2,741,475)	53,913,637
Net Position- Beginning of Year	918,185,604	-	-	-	918,185,604
Net Position- End of Year	\$972,965,922	\$(1,521,007)	\$3,395,801	\$(2,741,475)	\$972,099,241



VII. Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

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

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

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

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

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

As of July 1, 2022, the Plan had 2,491 total participants, 2,295 of which are active participants and 196 inactive participants receiving benefits. As of July 1, 2021, the Plan had 2,429 total participants, 2,248 of which are active participants and 181 inactive participants receiving benefits. The College contributed \$1,797,997 to the Plan in fiscal year 2023 and \$1,944,596 to the Plan in fiscal year 2022.

Significant Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2023, measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2022 census data. Liabilities rolled forward to June 30, 2023 measurement date.		
Experience study date	2013		
Long-term rate of return on assets	Not applicable		
Salary increases	3.0%		
Discount rate	4.14% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of April 30, 2023		
Ad hoc postemployment benefit changes	None		
Healthcare cost trend rates	Years	Pre-65 Medical	Dental
	2022	7.00%	5.00%
	2023	6.00%	5.00%
	2024+	5.00%	5.00%
	The leveraging effect of co-pays, deductibles, and out of pocket limits on medical cost trend is assumed to be immaterial.		
Projections of sharing benefit-related costs	Retiree contributions are based on the active premium rates without regard to the aging assumption. Per capita contribution rates are \$1,458 for medical and \$99 for dental for 75 Plan retirees per year (\$11,467 for medical and \$495 for dental for Regular retirees)		
Mortality	RP-2014 White Collar Mortality Table with projection scale MP-2021		



The total OPEB liability in the June 30, 2022, measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2021 census data. Liabilities rolled forward to June 30, 2022 measurement date.		
Experience study date	2013		
Long-term rate of return on assets	Not applicable		
Salary increases	3.0%		
Discount rate	3.98% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of April 30, 2022		
Ad hoc postemployment benefit changes	None		
Healthcare cost trend rates	Years	Pre-65 Medical	Dental
	2020	7.00%	5.00%
	2021	6.00%	5.00%
	2022+	5.00%	5.00%
	The leveraging effect of co-pays, deductibles, and out of pocket limits on medical cost trend is assumed to be immaterial.		
Projections of sharing benefit-related costs	Retiree contributions are based on the active premium rates without regard to the aging assumption. Per capita contribution rates are \$1,479 for medical and \$99 for dental for 75 Plan retirees per year (\$10,701 for medical and \$495 for dental for Regular retirees)		
Mortality	RP-2014 White Collar Mortality Table with projection scale MP-2021		

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

Total OPEB liability is sensitive to changes in both the discount rate and the healthcare cost trend rate. The following tables illustrate the potential impact of a one percentage point rate decrease or a one percentage point increase as of June 30, 2023.

Discount Rate

1 % Decrease	Current	1 % Increase
\$40,152,445	\$37,740,235	\$35,497,458

Healthcare Cost Trend Rate

1 % Decrease	Current	1 % Increase
\$34,606,627	\$37,740,235	\$41,277,313

As of June 30, 2022, the potential impact of a one percentage point rate decreases, or increase was as follows:

Discount Rate

1 % Decrease	Current	1 % Increase
\$40,349,818	\$37,922,661	\$35,669,140

Healthcare Cost Trend Rate

1 % Decrease	Current	1 % Increase
\$34,749,991	\$37,922,661	\$41,513,565

Total OPEB Liability

In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the plan's total OPEB liability as of June 30, 2023, was \$37,740,235, and as of June 30, 2022, was \$37,922,661. The College pays claims as incurred, and as a result, the plan does not have assets segregated. Total OPEB expense was \$1,797,997 and \$1,944,596 for June 30, 2023, and June 30, 2022, respectively.

Components of OPEB expense are as follows:

	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022
Service Cost	\$1,476,087	\$1,934,165
Interest Cost	1,482,319	765,417
Expected Return on Plan Assets	-	-
Amortization		
Investment (Gain) Loss	-	-
Assumption Changes	(100,329)	391,542
Experience (Gain) Loss	(1,060,080)	(1,146,528)
Total OPEB Expense	\$1,797,997	\$1,944,596

Changes in the total OPEB liability during the 2023 fiscal year are as follows:

	Total OPEB Liability
Balance as of June 30, 2022	\$37,922,661
Changes for the year:	
Service cost	1,476,087
Interest	1,482,319
Changes of benefit terms	-
Plan amendments	-
Differences between expected and actual experience	952,653
Changes in assumptions or other inputs	(374,554)
Benefit payments	(3,718,931)
Net Changes	(182,426)
Balance as of June 30, 2023	\$37,740,235



Changes in the total OPEB liability during the 2022 fiscal year are as follows:

	Total OPEB Liability
Balance as of June 30, 2021	\$46,933,838
Changes for the year:	
Service cost	1,934,165
Interest	765,417
Changes of benefit terms	-
Plan amendments	-
Differences between expected and actual experience	(3,666,835)
Changes in assumptions or other inputs	(5,420,414)
Benefit payments	(2,623,510)
Net Changes	(9,011,177)
Balance as of June 30, 2022	\$37,922,661

Deferred inflows and outflows of resources as of June 30, 2023, were as follows.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Value on June 30, 2023		
Beginning balance or Value at June 30, 2022	\$ -	(\$10,873,541)
Differences between expected and actual experience	-	2,012,733
Changes of assumptions	-	(274,225)
Total at June 30, 2023	\$ -	(\$9,135,033)

Deferred inflows and outflows of resources as of June 30, 2022, were as follows.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Value on June 30, 2022		
Beginning balance or Value at June 30, 2021	\$4,414,258	(\$6,955,536)
Differences between expected and actual experience	-	(2,520,307)
Changes of assumptions	(4,414,258)	(1,397,698)
Total at June 30, 2022	\$ -	(\$10,873,541)

As of June 30, 2023, the amortization schedule of deferred outflows and inflows of resources for the College is as follows:

Amortization of Net Deferred Outflows (Inflows) of Resources	
2024	(\$1,197,790)
2025	(1,197,790)
2026	(1,197,790)
2027	(1,197,790)
2028	(1,197,790)
Thereafter	(3,146,083)
Amount recognized as a reduction of total OPEB liability	(\$9,135,033)

As of June 30, 2022, the amortization schedule of deferred outflows and inflows of resources for the College is as follows:

Amortization of Net Deferred Outflows (Inflows) of Resources	
2023	(\$1,306,963)
2024	(1,306,963)
2025	(1,306,963)
2026	(1,306,963)
2027	(1,306,963)
Thereafter	(4,338,726)
Amount recognized as a reduction of total OPEB liability	(\$10,873,541)

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

VIII. Retirement Plans

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

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



The College provided retirement plan coverage to 3,485 and 3,380 active employees as of June 30, 2023, and June 30, 2022, respectively.

A. Ivy Tech Community College of Indiana Defined Contribution Retirement Plan

Full-time faculty, administrative staff, full-time support employees hired after July 1, 2014, and eligible part-time support employees are eligible to receive a nonelective contribution to the defined contribution retirement plan sponsored by the College. The College contributes a fixed percentage of compensation on behalf of each eligible employee to the plan. Employees are eligible for participation in the plan on the first day of employment. The employee vests upon completing two years of employment at the College.

During the fiscal year ending June 30, 2023, the College remitted \$24.4 million to Transamerica, representing \$208.0 million in total salaries compared to the \$22.3 million remitted to Transamerica representing \$168.9 million in salaries as of June 30, 2022. During fiscal year 2023, \$178 thousand was forfeited by employees and used to offset other defined contributions and expenses. During fiscal year 2022, \$4 thousand was forfeited by employees. On June 30, 2023, there were 3,304 employees participating in the defined contribution retirement plan compared to 3,156 employees participating on June 30, 2022.

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

B. Public Employees' Retirement Fund

Plan Description

The Indiana Public Retirement System (INPRS) administers 16 pension trust funds including eight defined benefit plans and five defined contribution retirement plans, two other postemployment benefit fund, and one custodial fund. The College participates in the Public Employees' Retirement Fund (PERF) for full-time, non-exempt employees hired prior to July 1, 2014, which is one of the eight defined benefit retirement plans.

The PERF is a cost sharing multiple-employer defined benefit plan based on 35 IAC 21-1-1, 35 IAC 21-1-2 and amended IC 5-10.2-2-11(b). PERF was established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees. Political subdivisions may offer the following plans to their employees: PERF Hybrid, My Choice: Retirement Savings Plan, My Choice: Retirement Savings Plan and PERF Hybrid (employee's choice), PERF Hybrid for existing employees, and PERF Hybrid and My Choice: Retirement Savings Plan. The College participates in the PERF Hybrid Plan.

The PERF Hybrid Plan was established by the Indiana Legislature in 1945 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.2, 5-10.3, 5-10.5. There are two aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the defined contribution component known as the Public Employees' Hybrid Members Defined Contribution Account.

Complete financial statements for INPRS are available online at <https://www.in.gov/inprs/publications/annual-reports/>

Membership

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

Contributions

The College is obligated by statute to make contributions to PERF, which are determined by the INPRS Board of Trustees based on actuarial investigation and valuation in accordance with IC 5-10.2-2-11. The funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to fund the pension benefits when they become due. As PERF is a cost-sharing plan, all risks and costs, including benefit costs, are shared proportionately by the participating employers. During fiscal years 2023 and 2022, the College was required to contribute 11.2% of covered payroll per year, which totaled \$860,875 and \$1,033,115 respectively. The PERF Hybrid Plan members contribute 3% of covered payroll to their annuity savings account, which is not used to fund the defined benefit pension for the PERF Hybrid Plan. The employer may elect to make the contributions to the annuity savings account on behalf of the member, which is the case with the College.

Retirement Benefits

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

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

The monthly pension benefits for members in pay status may be increased periodically as cost-of-living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly. There was no COLA for the year ended June 30, 2023. The State approved a COLA increase of one percent as of January 1, 2022. There was no COLA for the year ended June 30, 2021. A COLA of 0.4% is anticipated annually beginning on January 1, 2024.

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



Significant Actuarial Assumptions

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations for the College's participation in PERF on June 30, 2022 is below.

Valuation date:	
Assets	June 30, 2022
Liabilities	June 30, 2021 - Member census data as of June 30, 2021, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2021 and June 30, 2022. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2021, to the June 30, 2022 measurement date.
Actuarial assumptions:	
Experience study date	Period of 5 years ended June 30, 2019
Investment rate of return	6.25%, net of investment expense, including inflation
Cost of living increase	1.00% COLA on January 1, 2022 0.40% January 1, 2024 – December 31, 2033 0.50% January 1, 2034 – December 31, 2038 0.60% January 1, 2039, and after
Future salary increases	2.65%-8.65%
Inflation	2.00%
Mortality-Healthy	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019: General Employee table with a 3-year set forward for males and a 1 year set forward for females.
Mortality-Disabled	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019: General Disabled table with a 140% load.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations for the College's participation in PERF at June 30, 2021 is below.

Valuation date:	
Assets	June 30, 2021
Liabilities	June 30, 2020 - Member census data as of June 30, 2020, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2020 and June 30, 2021. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2020, to the June 30, 2021 measurement date.
Actuarial assumptions:	
Experience study date	Period of 5 years ended June 30, 2019
Investment rate of return	6.25%, net of investment expense, including inflation
Cost of living increase	1.00% COLA on January 1, 2022 0.40% January 1, 2024 – December 31, 2033 0.50% January 1, 2034 – December 31, 2038 0.60% January 1, 2039, and after
Future salary increases	2.65%-8.65%
Inflation	2.00%
Mortality-Healthy	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019: General Employee table with a 3-year set forward for males and a 1 year set forward for females.
Mortality-Disabled	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019: General Disabled table with a 140% load.

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



Geometric Basis on June 30, 2022

	Target Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	20.0%	3.6%
Private Market	15.0%	7.7%
Fixed Income-Ex Inflation-Linked	20.0%	1.4%
Fixed Income-Inflation-Linked	15.0%	(0.3%)
Commodities	10.0%	0.9%
Real Assets	10.0%	3.7%
Absolute Return	5.0%	2.1%
Risk Parity	20.0%	3.8%
Cash and Cash Overlay	(15.0%)	(1.7%)

Geometric Basis on June 30, 2021

	Target Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	20.0%	3.6%
Private Market	15.0%	7.3%
Fixed Income-Ex Inflation-Linked	20.0%	1.5%
Fixed Income-Inflation-Linked	15.0%	(0.3%)
Commodities	10.0%	0.8%
Real Estate	10.0%	4.2%
Absolute Return	5.0%	2.5%
Risk Parity	20.0%	4.4%
Leverage Offset	(15.0%)	(1.4%)

Discount Rate

Total pension liability for each defined benefit plan was calculated using a discount rate of 6.25%. 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 6.25%. Based on those assumptions, each defined benefit pension plan's fiduciary net position was 15 projected to be available to make all projected future benefit payments of current plan members. The long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for each plan.

Net pension liability is sensitive to changes in the discount rate. The following table illustrates, as of June 30, 2022, the potential impact if the discount rate decreases by one percentage point or increases by one percentage point.

1 % Decrease (5.25%)	Current (6.25%)	1 % Increase (7.25%)
\$8,747,472	\$5,177,961	\$2,200,730

Net pension liability is sensitive to changes in the discount rate. The following table illustrates, as of June 30, 2021, the potential impact if the discount rate decreases by one percentage point or increases by one percentage point.

1 % Decrease (5.25%)	Current (6.25%)	1 % Increase (7.25%)
\$6,784,610	\$2,594,062	(\$901,409)

Pension Plan’s Fiduciary Net Position

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

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

The pooled and non-pooled investments are reported at fair value. Fair value is the amount at which an investment could be exchanged 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 <https://www.in.gov/inprs/publications/annual-reports/>

Other Information

Ivy Tech Community College’s proportionate share of the collective net pension liability is \$5,177,961 which is 0.1642% of PERF’s total net pension liability compared to a proportionate share as of June 30, 2021, of \$2,594,062 or 0.1971%, a decrease in proportionate share of 0.0329%. 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, 2022. The actuarial valuation date upon which the total pension liability is based, is June 30, 2022. Standard actuarial roll-forward techniques were used to project the total pension liability computed as of June 30, 2021, to June 30, 2022.

The contribution rates were calculated as of June 30, and the newly calculated contribution rates will become effective January 1, 2023.

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

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, the College’s net pension liability reported as of June 30, 2023, is \$5,177,961 and as of June 30, 2022, was \$2,594,062. The College’s total pension expense was (\$600,364) and (\$1,851,022) as of June 30, 2022, and 2021, respectively. Deferred inflows and outflows of resources were as follows.



As of June 30, 2022	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$111,656	(\$19,692)
Net difference between projected and actual earnings on pension plan investments	639,015	-
Changes of assumptions	701,329	(221,531)
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,557	(1,460,618)
Employer contributions subsequent to measurement date	860,875	
Totals	\$2,318,432	(\$1,701,841)

As of June 30, 2021	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$88,724	(\$51,796)
Net difference between projected and actual earnings on pension plan investments	-	(3,368,153)
Changes of assumptions	1,304,830	(582,675)
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,525	(1,857,117)
Employer contributions subsequent to measurement date	1,019,287	-
Totals	\$2,417,366	(\$5,859,741)

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

Amortization of Net Deferred Outflows (Inflows) of Resources	
2023	(\$601,130)
2024	(47,470)
2025	(271,638)
2026	675,954
2027	-
Thereafter	-
Total	(\$244,284)

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.

IX. Functional Expenses

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

Functional Classification	Natural Classification						2023 Total	Reclassified 2022 Total (As Restated)
	Salaries & wages	Benefits	Scholarships	Utilities	Supplies & other services	Depreciation & Amortization		
Instruction	\$98,785,862	\$32,278,979	\$438,680	\$165,221	\$39,128,466	\$ -	\$170,797,208	\$160,384,528
Institutional support	65,759,937	26,995,254	(79,139,558)	509,396	76,693,070	-	90,818,099	89,128,742
Scholarships & fellowships	676,558	115,216	141,413,081	-	33,605	-	142,238,460	212,021,475
Academic support	58,316,383	18,773,255	1,389,727	5,088	11,617,619	-	90,102,072	83,584,322
Student services	32,346,182	12,839,971	156,754	7,376	10,131,245	-	55,481,528	56,759,444
Operations & maintenance of plant	7,232,260	3,010,545	-	12,229,051	2,778,550	-	25,250,406	36,363,863
Depreciation	-	-	-	-	-	45,246,980	45,246,980	39,475,615
Auxiliary services	264,582	90,122	-	40,757	(1,106,851)	-	(711,390)	2,660,341
Public services	75,449	18,473	-	-	703,865	-	797,787	755,463
TOTAL	\$263,457,213	\$94,121,815	\$64,258,684	\$12,956,889	\$139,979,569	\$45,246,980	\$620,021,150	\$681,133,793

Functional Classification	Natural Classification						Reclassified 2022 Total (As Restated)	2021 Total
	Salaries & wages	Benefits	Scholarships	Utilities	Supplies & other services	Depreciation & Amortization		
Instruction	\$94,910,703	\$29,920,491	\$ -	\$132,387	\$35,420,947	\$ -	\$160,384,528	\$174,997,392
Institutional support	60,765,117	23,197,007	(67,640,646)	2,903	72,804,361	-	89,128,742	43,301,736
Scholarships & fellowships	257,726	77,261	211,640,216	-	46,272	-	212,021,475	188,718,766
Academic support	55,872,921	17,235,053	258,008	2,377	10,215,963	-	83,584,322	73,627,353
Student services	31,187,802	11,645,479	585,239	1,667	13,339,257	-	56,759,444	49,810,284
Operations & maintenance of plant	7,213,692	2,622,435	-	10,985,766	15,541,970	-	36,363,863	34,329,342
Depreciation	-	-	-	-	-	39,475,615	39,475,615	32,991,255
Auxiliary services	187,591	181,306	-	212,827	2,078,617	-	2,660,341	4,327,063
Public services	89,757	15,284	707	-	649,715	-	755,463	677,918
TOTAL	\$250,485,309	\$84,894,316	\$144,843,524	\$11,337,927	\$150,097,102	\$39,475,615	\$681,133,793	\$602,781,109



X. Commitments and Contingencies

A. Accrual of Loss Contingency

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

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

The College has been named a defendant in three (3) pending litigation matters: one (1) in Floyd County Circuit Court, one (1) in the U.S. District Court for the Northern District of Indiana, and one (1) in the U.S. District Court for the Southern District of Indiana. In addition to these matters, the College has eight (8) open charges with the Equal Employment Opportunity Commission ("EEOC") and one (1) pending charge with the Indiana Civil Rights Commission ("ICRC").

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

B. Pollution Remediation

In accordance with the criteria outlined in GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations, the College has a remediation obligation related to the Indianapolis East Washington Street location, and the Indiana Department of Environmental Management has issued a notice of liability for the property. The notice states trichloroethylene concentrations were above the Indiana Department of Environmental Management Remediation Closure Guide commercial/industrial screening level. As of October 19, 2023, the College estimates a cost of no more than \$400,000 for remediation in which insurance is expected to cover a majority of the cost; therefore, no contingency was recorded.

C. Subsequent Events

None

D. Construction Work In Progress

The following table presents the construction projects in process as of June 30, 2023:

Security Project- Lake County	\$746,589
Franklin Buildout - Warehouse	408,992
Elevator Modernization	301,886
Water Infiltration Repair Colis	290,203
HVAC Project Coliseum Bldg. 1	420,302
Fisher Electrical - Insurance	1,790,764
Industrial 4.0 Equipment	582,252
Statewide Facilities Plan	901,944
C4 Concrete Repairs	263,225
Sheridan Remodel/Literacy Ctr.	264,873
E. Chicago Welding Lab Project	1,765,581
EC Renovation Cap Project	281,784
Harshman Hall Project	523,239
Health Sciences Renovation Ph 2	379,156
Insurance Refund Richmond	334,719
EDA Sellersburg Pfau Hall - Fed	553,341
Ogle Fund Library Renovation 22	389,661
Baptist Health Pfau Hall	695,988
Various Repair & Rehabilitation & Parking Lot Projects	3,826,432
Total Construction Work In Progress	\$14,720,931

The following table presents the construction projects in process as of June 30, 2022:

E. Chicago Welding Lab Project	\$668,751
Harshman Hall Project – Ft. Wayne	510,367
PAET WHIN Impact Construction-Lafayette	229,076
PAET WHIN Impact Match – Lafayette	89,034
WHIN Initiative Field Tiles-Lafayette	218,532
Fisher Wellness Project – Muncie	101,108
Trails Partnership Restrooms-Terre Haute	259,039
Workday Implementation Project-Statewide	2,056,392
Various Repair & Rehabilitation & Parking Lot Projects	7,041,579
Total Construction Work In Progress	\$11,173,878

XI. 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.



Property, with a \$500,000,000 policy limit and \$50,000 deductible for damage to buildings and building contents for most causes of loss; General Liability, with an \$850,000 per occurrence limit, \$3,400,000 general aggregate limit, and a \$150,000 retention; Educators' Legal Liability, with a \$25,000,000 per claim limit and \$25,000,000 annual aggregate and a \$225,000 retention; Internships & Professional Liability, with a \$1,000,000 per claim limit, \$3,000,000 annual aggregate limit, and \$10,000 deductible; Healthcare Professional Liability to include participation in the Indiana Patient's Compensation Fund with a \$500,000 per claim limit, \$1,500,000 aggregate, and \$15,000 deductible; Auto Liability, with a \$1,000,000 combined single limit; Foreign Liability, with a \$1,000,000 per occurrence limit and a \$5,000,000 general aggregate; Excess Liability, with a \$25,000,000 per occurrence limit; Crime, with \$3,000,000 per loss limit and a \$35,000 retention; Fiduciary Liability with a \$3,000,000 limit for all claims; Cyber Liability with a \$20,000,000 Total aggregate limit, split between four carriers, \$5,000,000 policy limit each carrier. Primary carrier with a \$5,000,000 aggregate limit and a \$250,000 retention. Each succeeding carrier precedes the subsequent carrier's \$5,000,000 limit; International Travel Accident & Sickness with a \$250,000 per person benefit to cover student, staff and guest travelers; and Student Accident, with a \$3,000 per injury limit. The College does provide access to a healthcare insurance plan for international students, paid for by the students.

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

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

The College has two healthcare plans for full-time benefit eligible employees. Additionally, the College has two healthcare plans for retirees not eligible for Medicare. All employee/retiree plans are self-funded. At June 30, 2023, actuaries calculated the 2023 unpaid unreported claim liability to be \$3.2 million for the medical plan and \$55 thousand for the dental plan. Prior year totals were \$2.8 million for the medical plan and \$45 thousand for the dental plan in 2022 and \$2.5 million for the medical plan and \$57 thousand for the dental plan in 2021. Additionally, the unpaid liability includes \$722 thousand of medical and \$91 thousand of dental expenses that were invoiced in July 2023 for services incurred in June 2023. As of June 2022, there were \$364 thousand of medical and \$78 thousand of dental expenses invoiced in July 2022 but incurred in June 2022.

Changes in the balance of claims liabilities are as follows:

	FY23	FY22	FY21
Claims Incurred	\$52,925,567	\$42,854,853	\$39,114,285
Claims Paid	\$(52,543,698)	\$(42,566,809)	\$(39,490,250)
Claims Incurred but Unpaid 6/30	\$381,869	\$288,044	\$(375,965)
Unpaid Unreported Claims - Beginning Balance	\$2,853,322	\$2,565,278	\$2,941,243
Unpaid Unreported Claims – Ending Balance	\$3,235,191	\$2,853,322	\$2,565,278

As of June 30, 2023, the College has a reserve (the excess of employer share over claims paid) in the amount of \$ 8.1 million. As of June 30, 2022, the reserve was \$14.7 million.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COLLEGE'S OTHER POSTEMPLOYMENT BENEFITS							
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability—beginning	\$37,922,661	\$46,933,838	\$44,090,257	\$45,592,026	\$43,178,310	\$43,136,472	\$43,753,369
Service cost	1,476,087	1,934,165	1,886,671	1,806,581	1,774,855	1,905,089	2,142,987
Interest	1,482,319	765,417	1,176,891	1,299,962	1,603,853	1,563,656	1,391,731
Changes of benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	952,653	(3,666,835)	(1,551,773)	(3,949,722)	(1,744,880)	(1,073,714)	(624,300)
Changes of assumptions or other inputs	(374,554)	(5,420,414)	3,008,357	992,057	2,223,332	(467,965)	(1,518,443)
Benefit payments	(3,718,931)	(2,623,510)	(1,676,565)	(1,650,647)	(1,443,444)	(1,885,228)	(2,008,872)
Total OPEB liability-end	37,740,235	37,922,661	46,933,838	44,090,257	45,592,026	43,178,310	43,136,472
Covered employee payroll	\$217,804,845	\$208,304,528	\$198,966,214	\$191,240,512	\$190,453,691	\$189,194,063	\$189,812,818
Total OPEB liability as percentage of covered employee payroll	17%	18%	24%	23%	24%	23%	23%

GASB Statement No. 75 requires disclosure of a 10-year schedule. However, until a full 10-year trend is compiled, the information is presented for those years for which information is available.

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



SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
College's proportion of the net pension liability	0.164%	0.197%	0.228%	0.267%	0.311%
College's proportion of the net pension liability (asset)	\$ 5,177,961	\$ 2,594,062	\$6,880,760	\$8,807,995	\$10,573,983
College's covered payroll	\$ 9,448,876	\$10,869,126	\$12,298,481	\$13,885,017	\$15,882,656
College's proportionate share of the collective net pension liability (asset) as a percentage of its covered payroll	54.8%	23.9%	55.9%	63.4%	66.6%
Plan fiduciary net position as a percentage of the total pension liability	82.5%	92.5%	81.4%	79.4%	78.9%

SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY CONTINUED

	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
College's proportion of the net pension liability	0.370%	0.441%	0.508%	0.597%
College's proportion of the net pension liability (asset)	\$16,525,557	\$19,997,294	\$20,669,978	\$15,685,882
College's covered payroll	\$18,376,394	\$21,117,060	\$24,308,288	\$29,142,157
College's proportionate share of the collective net pension liability (asset) as a percentage of its covered payroll	89.9%	94.7%	85.0%	53.8%
Plan fiduciary net position as a percentage of the total pension liability	76.6%	75.3%	77.3%	84.3%

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

SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS					
	2022	2021	2020	2019	2018
Contractually required contribution	\$1,033,115	\$1,202,591	\$1,369,354	\$1,548,399	\$1,774,851
Contributions in relation to the contractually required contributions	(1,033,115)	(1,202,591)	(1,369,354)	(1,548,399)	(1,774,851)
Contribution deficiency (excess)	-	-	-	-	-
College's covered payroll	\$9,448,876	\$10,869,126	\$12,298,481	\$13,885,017	\$15,882,656
Contributions as a percentage of covered-payroll	10.9%	11.1%	11.2%	11.2%	11.2%

SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS CONTINUED				
	2017	2016	2015	2014
Contractually required contribution	\$2,058,160	\$2,365,111	\$2,729,685	\$3,258,170
Contributions in relation to the contractually required contributions	(2,058,160)	(2,365,111)	(2,729,685)	(3,258,170)
Contribution deficiency (excess)	-	-	-	-
College's covered payroll	\$18,376,394	\$21,117,060	\$24,308,288	\$29,142,157
Contributions as a percentage of covered-payroll	11.2%	11.2%	11.2%	11.2%

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



Notes to RSI:

Fiscal Year 2023 Changes in Assumptions and Benefit Terms

The discount rate, per capita claim costs, per capita retiree contributions, and the mortality table have been updated since the prior measurement date. No additional changes are anticipated between the measurement date and the College's reporting date of June 30, 2023. The annual age 65 per capita claims cost increased by \$1,328 for pre-Medicare medical and \$0 for dental in fiscal year 2023. Additionally, the assumption for per capita retiree contributions decreased by \$21 for medical and increased \$0 for dental for 75 Plan retirees per year; for regular retirees, the amount increased by \$766 in fiscal year 2023 to \$11,467 and remained the same for dental at \$495.

As of January 1, 2009, the College is no longer accepting new participants into the 75 Plan. This is the portion of the College's other postemployment benefits plan where employees retiring between the age of fifty-five (55) and sixty-five (65), whose combined age and years of continuous benefit-eligible service equal at least seventy-five (75), were hired on or before December 31, 2008 and were benefits-eligible and continuously employed in a benefits-eligible position on or prior to December 31, 2008, may elect to remain in the College group medical and/or dental programs. The employees who meet these requirements and remain in the 75 Plan pay the same premium as an active employee, which is subsidized by the College until they become eligible for Medicare at which time they may continue in the regular Plan. This is the only change in benefit terms, and as of June 30, 2023, no other changes to benefit terms are anticipated.

Fiscal Year 2022 Changes in Assumptions and Benefit Terms

The discount rate, per capita claim costs, per capita retiree contributions, and the mortality table have been updated since the prior measurement date. No additional changes are anticipated between the measurement date and the College's reporting date of June 30, 2022. The annual age 65 per capital claims cost increased by \$356 for pre-Medicare medical and \$0 for dental in fiscal year 2022. Additionally, the assumption for per capita retiree contributions increased by \$64 for medical and increased \$0 for dental for 75 Plan retirees per year; for regular retirees, the amount increased by \$264 in fiscal year 2022 to \$10,701 and remained the same for dental at \$495.

As of January 1, 2009, the College is no longer accepting new participants into the 75 Plan. This is the portion of the College's other postemployment benefits plan where employees retiring between the age of fifty-five (55) and sixty-five (65), whose combined age and years of continuous benefit-eligible service equal at least seventy-five (75), were hired on or before December 31, 2008 and were benefits-eligible and continuously employed in a benefits-eligible position on or prior to December 31, 2008, may elect to remain in the College group medical and/or dental programs. The employees who meet these requirements and remain in the 75 Plan pay the same premium as an active employee, which is subsidized by the College until they become eligible for Medicare at which time they may continue in the regular Plan. This is the only change in benefit terms, and as of June 30, 2022, no other changes to benefit terms are anticipated.

Fiscal Year 2021 Changes in Assumptions and Benefit Terms

The discount rate, per capita claim costs, per capita retiree contributions, and the mortality table have been updated since the prior measurement date. No additional changes are anticipated between the measurement date and the College's reporting date of June 30, 2021. The annual age 65 per capital claims cost increased by \$755 for pre-Medicare medical and \$26 for dental in fiscal year 2021. Additionally, the assumption for per capita retiree contributions increased by \$78 for medical and increased \$4 for dental for 75 Plan retirees per year; for regular retirees, the amount increased by \$416 in fiscal year 2020 to \$10,437 and increased \$20 for dental to \$495.

As of January 1, 2009, the College is no longer accepting new participants into the 75 Plan. This is the portion of the College's other postemployment benefits plan where employees retiring between the age of fifty-five (55) and sixty-five (65), whose combined age and years of continuous benefit-eligible service equal at least seventy-five (75), were hired on or before December 31, 2008 and were benefits-eligible and continuously employed in a benefits-eligible position on or prior to December 31, 2008, may elect to remain in the College group medical and/or dental programs. The employees who meet these requirements and remain in the 75 Plan pay the same premium as an active employee, which is subsidized by the College until they become eligible for Medicare at which time they may continue in the regular Plan. This is the only change in benefit terms, and as of June 30, 2021, no other changes to benefit terms are anticipated

Fiscal Year 2023: PERF Plan Amendments and Assumption Changes

Plan Amendments

In 2022, there were no changes to the plan provisions during the fiscal year.

Assumption Changes

In 2022, there were no changes to the actuarial assumptions during the fiscal year.

Information regarding the annual money-weighted rate of returns on pension plan investments may be found online at https://www.in.gov/inprs/files/INPRSAnnualReportBook_FY22.pdf

Fiscal Year 2022: PERF Plan Amendments and Assumption Changes

Plan Amendments

In 2021, the PERF defined benefit plan was modified pursuant to House Enrolled Act 1001. This granted a 1.00% cost-of-living adjustment effective January 1, 2022.

Assumption Changes

In 2021, there were several economic assumption changes. The investment return assumption decreased to 6.25% from 6.75% in 2020. The inflation assumption decreased to 2.00% in 2021 compared to 2.25% in 2020. Future salary assumptions decreased slightly in the service-based table to 2.65%-8.65%. The service-based table was 2.75%-8.75% in 2020. Additionally, the Board approved portfolio revisions that will increase the plan's target allocation for total exposure to equal 115%.

Information regarding the annual money-weighted rate of returns on pension plan investments may be found online at <https://www.in.gov/inprs/files/INPRSAnnualReportBook2021.pdf>.

Fiscal Year 2021: PERF Plan Amendments and Assumption Changes

Plan Amendments

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



Assumption Changes

In 2020, the future salary increase assumption changed from an age-based table ranging from 2.50 percent to 4.25 percent to a service-based table ranging from 2.75 percent to 8.75 percent.

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

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

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

The disability assumption was updated based on recent experience.

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

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

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

Information regarding the annual money-weighted rate of returns on pension plan investments may be found online at https://www.in.gov/inprs/files/INPRSConsolidatedAR_FY20.pdf

The following information is presented as additional data and is not subject to the audit opinion expressed by the Indiana State Board of Accounts. These reports were prepared by the management of Ivy Tech Community College of Indiana.

FIVE YEAR TREND IN STUDENT ENROLLMENT

	2018-19	2019-20	2020-21	2021-22	2022-23
Credit Student - Full Time	23,858	22,599	19,971	19,632	21,073
Part Time	139,480	140,054	131,144	135,708	143,737
Total	163,338	162,653	151,115	155,340	164,810
FTE	55,531	54,863	51,349	51,056	54,437
Skills Training Students	10,354	9,964	11,712	14,676	15,086

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.

Skills Training Students

The above information for skills training students represents total unduplicated skills training registrations during the fiscal year. This includes custom training courses as well as open enrollment in both professional development and personal enrichment courses.



IVY TECH
COMMUNITY COLLEGE