IVY TECH COMMUNITY COLLEGE

FINANCIAL REPORT

2024-2025

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IVY TECH
COMMUNITY COLLEGE

PRESIDENT

Dr. Susan Ellspermann

DEAR FRIENDS,

On behalf of the Trustees of Ivy Tech Community College of Indiana, I am pleased to present the College's 2024–2025 Financial Report.

Guided by our mission to deliver Higher Education at the Speed of Life, Ivy Tech continues to innovate to meet the evolving needs of Indiana's students, employers, communities, and economy. Over the past year, our faculty and staff have made impressive strides in their work to transform teaching and learning, expand workforce pathways, elevate the student experience, and optimize our operations across the state.

We are proud to share that in 2024–2025, Ivy Tech again surpassed both our enrollment and completion goals. Total enrollment reached more than 200,000 students, including more than 98,000 Hoosiers pursuing college credit while in high school. Ivy Tech awards nearly half (49%) of all postsecondary credentials earned by Hoosiers from an Indiana public institution – including graduate degrees!

KEY HIGHLIGHTS FROM THE PAST YEAR INCLUDE:

Workforce Upskilling and Reskilling: This year, Ivy Tech released a groundbreaking report underscoring Indiana's urgent need for upskilling and reskilling to remain competitive in today's economy. The report highlights that more than 82,000 Hoosiers per year will need upskilling and reskilling with non-degree credentials to meet workforce demand over the next decade. Ivy Tech is responding by accelerating efforts to deliver short-term credentials, employer-aligned certifications, and flexible learning options that meet the needs of today's students.

Strengthening Indiana's Early Childhood Workforce: Ivy Tech received a transformative $21.9 million grant from Lilly Endowment Inc. to bolster Indiana's early childhood education workforce. This investment will expand credentialing and degree pathways for early learning professionals, support innovation in curriculum delivery, and enhance collaboration with community partners across the state. By addressing critical shortages in this essential sector, Ivy Tech is helping ensure that Indiana's youngest learners have access to high-quality care and education, and that those who serve them receive high-quality education and training, too.

Nursing Workforce Expansion: To address the state's persistent healthcare shortages, Ivy Tech expanded its nursing capacity to more than 900 new seats — far exceeding our commitment of 600 seats. We remain the largest community college nursing program in the country. In fact, more than 1 in 3 registered nurses in Indiana is an Ivy Tech graduate.

Expanding Opportunity with Lilly Scholars: Through our partnership with Eli Lilly and Company to create a 1,000-person technician and operator talent pipeline, the Lilly Scholars program continues to open doors for underrepresented students in fields such as biotechnology, advanced manufacturing, and computer science. This initiative is shaping a diverse, high-tech workforce that will fuel Indiana's innovation economy. This year, we expanded our partnership with Lilly and 16 Tech to launch a state-of-the-art training center focused on advanced manufacturing and digital skills. Located in the heart of Indianapolis' innovation district, 16 Tech, the new center will serve as a hub for hands-on training, industry collaboration, and equitable workforce development — reinforcing our commitment to building the talent pipeline for Indiana's growing life sciences and tech sectors.

Supporting Military-Affiliated Students: This year, all 19 Ivy Tech campuses applied for Indiana's Collegiate Purple Star designation — a recognition for institutions that demonstrate a strong commitment to serving military-connected students. This collective effort reflects our statewide dedication to supporting veterans, active-duty personnel, and their families with tailored resources, services, and pathways to success.

As we look to the future, Ivy Tech remains steadfast in our mission to provide affordable, high-quality postsecondary education and training that every Hoosier can access. We are grateful for your continued support as we build stronger communities, power economic growth, and transform lives through education.

Sincerely,

Sue Ellspermann

Sue Ellspermann, President

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, 2025. 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, 2025, and June 30, 2024, with comparative information for fiscal year 2023. 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 5-8 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,

Dominick Chase

Dominick M. Chase

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audits 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, 2025 and 2024, 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, based on our audits and the reports of the other auditor, 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, 2025 and 2024, 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 1, 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, 2025 and 2024, 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 reports has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audits 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 Audits of the Financial Statements* section of our report. We are required to be independent of the College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Emphasis of Matter

As discussed in Note 1, U to the financial statements, in fiscal year 2025, the College adopted new accounting guidance, GASB Statement 101*, Compensated Absences,* and GASB Statement 102*, Certain Risk Disclosures*. Our opinion is not modified with respect to these matters.

As discussed in Note 1, V to the financial statements, the College presented a prior period adjustment at July 1, 2023, to current liabilities, noncurrent liabilities, net position, operating expenses, and net cash provided (used) by operating activities to reflect changes from the implementation of GASB 101.

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 Audits 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 auditor's reports that include 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 audits.

- 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 audits 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

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 Total Other Postemployment Benefits and Related Ratios, the Schedule of the 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 audits 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 reports. 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 reports 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 audits 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 reports.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2025, 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

Beth Kelley, CPA, CFE
Deputy State Examiner

October 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

This section of Ivy Tech Community College of Indiana's (Ivy Tech) Annual Financial Report presents a discussion and analysis of the financial performance of the College for the fiscal year ending June 30, 2025, and 2024 along with comparative data for the year ending June 30, 2023. The management's discussion and analysis provide 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 has 45 locations in Indiana: 19 full-service campuses, plus 26 satellite locations where students can take classes and receive select student services. Each location offers a unique set of programs and services.

Ivy Tech emphasizes affordability and excellence in meeting the learning needs of both Indiana residents and businesses. Ivy Tech graduates the highest number of associate-level nurses in the nation. In addition, the College offers 70+ programs with true hands-on learning using modern equipment, state-of-the-art labs, and internship and apprenticeship options with a focus on filling Indiana jobs.

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), a component unit of the College under 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. GASB requires the Foundation to be discretely presented in the College's financial statements. Since the Foundation is a private organization, it reports under Financial Accounting Standards Board (FASB) standards instead of GASB. As such, certain revenue recognition criteria and presentation features may differ from GASB standards. 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 Indiana taxpayers demand careful stewardship of State appropriations, student fees, grants and contracts, donor contributions, and other funds. This fiscal year's Annual Financial Report reflects that commitment to Ivy Tech stakeholders.

Overall, the College's financial position continues to strengthen. During fiscal year 2025, the College's net position increased by $52.2 million, a 5.0% increase in net position. There was a $79.1 million increase in net investment in capital assets. This was offset by a decrease in unrestricted net position of $24.1 million and a decrease in restricted net position of $2.8 million. Net position represents the residual interest in the College's total assets and deferred outflows after deducting total liabilities and deferred inflows.

	2025	2024 (As Restated)	2023 (As Restated)
Operating revenues and appropriations	$522,137,466	$509,871,627	$479,014,119
Operating expenses	(695,776,495)	(638,078,205)	(627,311,910)
	(173,639,029)	(128,206,578)	(148,297,791)
Net investment income	46,502,318	34,126,397	12,706,654
Other non-operating net revenue	179,329,790	146,145,943	156,850,644
Increase in net position	**$52,193,079**	**$52,065,762**	**$21,259,507**

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

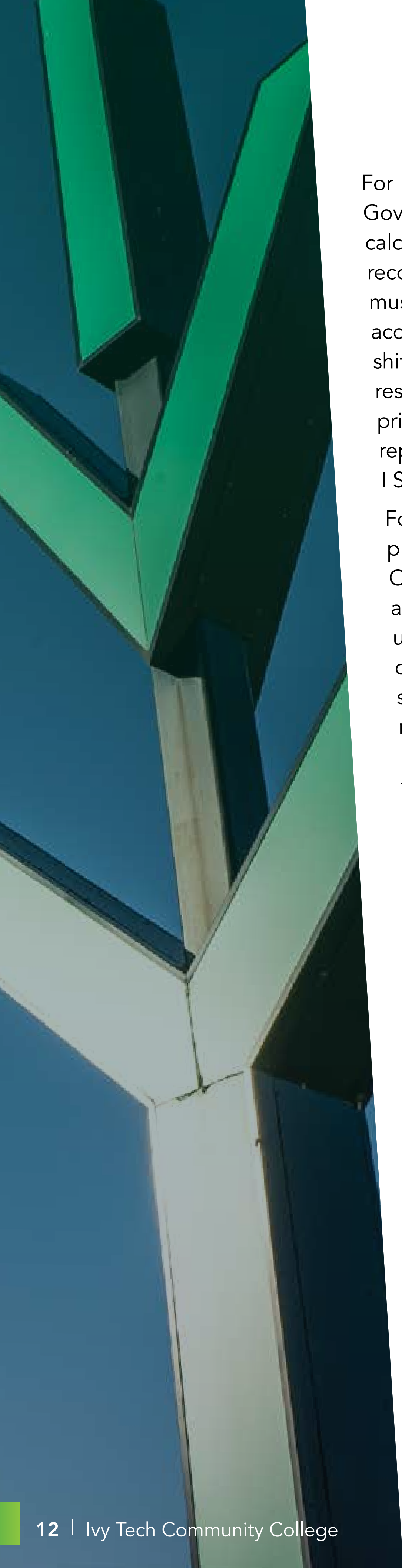
The College's primary source of operating revenue is student tuition and fees. Total enrollment increased to 190,831 (by 6.7%) this year, reaching a five-year high after several years of increasing enrollment, as demonstrated in the Five-Year Trend in Student Enrollment Supplementary Schedule attached 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, including Skills Training Students. The College is using data to convert applications and continuing students to registration, focusing on increasing retention, and offering programs 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 though Ivy+, and Summer-Flex Scholarship to encourage students to take 30 credits per academic year.

The College's primary expense is employee compensation. Ivy Tech employed 7,018 faculty and staff as of Spring and 5,658 as of June 30, 2025 throughout the state. Planned variances in faculty levels occur during the year due to the utilization of 9-month faculty contracts. 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 Employees' 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 July 1, 2024. Wages and benefits expense increased by 6.5% due to elevated inflation, wage growth, and an increase in faculty due to enrollment growth.

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 expanded 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 adjustments to investments in fiscal year 2024 that continued through fiscal year 2025. The College earned a Federal Funds rate minus 20 basis points or an effective Federal Funds rate minus 10 basis points for Tier 1 investments, contributing to increased investment income. Additionally, the College experienced higher investment income on bonds due to the interest rate environment. 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 ($58.6 million in fiscal year 2025) 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 updated their investment policy in January 2025 to target a diversified asset allocation of 55% equity investments, 25% fixed income investments, and 20% alternative investments to achieve its long-term return objectives within prudent risk constraints. The Foundation has a policy of appropriating for distribution of 6% of its endowment fund's asset value each year for the benefit of the College and its students.

Ivy Tech continues to invest in modernizing buildings to serve the needs of its programs. Capital projects may be funded through a combination of public debt bonds and other sources, with debt service payments appropriated by the Indiana General Assembly being reimbursed by the State. On average, the College is paying 2.0% in interest each year ($3.8 million in fiscal year 2025), to manage the investment in capital ($671.9 million in fiscal year 2025) with leveraged debt ($205.1 million in fiscal year 2025). During the fiscal year 2024, the College continued investing in nursing labs and campuses throughout the state and major renovations on the East Chicago campus. The College continues to monitor capital needs and, with the Statewide Facilities Master Plan, outline the College's capital needs for the next few years. For the fiscal year 2025, the college kicked off its campus wide renovation of the Fort Wayne campus, buildout at the Michigan City Campus, and continued progress on the Indianapolis capital project. The College is committed to providing a safe place for students that meets the needs of their educational programs. The strategy is to have the right type of space at the right size for programs.



For the fiscal year ending June 30, 2025, the College adopted the new Governmental Accounting Standards Board (GASB) Statement No. 101 for calculating Compensated Absences (GASB 101). GASB 101 modifies the recognition criteria for compensated absences. Under the new guidance, a liability must be recognized for leave that is attributable to services already rendered, accumulates, and is more likely than not to be used or paid. This represents a shift from the previous "probable" threshold from GASB Statement No. 16 and resulted in broader and higher reported liabilities. This change in accounting principle impacts net position and changes in net position for prior years and is reported retrospectively in accordance with GASB 100, paragraph 16. See Note I Section V. Change in Accounting Principle for further details.

For the fiscal year ending June 30, 2024, the College adopted the new guidance provided from The National Association of College and University Business Officers (NACUBO) Advisory 2023-01 for calculating scholarship discount and allowances. Of the four methods provided by NACUBO, the College elected to use the Student by Term Method (Method A) for calculating its estimate. This new calculation leverages student data available in the College's student information system to match student-specific aid to student-specific charges resulting in a more accurate measure of scholarship discount and allowances. The College also updated the estimated useful lives of its buildings and improvements during the fiscal year as part of a Statewide Facility Master Plan. Historically, Ivy Tech has depreciated its buildings over a useful life of 40 years and its improvements to buildings over the remaining life of the building. After conducting research and assessing the current useful lives of buildings with engineering partners, the College deemed it appropriate to update the estimated useful lives of these assets. For buildings, the College elected to update the useful life of its buildings based on the primary material of the building, resulting in a range of estimated useful life between 25 years for metal sided buildings to 88 years for stone or brick buildings. Building improvements were determined to have an estimated useful life between 20-40 years based on the scope of the improvement. These changes in accounting estimates do not impact the change in net position for prior years and will be reported prospectively in accordance with GASB 100, paragraph 20.

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	2025	2024 (As Restated)	2023 (As Restated)
Current assets	$183,995,898	$185,448,558	$311,178,561
Noncurrent			
Capital assets, net	671,912,880	678,535,353	667,759,883
Other noncurrent assets	577,952,581	550,130,937	388,854,527
Total assets	**1,433,861,359**	**1,414,114,848**	**1,367,792,971**
Deferred outflows of resources	1,572,789	2,161,911	2,318,432
Current liabilities	107,461,608	106,038,886	87,635,014
Noncurrent liabilities	222,496,918	256,601,944	277,065,742
Total liabilities	**329,958,526**	**362,640,830**	**364,700,756**
Deferred inflows of resources	7,858,033	8,211,419	12,051,899
Total net position	**$1,097,617,589**	**$1,045,424,510**	**$993,358,748**

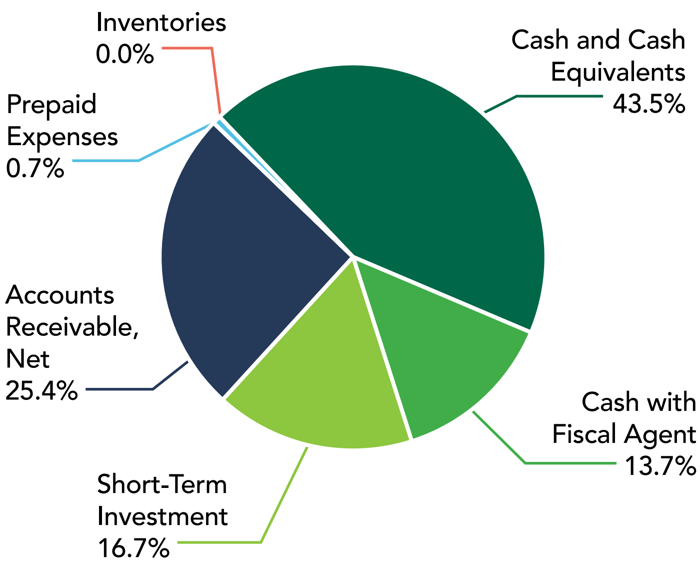
CURRENT ASSETS

Current assets consist of cash and cash equivalents, investments, net accounts receivable, and other assets. Current Assets were relatively consistent between 2025 and 2024 with a decrease of $1.5 million. Cash and cash equivalents increased by $13.1 million driven by an increase in billing, collection, and payment of grant account receivables during the year contributing to a $9.6 million decrease in accounts receivable. The $6.5 million decrease in short-term investments occurred as the college continued its investment strategy of longer-duration bonds to capitalize on the strong interest rate environment.

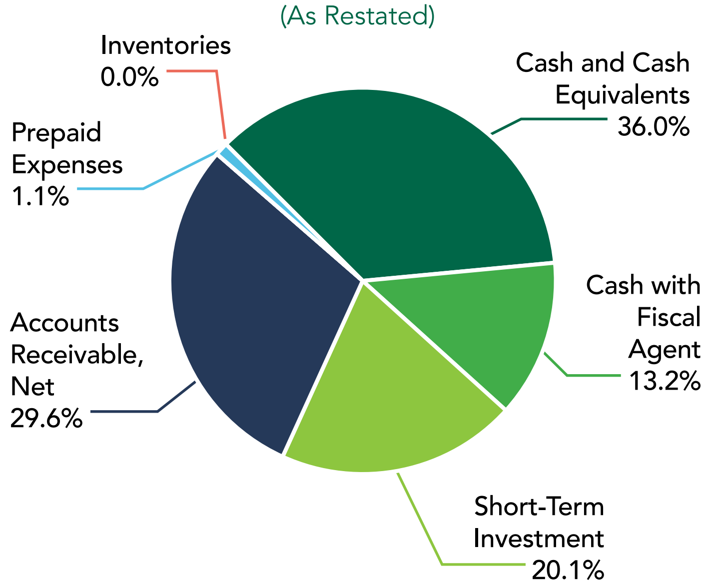
In fiscal year 2024, cash and cash equivalents decreased by $170.4 million as cash was converted to short-term and long-term investments to take advantage of higher yields. Short-term investments increased by $37.2 million due to investment reallocations, income, and realized gains. Accounts receivable increased by $10.8 million due to an increase in grant receivables from private and Federal grants. The following table and chart represent the composition of current assets as of June 30, 2025 and 2024:

	Current Assets June 30, 2025		Current Assets June 30, 2024 (As Restated)	
Cash and cash equivalents	$79,781,890	43.5%	$66,672,981	36.0%
Cash with fiscal agent	25,285,001	13.7%	24,452,046	13.2%
Short-term investments	30,783,719	16.7%	37,304,793	20.1%
Accounts receivable, net	46,804,220	25.4%	54,977,063	29.6%
Inventories	6,399	0.0%	7,409	0.0%
Prepaid expenses	1,334,669	0.7%	2,034,266	1.1%
Total current assets	**$183,995,898**	**100%**	**$185,448,558**	**100%**

Current Assets
June 30, 2025



Current Assets
June 30, 2024
(As Restated)



NONCURRENT ASSETS

Noncurrent assets include deposit with trustee, lease receivables, investments, and capital assets. Fiscal year 2025 saw an increase in long-term investments by $28.0 million due to the college's investment strategy that resulted in a increase in income, realized gains and unrealized gains for the year as shown in Note II. Deposits and Investments.

In fiscal year 2024, long-term investments increased by $161.6 million as cash was invested due to investment reallocations, income, realized gains, and unrealized gains. Also, during fiscal year 2024, deposit with trustee decreased by $162 thousand due to all funds being drawn from the Series W bond construction and earnings accounts held by U.S. Bank.

During fiscal year 2025, net capital assets decreased by $6.6 million or 1.0%. The decrease in net assets can be attributed to the sale of building and land at the Ivy Tech on Sample Street location in South Bend along with the early buyout of the College's network equipment lease. Significant projects that started in full during fiscal year 2025 included the campus-wide renovations of the Fort Wayne and Indianapolis locations with demolition and build-out of new space at the Michigan City campus. These projects along with the continued construction of the East Chicago Renovation Project resulted in an increase in Construction Work in Progress of $5.8 million or 15.5%. Significant projects that were completed in fiscal year 2025 include the Healthcare labs at the Richmond campus, the Industry 4.0 lab in Kokomo, the East Chicago Welding Lab renovation, and the Health and Life Sciences renovation at Pfau Hall in Sellersburg. Furniture, fixtures and equipment increased by $1.5 million or 9.4% in fiscal year in part to the College's continued commitment to expanding our Nursing Programs statewide.

During fiscal year 2024, net capital assets increased by $10.8 million or 1.6%. The increase in assets can be attributed to a rise in Construction Work in Progress and Right-to-use leased equipment. Construction Work in Progress increased by $22.9 million due to the increase in renovations of the East Chicago and Sellersburg campuses along with the expansion of Healthcare and Nursing labs across the state. The increase in Right-to-use lease equipment is due to a new agreement entered into by the College to update the network equipment statewide. A decrease in net book value of Land Improvements, Buildings, and Building Improvements in the fiscal year offset the increase in Construction Work in Progress and Right-to-use leased equipment. The net book value of Land Improvements decreased by $2.4 million or 17.9% due to an increase in accumulated depreciation for the year and minimal improvement projects completed in the fiscal year. The net book value of Buildings and Building Improvements decreased by $15.4 million or 2.8% due to minimal additions to buildings and building improvements for the year and the decrease in the estimated useful life to Fort Wayne and Michigan City campus buildings which are scheduled for major renovations and demolition over the next five years.

CAPITAL ASSETS, NET, AT YEAR-END

	2025	2024 (As Restated)	2023 (As Restated)
Construction work in progress	$43,402,617	$37,587,836	$14,720,931
Land	31,244,721	31,314,377	31,248,943
Land improvements and infrastructure	10,381,231	10,920,240	13,297,294
Buildings	526,158,431	530,344,184	545,777,231
Furniture, fixtures, and equipment	18,027,359	16,483,911	15,438,453
Library materials	78,362	91,561	128,606
Right-to-use lease equipment	993,018	10,330,607	1,602,861
Right-to-use lease buildings	2,511,557	3,034,818	5,115,124
Right-to-use lease land	523,168	541,403	559,638
Right-to-use subscriptions	38,592,416	37,886,416	39,870,802
Totals	**$671,912,880**	**$678,535,353**	**$667,759,883**

Significant additions to capital assets during 2025, 2024 and 2023 included:

	2025	2024 (As Restated)	2023 (As Restated)
EDA Sellersburg Pfau Hall-Health Sciences Renovation	$3,084,520	-	-
Baptist Health Pfau Hall-Life Sciences Renovation	2,495,296	-	-
E. Chicago Welding Lab Renovation	1,766,015	-	-
Richmond Healthcare Labs Building Improvement	1,478,586	-	-
Madison Nursing Expansion Phase 2 Improvement FY25	1,186,147	-	-
SEL Pfau Hall Health and Life Sciences Renovation	1,157,293	-	-
Industrial 4.0 Equipment Lab Renovation	1,114,674	-	-
Salesforce Marketing and Ad Studio Right-to-use subscription	1,734,972	-	-
Adobe Pro DC Right-to-use subscription	1,229,940	-	-
Dual Enroll Right-to-use subscription	1,012,894	-	-
ADA Bathroom Remodel	-	$468,450	-
Ft. Wayne Harshman Hall Project	-	523,239	-
Ross Hall Slate Roof Replacement	-	206,584	-
OIT Network Equipment Refresh Right-to-use Asset	-	9,530,296	-
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
Totals	**$16,260,337**	**$10,728,569**	**$36,079,591**

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, 2025, 2024, and 2023 include:

	2025	2024 (As Restated)	2023 (As Restated)
EC Renovation Cap Project (PA0012)	$11,103,828	$8,486,702	$281,784
MC Demo and New Space Build Out	1,840,799	-	-
C4 Elevator Replacement	1,326,988	543,883	47,100
Fort Wayne Campus Restructure FY24	1,089,317	-	-
Ivy Tech Indianapolis Nursing Restructure	4,366,819	-	-
NMC Elevator Replacement	1,229,585	546,808	41,775
Parking Lot 1 Reconstruction	1,347,096	6,300	-
VAL Welding Lab Exhaust	1,133,216	324,699	-
Statewide Facilities Plan	1,820,977	1,820,977	901,944
Security Project - Lake County	-	746,589	746,589
East Chicago Welding Lab Project	-	1,766,015	1,765,581
EDA Sellersburg Pfau Hall - Fed	-	3,314,621	523,239
Various Repair & Rehabilitation, Parking Lot & Grant Funded Projects	18,143,992	20,031,242	10,412,919
Total construction in progress	**$43,402,617**	**$37,587,836**	**$14,720,931**

As of June 30, 2025, upcoming projects include the renovation of the Indianapolis campus funded by the State and the renovation of the Fort Wayne campus funded through a future bond issuance.

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 the College's pension plan. Deferred outflows in fiscal year 2025 remained consistent when compared to fiscal year 2024 and 2023.

CURRENT LIABILITIES

Current liabilities include accounts payable and accrued liabilities, 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. Fiscal year 2025 remained consistent when compared to fiscal year 2024 and 2023, with only a slight increase of $1.4 million, driven mainly by the college's adoption of "GASB 101, Compensated Absences," which updated the college's calculation of reporting compensated absences, and a slight increase in the current portion of debt obligation. The most notable change in fiscal year 2024 was an increase of $10.8 million in accounts payable and accrued liabilities as there was not a purchasing freeze like there was in fiscal year 2023 due to the transition to Workday.

NONCURRENT LIABILITIES

The College's noncurrent liabilities include long-term compensated absences, long-term debt, net pension liability, and other postemployment benefits. Pension and OPEB obligations continue to fluctuate based on actuarial assumptions, market valuation of investments, and contributions to the plans. As a result, combined pension and OPEB liabilities experienced changes of $0.6 million, $1.0 million and $2.4 million in fiscal years 2025, 2024 and 2023 respectively.

In fiscal year 2025, long-term lease obligations decreased $7.8 million due to the early termination of Right-to-use leased assets and SBITAs. Additionally, long-term bond obligations and related premiums decreased by $24.6 million during the year due to scheduled payments.

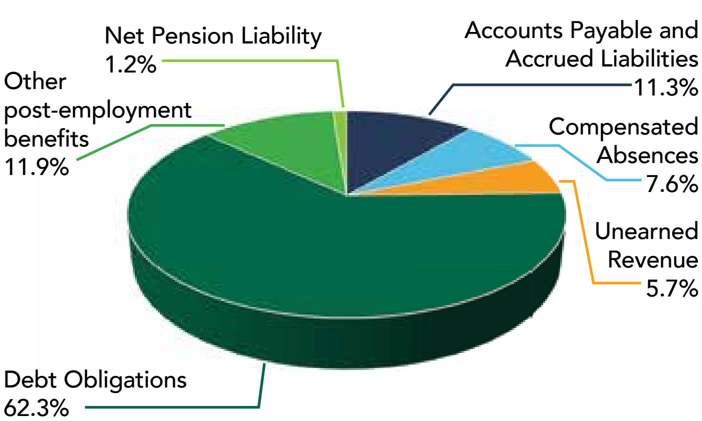
During the year ended June 30, 2024, total bond obligations and related premiums decreased by $22.4 million due to scheduled debt payments and the refunding of the Series R Bond. The decrease in bond obligations was offset by the addition of $5.1 million in GASB 87 lease obligations.

The College periodically reviews its debt capacity and related capital assets needs to optimize the use of its long-term resources. As of June 30, 2025, the College's outstanding debt held an investment grade credit rating of 'AA+' from both Standard & Poor's and Fitch, with a stable outlook. Additional information about noncurrent liabilities is presented in Note IV.

The following table and charts represent the composition of liabilities as of June 30, 2025 and 2024.

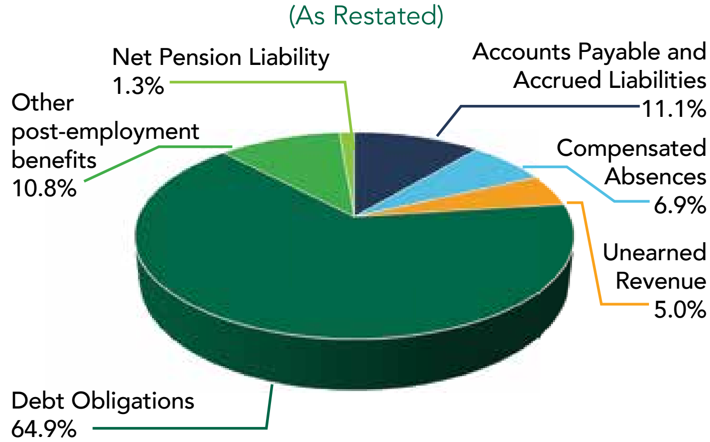
	Total Liabilities June 30, 2025		Total Liabilities June 30, 2024 (As Restated)	
Accounts payable and accrued liabilities	$37,392,311	11.3%	$40,158,699	11.1%
Compensated absences	25,102,239	7.6%	24,877,972	6.9%
Unearned revenue	18,952,234	5.7%	18,213,929	5.0%
Debt obligations	205,142,165	62.3%	235,461,915	64.9%
Other post-employment benefits	39,373,259	11.9%	39,289,711	10.8%
Net pension liability	3,996,318	1.2%	4,638,604	1.3%
Total Liabilities	**$329,958,526**	**100%**	**$362,640,830**	**100%**

TOTAL LIABILITIES JUNE 30, 2025



TOTAL LIABILITIES JUNE 30, 2024

(As Restated)



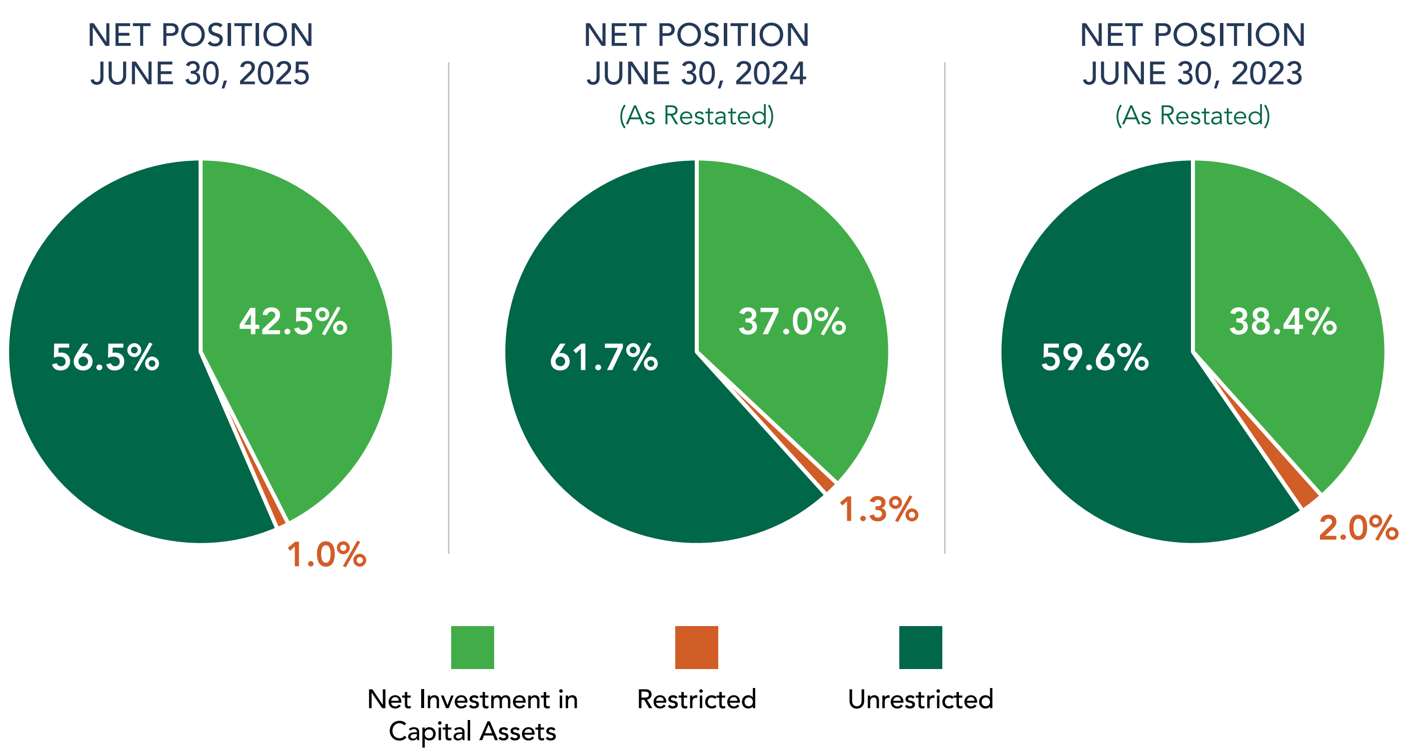
DEFERRED INFLOWS OF RESOURCES

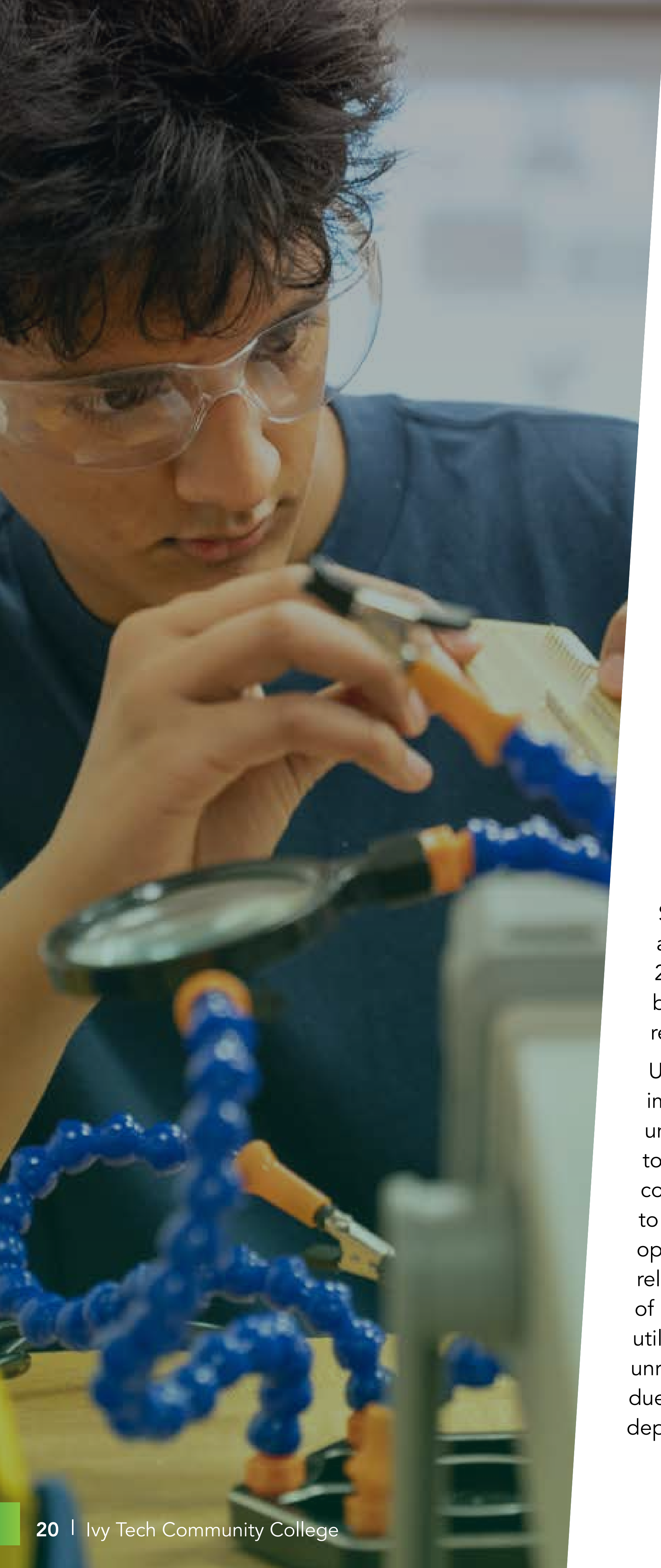
Deferred inflows of resources are the acquisition of net assets applicable to future reporting periods. For the College, the deferred inflows primarily relate to pension and OPEB activity and certain leases where the College is the lessor. The pension and OPEB deferred inflows are the result of plan projected and actual investment contributions, changes in assumptions, and participants. As a result, combined pension and OPEB deferred inflows decreased by $84 thousand during fiscal year 2025 and decreased by $3.6 million during fiscal year 2024. Additional information about deferred inflows of resources is presented 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, 2025, 2024, and 2023 was as follows:

	2025		2024 (As Restated)		2023 (As Restated)	
Net investment in capital assets	$466,133,174	42.5%	$386,988,666	37.0%	$380,986,490	38.4%
Restricted:						
Nonexpendable	-		-		-	
Expendable	11,259,357	1.0%	14,107,350	1.3%	19,917,264	2.0%
Unrestricted	620,225,058	56.5%	644,328,494	61.7%	592,454,994	59.6%
Totals	**$1,097,617,589**	**100%**	**$1,045,424,510**	**100%**	**$993,358,748**	**100%**





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 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, held primarily on behalf of the College.

Restricted expendable net position is subject to externally imposed restrictions governing its use. Such net position includes restricted quasi-endowments, restricted gifts, and federal and state sponsored programs. In fiscal year 2025, expendable restricted net position decreased $2.8 million due to the completion of state appropriation funding projects. During fiscal year 2024, expendable restricted net position decreased by $5.8 million due to the completion of numerous repair and renovation projects.

Unrestricted net position is not subject to externally imposed restrictions; however, much 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. Fiscal year 2025 saw a decrease of $24.1 million due to investment in capital projects utilizing unrestricted funding. In fiscal year 2024, unrestricted net position increased by $51.9 million due to an increase in state appropriations, reduction in depreciation expense, and investment income.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

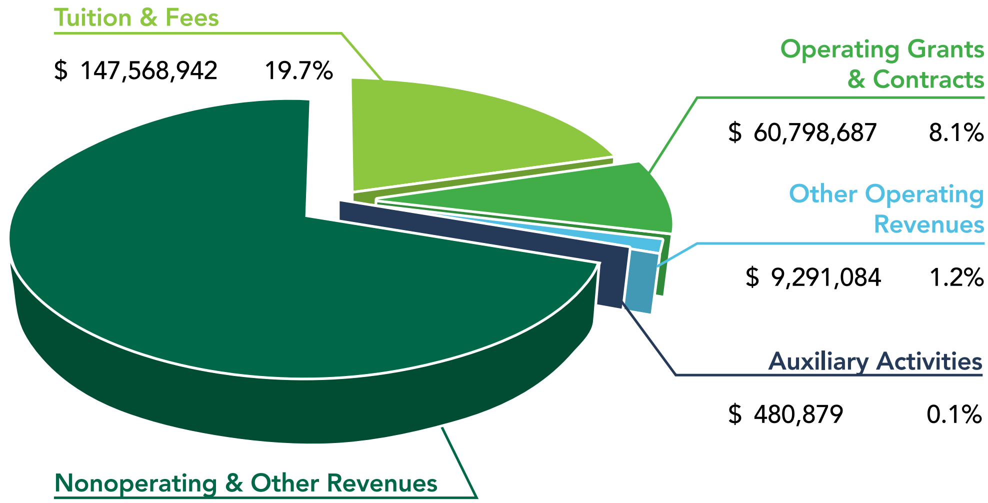
The Statement of Revenues, Expenses, and Changes in Net Position presents the operating results of the College, as well as the nonoperating revenues and expenses. Operating revenues primarily include net student tuition and fees, grants and contracts, and auxiliary activities. Given a public college's 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, 2025, 2024, and 2023 follows:

Year Ended June 30	2025	2024 (As Restated)	2023 (As Restated)
Student tuition and fees, net	$147,568,942	$140,036,539	$139,885,365
Grants and contracts	60,798,687	59,359,754	47,509,222
Auxiliary and other	9,771,963	9,758,001	11,515,031
Total operating revenues	218,139,592	209,154,294	198,909,618
Operating expenses	(695,776,495)	(638,078,205)	(627,311,910)
Total operating losses	(477,636,903)	(428,923,911)	(428,402,292)
Nonoperating revenues	527,541,022	481,511,136	453,067,803
Nonoperating expenses	(6,440,919)	(5,243,663)	(10,005,797)
Income before other revenues, expenses, gains, or losses	43,463,200	47,343,562	14,659,714
Other revenues	8,729,879	4,722,200	6,599,793
Increase in net position	52,193,079	52,065,762	21,259,507
Net position, beginning of year	1,045,424,510	993,358,748	972,099,241
Net position, end of year	**$1,097,617,589**	**$1,045,424,510**	**$993,358,748**

The College is supported by a multiple 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.

TOTAL NET REVENUES BY SOURCE FOR THE FISCAL YEAR ENDING JUNE 30, 2025



State & Capital Appropriations	$ 312,648,693	41.8%
Nonoperating Gifts, Grants, Contracts	$ 177,111,865	23.7%
Investments & Other Gains/Losses	$ 40,069,424	5.4%
	$ 529,829,982	70.9%

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 $20.1 million or 8% as the result of an increase in full-time equivalent enrollment and a tuition rate increase. The tuition and fee increase, which was offset by an increase in scholarship discounts of $12.6 million, produced an increase in net tuition of $7.5 million. Grants and contracts increased by $1.4 million or 2.4%, primarily due to increases in state and nongovernmental grants.

In 2024, gross student tuition and fees assessed for educational purposes increased by $30.5 million or 13.9% as the result of an increase in full-time equivalent enrollment and a tuition rate increase, which was offset by an increase in scholarship discounts of $30.4 million, producing an increase in net tuition of $151 thousand. In 2024, grants and contracts increased by $11.9 million or 24.9% primarily due to increases in federal and nongovernmental grants. In 2024, we started presenting grants and contracts based on their prime sponsor instead of their direct sponsor to improve efficiency in the reconciliation of grant activity, which contributed to the increase of federal grants and decrease in state grants. In 2024, auxiliary enterprises increased by $32 thousand or 3.5% due to increased catering and rental sales.

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 increases in nonoperating revenue during 2025 were due to increases in governmental grants and contracts ($31.1 million) due to increase enrollment and associated financial aid and investment income ($12.4 million) due to increase real and unrealize gains. These increases were partially offset by losses on the disposal of capital assets and leases ($2.8 million).

Most of the increases in nonoperating revenue during 2024 were due to increases in state appropriations ($20.6 million) and investment income ($21.4 million). These increases were partially offset by decreases in federal grants and contracts ($16.0 million) and capital gifts & grants ($2.9 million).

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 2025. The College depends on its highly skilled and qualified workforce to continue successfully executing its mission. As a result, these expenses increased in 2025 by $24.5 million or 6.5% to provide a performance increase to full-time employees that was effective July 1, 2024, and increases to employee benefits including OPEB, fee remission, tuition assistance, PERF, and accrued vacations. Scholarship expenses increased by $15.5 million due to increased tuition and enrollment. Supplies and other services increased by $14.0 million due to increases in enrollment that have caused increases in apprentice contract expense and other classroom and student costs to facilitate student learning. Depreciation and amortization increased by $3.1 million due to increase capital assets and accelerated depreciation on buildings scheduled to be demolished.

In 2024, salaries and benefits increased by $11.2 million due to salary increases. Scholarship expenses decreased by $10.8 million due primarily to the change in accounting estimate related to scholarship allowances. Scholarship allowances increased which reduced student aid expense. Supplies and other services increased by $17.8 million due to increases in enrollment that have caused increases in apprentice contract expense and other classroom and student costs to facilitate student learning. Depreciation and amortization decreased by $6.2 million due to the College changing its policy on the useful life of its buildings.

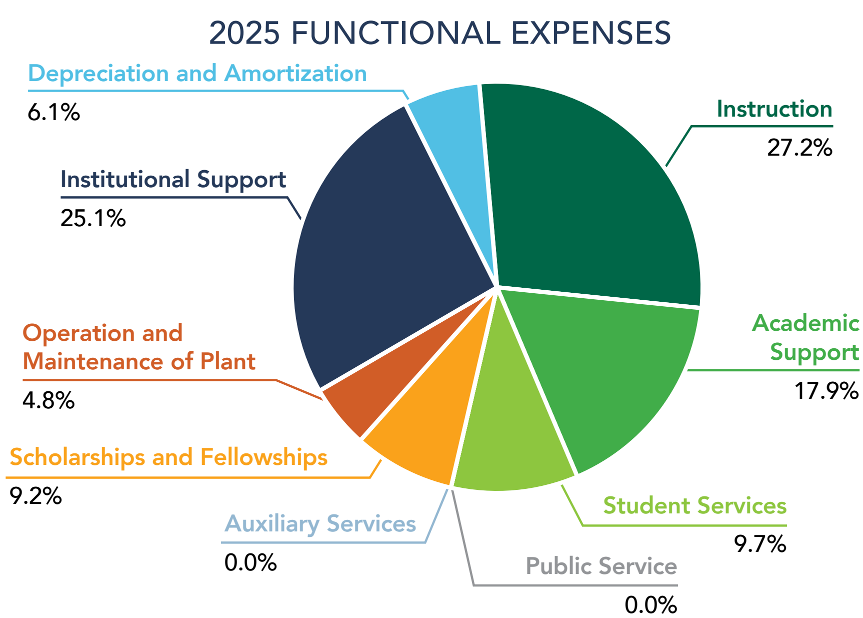
In addition, the College is required to report operating expenses by their functional categories:

Functional Classification	2025	2024 (As Restated)	2023 (As Restated)
Instruction	$189,051,413	$179,351,092	$170,797,209
Institutional support	174,476,884	166,283,480	178,355,178
Scholarships & fellowships	64,326,310	50,850,892	61,992,141
Academic support	124,437,230	107,128,836	90,102,072
Student services	67,167,901	60,781,086	55,481,528
Operations & maintenance of plant	33,191,316	33,405,717	25,250,406
Depreciation & amortization	42,206,161	39,084,382	45,246,979
Auxiliary services	608,774	848,671	(711,390)
Public services	310,506	344,049	797,787
Total	**$695,776,495**	**$638,078,205**	**$627,311,910**

As a percentage of total operating expenses, academic support increased by 1.1%, while scholarships and fellowships increased by 1.3% in fiscal year 2025. Academic support increased as the College has continued investing in personnel, technology, and tools to improve our student retention and completion as enrollment grows. Scholarships & fellowships increased due to increased enrollment. Instruction decreased by 0.9% and Institutional Support decreased by 1.0%. The other functional expenses did not show a notable change from the prior year.

During fiscal year 2024 as a percentage of total operating expenses, academic support increased by 2.4%, while scholarships and fellowships decreased by 1.9%. Academic support increased as the College has continued investing in personnel, technology, and tools to improve our student retention and completion. Scholarships and fellowships decreased primarily due to the change in accounting estimate for scholarship allowances. With the new scholarship allowance estimate, scholarship allowances increased in fiscal year 2024 while scholarship and fellowships expense decreased. The other functional expenses did not show a notable change from the prior year.

Operating expenses by source for the year ended June 30, 2025:



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.

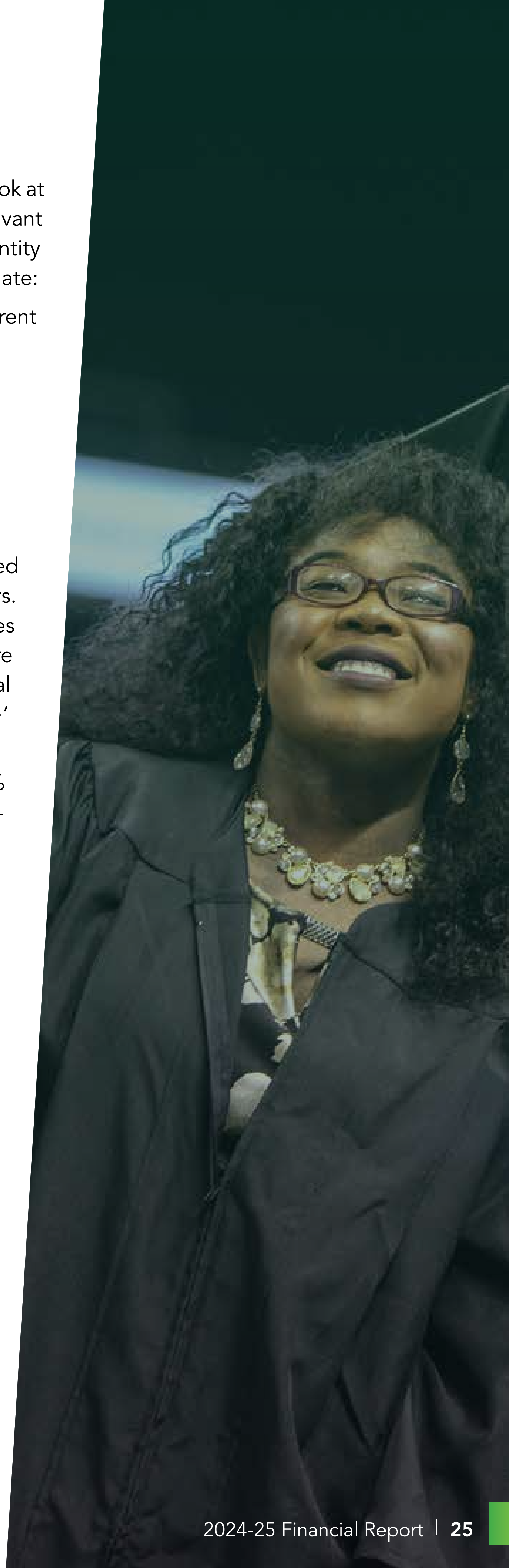
FACTORS IMPACTING FUTURE PERIODS

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 adjusted 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+' credit rating for the College's long-term debt.

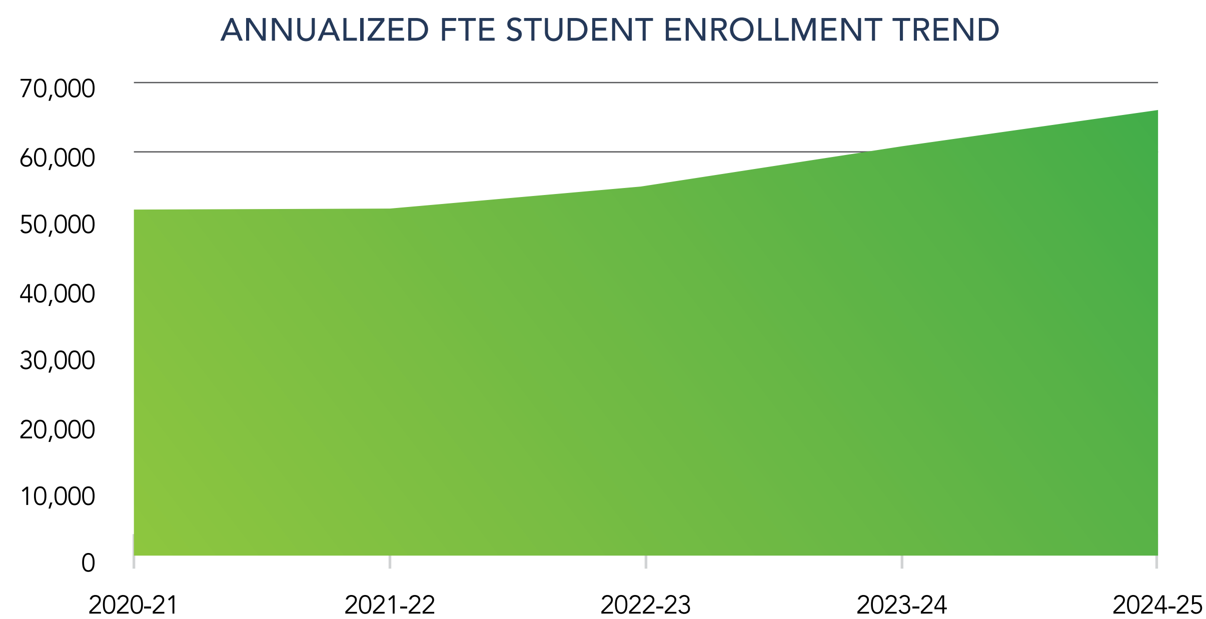
The State of Indiana general fund revenues increased 3.5% compared to the prior year. The State's largest source of revenue – sales and use taxes – increased 2.5% compared to fiscal year 2024 while individual income tax revenue increased by 7.3%. The State ended fiscal year 2025 with reserves totaling $2.1 billion and a $80.1 million operating surplus. The most recent close-out report published by the State Budget Agency on June 9, 2025, projects a revenue growth rate of 2.3% in fiscal year 2026, a $424.6 million annual surplus for the State of Indiana in 2025-26, and combined balances of $2.2 billion.

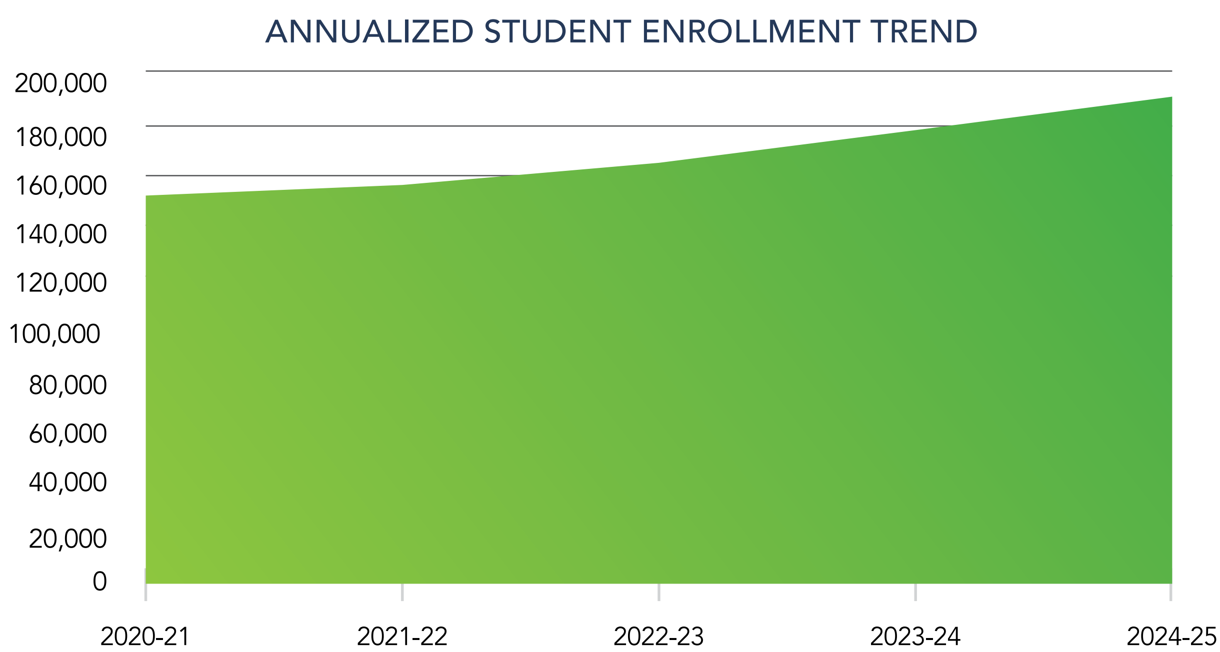
For fiscal year 2025, the College received a $3.3 million or 1.1% increase in its State allotment. The Indiana approved budget will decrease the State operating allotment by $14.7 million or 5.0%. Additionally, there is a $11.8 million reduction for a 5% operating reserve. It is unclear if the operating reserve will be released to the College at a later date.

During the fiscal year, the college met the goal of 190,000 total enrollment. During fiscal year 2026, the College will unveil their new strategic plan.

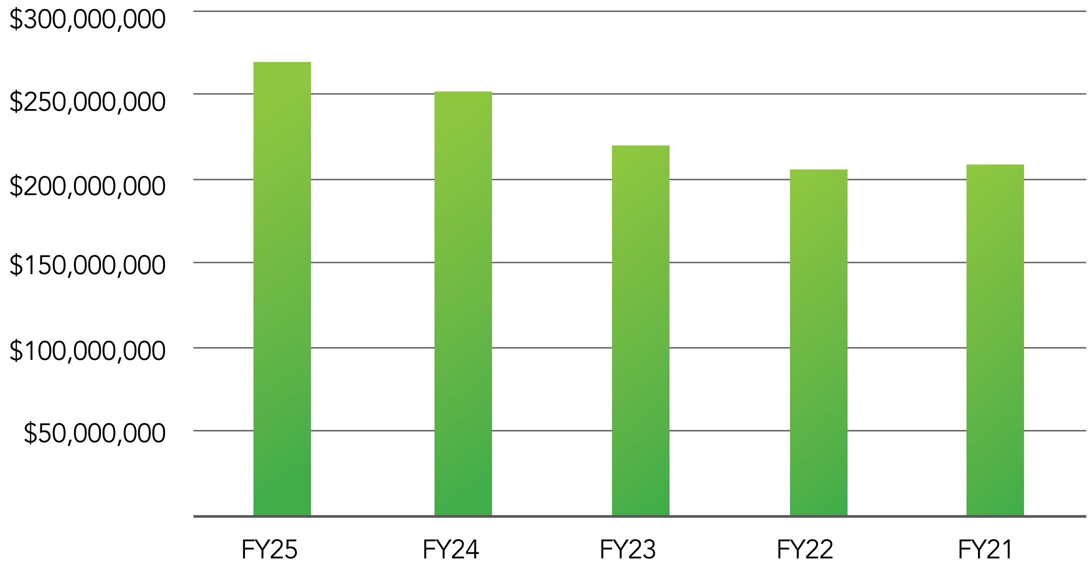


Full-time equivalent (FTE) enrollment at Ivy Tech increased to 65,246, or by 8.6%, in fiscal year 2025 when compared to 2024. Total enrollment has increased by 6.7% to 190,831 this year, continuing enrollment increases after several years of declining enrollment. Historical annual unduplicated headcount and FTE are reflected in the following charts.





GROSS STUDENT FEE REVENUE



AUTHORIZED FACILITIES

In the 2023 General Assembly, no new bonded projects were approved for the fiscal years 2024 and 2025. The State appropriated an all-cash project in Indianapolis for a total of $33 million. The State Board of Trustees approved the Fort Wayne Campus Renovation Capital Project on December 7, 2023, and the future issuance of $60 million in bonds for the project on August 7, 2025, which is planned to be issued in fiscal year 2026.

FINANCIAL STATEMENTS

IVY TECH COMMUNITY COLLEGE OF INDIANA AND IVY TECH FOUNDATION INC.
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025 WITH COMPARATIVE FIGURES AT JUNE 30, 2024

	JUNE 30, 2025		JUNE 30, 2024 (As Restated)	
ASSETS	COLLEGE	FOUNDATION	COLLEGE	FOUNDATION
CURRENT ASSETS				
Cash and cash equivalents	$79,781,890	$2,678,860	$66,672,981	$3,363,138
Cash with fiscal agent	25,285,001	-	24,452,046	-
Short-term investments	30,783,719	74,203,656	37,304,793	57,017,370
Accounts receivable	51,172,145	-	60,774,593	-
Allowance for doubtful accounts	(4,367,925)	-	(5,797,530)	-
Promises to give, net	-	8,037,509	-	14,184,045
Inventories	6,399	-	7,409	-
Prepaid expenses	1,334,669	239,749	2,034,266	219,008
Total current assets	183,995,898	85,159,774	185,448,558	74,783,561
NONCURRENT ASSETS				
Deposit with trustee	-	-	-	-
Promises to give, net	-	8,980,687	-	8,896,964
Note receivable from bank	-	10,442,150	-	10,442,150
Long-term lease receivable	624,021	-	829,992	-
Long-term investments	577,328,560	58,616,632	549,300,945	53,161,502
Capital assets, net	671,912,880	14,466,594	678,535,353	15,635,203
Total noncurrent assets	1,249,865,461	92,506,063	1,228,666,290	88,135,819
TOTAL ASSETS	**1,433,861,359**	**177,665,837**	**1,414,114,848**	**162,919,380**

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

	JUNE 30, 2025		JUNE 30, 2024 (As Restated)	
	COLLEGE	FOUNDATION	COLLEGE	FOUNDATION
Deferred outflows related to pension	1,572,789	-	2,161,911	-
Total deferred outflows of resources	**1,572,789**	**-**	**2,161,911**	**-**
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	37,392,311	1,402,489	40,158,699	533,160
Compensated absences	18,715,878	-	17,338,007	-
Unearned revenue	18,952,234	-	18,213,929	-
Current portion of debt obligation	32,401,185	-	30,328,251	92,754
Total current liabilities	107,461,608	1,402,489	106,038,886	625,914
NONCURRENT LIABILITIES				
Long-term compensated absences	6,386,361	-	7,539,965	-
Long-term debt and other obligations	172,740,980	14,491,229	205,133,664	14,466,078
Other post-employment benefits	39,373,259	-	39,289,711	-
Net pension liability	3,996,318	-	4,638,604	-
Total noncurrent liabilities	222,496,918	14,491,229	256,601,944	14,466,078
TOTAL LIABILITIES	**329,958,526**	**15,893,718**	**362,640,830**	**15,091,992**
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to leasing	745,876	-	1,014,828	-
Deferred inflows related to pension	1,107,211	-	1,206,920	-
Deferred inflows related to OPEB	6,004,946	-	5,989,671	-
Total deferred inflows of resources	**7,858,033**	**-**	**8,211,419**	**-**
NET POSITION				
Net investment in capital assets	466,133,174	-	386,988,666	-
Restricted for:				
Nonexpendable - endowments	-	47,479,027	-	47,303,390
Expendable:				
Capital projects	11,259,357	-	14,107,350	-
Endowment	-	11,137,605	-	5,858,112
Programs & Other	-	74,599,858	-	67,982,237
Unrestricted	620,225,058	28,555,629	644,328,494	26,683,649
TOTAL NET POSITION	**$1,097,617,589**	**$161,772,119**	**$1,045,424,510**	**$147,827,388**

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, 2025 WITH COMPARATIVE FIGURES AT JUNE 30, 2024

	JUNE 30, 2025		JUNE 30, 2024 (As Restated)	
	COLLEGE	FOUNDATION	COLLEGE	FOUNDATION
REVENUES				
OPERATING REVENUES				
Student Tuition and Fees	$270,763,596	$ -	$250,657,798	$ -
Scholarship Allowances	(123,194,654)	-	(110,621,259)	-
Net Student Tuition and Fees	147,568,942	-	140,036,539	-
Federal Grants and Contracts	20,166,743	-	21,807,161	-
State and Local Grants and Contracts	23,463,198	-	20,661,186	-
Nongovernment Grants and Contracts	17,168,746	23,542,220	16,891,407	7,714,053
Sales and Service of Educational Departments	2,382,489	-	1,997,961	-
Auxiliary Enterprises	480,879	553,563	960,350	673,926
Contributions and Other Support	-	14,576,912	-	14,207,096
Other Operating Revenues	6,908,595	440,353	6,799,690	432,765
TOTAL OPERATING REVENUES	**218,139,592**	**39,113,048**	**209,154,294**	**23,027,840**
EXPENSES				
OPERATING EXPENSES				
Salaries and Wages	296,176,433	-	275,449,749	-
Benefits	104,371,108	-	100,621,000	-
Foundation Pay and Benefits	-	11,205,338	-	12,470,752
Scholarships and Fellowships	68,919,173	6,588,558	53,419,098	5,037,944
Utilities	12,355,588	318,654	11,767,897	257,031
Supplies and Other Services	171,748,032	2,917,469	157,736,079	2,938,323
Depreciation and Amortization	42,206,161	1,168,609	39,084,382	1,134,712
Other Operating Expenses	-	13,932,764	-	10,763,883
TOTAL OPERATING EXPENSES	**695,776,495**	**36,131,392**	**638,078,205**	**32,602,645**
Operating Income (Loss)	(477,636,903)	2,981,656	(428,923,911)	(9,574,805)

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

	JUNE 30, 2025		JUNE 30, 2024 (As Restated)	
	COLLEGE	FOUNDATION	COLLEGE	FOUNDATION
NONOPERATING REVENUES (EXPENSES)				
State Appropriations	303,997,874	-	300,717,333	-
Federal Appropriations	-	-	-	-
Investment Income	46,502,318	10,963,075	34,126,397	10,721,804
Interest on Capital Asset-Related Debt	(3,772,654)	-	(5,172,462)	-
Gain (Loss) on Interest Rate Swap	-	-	-	-
Governmental Grants and Contracts-Federal	135,734,437	-	109,722,291	-
Governmental Grants and Contracts-State	40,679,683	-	35,590,021	-
Gain (Loss) on Sale and Disposal of Capital Assets	(2,668,265)	-	(71,201)	-
Gain (Loss) on Leases	8,025	-	174,174	-
Gifts	618,685	-	1,180,920	-
Student Government Support	-	-	-	-
NET NONOPERATING REVENUES	**521,100,103**	**10,963,075**	**476,267,473**	**10,721,804**
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	43,463,200	13,944,731	47,343,562	1,146,999
Capital Gifts and Grants	79,060	-	68,500	-
Capital Appropriations	8,650,819	-	4,653,700	-
Total Other Revenues and Gains	8,729,879	-	4,722,200	-
INCREASE IN NET POSITION	52,193,079	13,944,731	52,065,762	1,146,999
Net Position - Beginning of Year	1,045,424,510	147,827,388	1,000,649,508	146,680,389
Adjustment for Change in Accounting Principle	-	-	(7,290,760)	
Net Position - End of Year	**$1,097,617,589**	**$161,772,119**	**$1,045,424,510**	**$147,827,388**

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

IVY TECH COMMUNITY COLLEGE OF INDIANA
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDING JUNE 30, 2025 WITH COMPARATIVE FIGURES AT JUNE 30, 2024

	2025	2024 (As Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	$151,222,972	$134,702,733
Gifts, Grants and Contracts	65,170,288	58,978,304
Auxiliary Enterprises	1,179,527	181,533
Sales and Services of Educational Departments	2,382,489	1,993,461
Payments to Suppliers	(185,967,754)	(156,314,367)
Payments to or on Behalf of Employees	(398,975,210)	(377,287,175)
Payments to Students	(68,754,755)	(53,470,019)
Other Receipts (Payments)	6,962,270	6,714,686
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**$(426,780,173)**	**$(384,500,844)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal and State Scholarships & Grants	176,414,120	145,312,312
State Appropriations	303,997,874	300,717,333
Receipts from Direct Federal Loan Proceeds	42,617,440	43,393,254
Payments from Direct Federal Loan Proceeds to Students/Financial Institutions	(42,661,121)	(43,095,738)
Gifts	1,911,119	1,181,949
Other Nonoperating Receipts (Payments)	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	**$482,279,432**	**$447,509,110**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital/Federal Appropriations	5,708,356	4,653,700
Capital Grants/Gifts	79,060	68,500
Proceeds from Issuance of Capital Debt	-	-
Purchase of Capital Assets	(38,154,845)	(51,012,001)
Proceeds from Sale of Capital Assets	(57,903)	-
Principal Paid on Capital-Related Debt	(30,580,677)	(17,953,106)
Interest Paid on Capital-Related Debt	(3,812,957)	(4,627,745)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	**$(66,818,966)**	**$(68,870,652)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(21,506,540)	(198,848,976)
Proceeds from Sales and Maturities of Investments	-	-
Income on Investments	46,768,111	34,312,859
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	**$25,261,571**	**$(164,536,117)**

IVY TECH COMMUNITY COLLEGE OF INDIANA
STATEMENT OF CASH FLOWS
CONTINUED

	2025	2024 (As Restated)
NET INCREASE (DECREASE) IN CASH	**13,941,864**	**(170,398,503)**
Cash and Cash Equivalents - Beginning of Year	91,125,027	261,523,530
Cash and Cash Equivalents - End of Year	$105,066,891	$91,125,027
CASH AND CASH EQUIVALENTS-END OF YEAR AS PRESENTED IN STATEMENT OF NET POSITION		
Cash and cash equivalents (current)	79,781,890	66,672,981
Cash and cash equivalents - Cash with fiscal agent (current)	25,285,001	24,452,046
Cash and cash equivalents - Deposit with trustee (non-current)	-	-
CASH AND CASH EQUIVALENTS-END OF YEAR	**$105,066,891**	**$91,125,027**
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Net Operating Income (Loss)	(477,636,903)	(428,923,911)
Adjustments to reconcile net operating expenses to cash used by operating activities:		
Depreciation and Amortization	42,206,161	39,084,382
Intercompany	(39,203)	(3,215)
Changes in Assets and Liabilities:		
Allowance for Doubtful Accounts	(1,429,605)	1,751,321
Deferred Outflow - Pension & OPEB	589,121	156,521
Deferred Inflow - Pension & OPEB	(84,434)	(3,640,283)
Account Receivable	11,327,125	(12,847,684)
Prepaid Expense	699,597	1,775,847
Inventories	1,010	392
Accounts Payable and Accrued Liabilities	(2,816,875)	12,425,098
Net Pension Liability	(642,286)	(539,357)
Other Post Employment Benefits	83,548	1,549,476
Compensated Absences	224,267	1,085,227
Unearned Revenue	738,304	3,625,342
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**$(426,780,173)**	**$(384,500,844)**
SIGNIFICANT NONCASH TRANSACTIONS		
Donated assets	-	-
Unrealized gain/(loss) on investments	28,054,149	8,058,802
Right-to-use leased assets additions	211,618	10,331,396
Right-to-use subscriptions additions	9,673,511	5,142,920

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, 2025

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 45 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 $28.9 million of expenditures assisting the College during fiscal year 2025. 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 https://giving.ivytech.edu/.

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 details maintained and updated periodically as new acquisitions are made or other items are removed.

College capital equipment, facilities and improvements 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, whichever is shorter.

Land Improvements	10 years
Buildings	25-88 years
Building Improvements	20-40 years
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 of the subscription.

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 employees' eligible vacation time and sick leave as of June 30, 2025. 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. Employees may accrue up to 320 hours of vacation time and the College has capped the maximum terminal vacation payout at 240 hours.

The vacation leave calculation under GASB 101 includes vacation leave earned through the end of the fiscal year up to 240 hours as well as vacation leave expected to be paid over 240 hours in the next fiscal year. The vacation leave liability is based on employee fiscal year end leave balances and the average vacation hours used over 240 hours over the last three years.

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.

The sick leave calculation under GASB 101 includes sick leave estimated to be used over the next fiscal year, sick leave buyback accrual for employees eligible for sick buyback, and sick leave buyback for employees that will be eligible for the sick buyback over the next fiscal year. The sick leave liability is based on the average sick time used by all employees over the past 3 years and on the sick leave balances for employees at fiscal year-end.

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 - expendable net position** represents resources which are to be used in accordance with restrictions imposed by an external party. The College restricted - expendable net position is restricted for capital projects.
- **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, 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. UPCOMING & ADOPTED PRONOUNCEMENTS

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. Refer to Note I Section V for details on the change in accounting principle for Ivy Tech during the fiscal year.

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures, which updates the requirements for disclosing essential information about risks related to vulnerabilities due to certain concentrations or constraints. This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. The provisions of this statement are effective for the College's financial statements for the year ending June 30, 2025. An analysis was performed in fiscal year 2025 and no disclosures were required.

In April 2024, the GASB issued Statement No. 103, Financial Reporting Model Improvements, which improves the key components of the financial reporting model to clarify information needed for decision making and assessing a government's accountability. This Statement also addresses certain issues associated with applying GASB statements. The provisions of this statement are effective for the College's financial statements for the year ending June 30, 2026.

In September 2024, the GASB issued Statement No. 104, Disclosure of Certain Capital Assets, which provides essential information about certain types of capital assets. This Statement requires separate disclosure for lease assets in accordance with GASB 87, leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, subscription assets recognized in accordance with Statement No. 96, and capital assets held for sale. The provisions of this statement are effective for the College's financial statements for the year ending June 30, 2026.

V. CHANGE IN ACCOUNTING PRINCIPLE

COMPENSATED ABSENCES

Effective for the fiscal year ended June 30, 2025, the College adopted GASB Statement No. 101, Compensated Absences (GASB 101). This statement supersedes GASB Statement No. 16 and introduces revised criteria for recognizing and measuring compensated absence liabilities. Under GASB 101, a leave liability is recognized for leave that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Previously, compensated absence liabilities were recorded only when it was probable that employees would be compensated through paid leave or other means, such as cash payments upon termination or retirement. GASB 101 broadens the definition, resulting in a more comprehensive and higher liability for compensated absences.

As discussed in Note I, Section U, the College implemented GASB 101 as of June 30, 2025, with a retrospective application to the beginning net position as of July 1, 2023, and the ending net position as of June 30, 2024. The adoption of this standard required a restatement of the beginning net position to reflect the updated liability calculation under GASB 101.

The change affected the following line items:

- On the Statement of Net Position:
  - Current liabilities
  - Noncurrent liabilities
  - Net Position
- On the Statement of Revenues, Expenses, and Changes in Net Position:
  - Net Position - Beginning of Year
  - Operating Expenses
- On the Statement of Cash Flows:
  - Net Cash Provided (Used) by Operating Activities

GASB 101 Impact on Statement of Net Position as of June 30, 2024:

	June 30, 2024, as Originally Reported	GASB 101 Compensated Absences Restatement of Beginning Balance	GASB 101 Adjustment June 30, 2024	June 30, 2024, as Restated
Current Assets	$185,448,558	$ -	$ -	$185,448,558
Noncurrent Assets	1,228,666,290	-	-	1,228,666,290
Total Assets	1,414,114,848	-	-	1,414,114,848
Total deferred outflows of resources	2,161,911	-	-	2,161,911
Current liabilities	99,436,220	5,515,497	1,087,169	106,038,886
Noncurrent liabilities	256,070,533	1,775,263	(1,243,852)	256,601,944
Total liabilities	355,506,753	7,290,760	(156,683)	362,640,830
Total deferred inflows of resources	8,211,419	-	-	8,211,419
Net Position	**$1,052,558,587**	**$(7,290,760)**	**$156,683**	**$1,045,424,510**

GASB 101 Impact on Statement of Revenues, Expenses, and Changes in Net Position as of June 30, 2024:

	June 30, 2024, as Originally Reported	GASB 101 Compensated Absences Restatement of Beginning Balance	GASB 101 Adjustment June 30, 2024	June 30, 2024, as Restated
Operating Revenues	$209,154,294	$ -	$ -	$209,154,294
Operating Expenses	638,234,888	-	(156,683)	638,078,205
Operating Income (Loss)	(429,080,594)	-	156,683	(428,923,911)
Net Non-Operating Revenues (Expenses)	476,267,473	-	-	476,267,473
Income (loss) Before Other Revenues, Expenses, Gains or Losses	47,186,879	-	156,683	47,343,562
Total Other Revenues and Gains	4,722,200	-	-	4,722,200
Increase in Net Position	51,909,079	-	156,683	52,065,762
Net Position-Beginning of Year	1,000,649,508	(7,290,760)	-	993,358,748
Net Position-End of Year	**$1,052,558,587**	**$(7,290,760)**	**$156,683**	**$1,045,424,510**

GASB 101 Impact on Statement of Cash Flows as of June 30, 2024:

	June 30, 2024, as Originally Reported	GASB 101 Adjustment June 30, 2024	June 30, 2024, as Restated
Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	$(429,080,594)	$156,683	$(428,923,911)
Compensated Absences	1,241,910	(156,683)	1,085,227
Other Adjustments	43,337,840	-	43,337,840
Net Cash Provided (Used) by Operating Activities	**$(384,500,844)**	**$ -**	**$(384,500,844)**

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, asset and mortgage-backed securities, and pooled fixed income bonds.

Classification	2025	2024 (As Restated)
Cash and cash equivalents	$79,781,890	$66,672,981
Cash with fiscal agent	25,285,001	24,452,046
Short-term investments	30,783,719	37,304,793
Deposit with trustee	-	-
Long-term investments	577,328,560	549,300,945
Total cash and investments	**$713,179,170**	**$677,730,765**

Type	2025	2024 (As Restated)
Cash	$24,676,422	$24,484,535
Demand Deposits	68,036,343	56,598,227
Investment Manager Cash and Cash Equivalents	12,351,126	10,042,264
Fixed income investments	608,112,279	586,605,739
Total cash and investments	**$713,179,170**	**$677,730,765**

A. FAIR VALUE MEASUREMENT

Ivy Tech's investment portfolio is a source of funds for the 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-Discounted	U.S. Bank Pricing Unit	Matrix pricing	2
U.S. Treasury Obligations	FT Interactive Data, Standard & Poor's, or Bloomberg	Institutional bond quotes	1
U.S. Government Agency Obligations	FT Interactive Data, Standard & Poor's, or Bloomberg	Institutional bond quotes	2
U.S. Government Agency Mortgage-Backed Pools	FT Interactive Data, Standard & Poor's, or Bloomberg	Mortgage-backed securities pricing	2
Government Agency REMICS	FT Interactive Data, Standard & Poor's, or Bloomberg	Collateralized mortgage obligation source	2
Corporate Bonds	FT Interactive Data, Standard & Poor's, or Bloomberg	Institutional bond quotes	2
Corporate Paydown Securities	FT Interactive Data, Standard & Poor's, or Bloomberg	Collateralized mortgage obligation source	2
Municipal Bonds	Standard & Poor's, FT Interactive Data, or Bloomberg	Evaluations based on various market and industry inputs	2
Foreign Bonds	FT Interactive Data—Extel Financial Ltd, Standard & Poor's, or Bloomberg	Evaluations based on various market factors	2
Pooled Fixed Income Bond	FT Interactive Data—Extel Financial Ltd, Standard & Poor's, or Bloomberg	Evaluations based on various market factors	2

As of June 30, 2025, the College's investment portfolio unrealized gain was $28.1 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	$68,036,343	$ -	$ -	$ -	$68,036,343
Investment Manager Cash & Cash Equivalents	12,351,126	6,048,165	6,281,662	-	21,299
U.S. Treasury & Agencies	121,766,372	80,844,541	39,779,602	-	1,142,229
Agency Backed Mortgages	57,994,941	-	57,557,172	-	437,769
Corporate Bonds & Notes	137,516,997	-	135,913,860	-	1,603,137
Structured Securities	84,214,534	-	84,023,802	-	190,732
Foreign Bonds (in U.S. dollars)	10,179,323	-	10,065,562	-	113,761
Municipal Bonds	28,137,746	-	27,847,450	-	290,296
Pooled Fixed Income Bonds	168,302,365	-	168,302,365	-	-
Total	**$688,499,747**	**$86,892,706**	**$529,771,475**	**$-**	**$71,835,566**

As of June 30, 2024, the College's investment portfolio unrealized gain was $8.1 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	$56,598,227	$ -	$ -	$ -	$56,598,227
Investment Manager Cash & Cash Equivalents	10,042,264	5,246,881	4,764,746	-	30,637
U.S. Treasury & Agencies	118,912,890	74,555,342	43,148,758	-	1,208,790
Agency Backed Mortgages	60,503,038	-	60,194,862	-	308,176
Corporate Bonds & Notes	138,012,741	-	136,389,217	-	1,623,524
Structured Securities	72,400,210	-	72,225,451	-	174,759
Foreign Bonds (in U.S. dollars)	13,573,047	-	13,428,236	-	144,811
Municipal Bonds	30,091,463	-	29,798,016	-	293,447
Pooled Fixed Income Bonds	153,112,349	-	153,112,349	-	-
Total	**$653,246,229**	**$79,802,223**	**$513,061,635**	**$ -**	**$60,382,371**

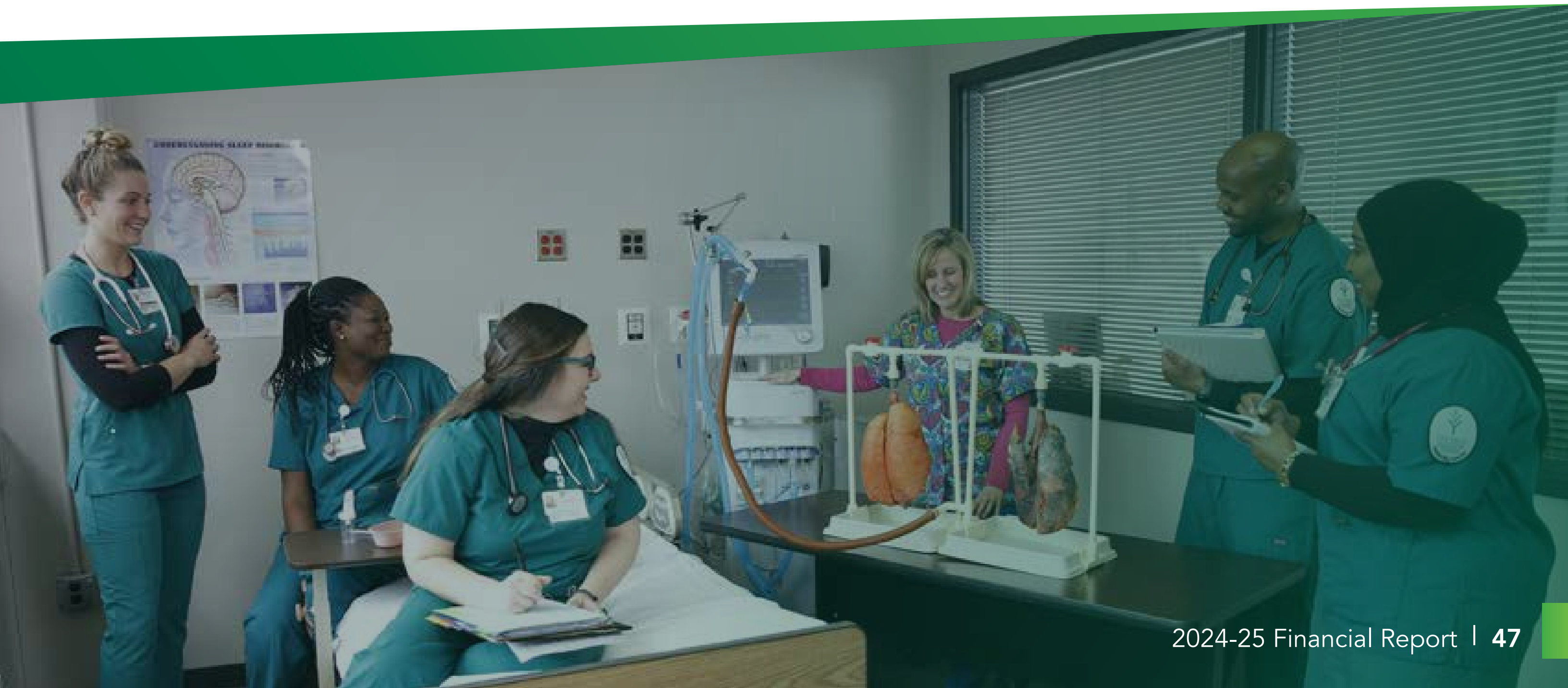
Separately issued financial statements are not available for the College's investment portfolio. The College's investments are included in the cash and equivalents and investment lines of the Asset section in the Statement of Net Position.

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, 2025:

	Fair Value	<1 Year	1-5 Years	6-10 Years	More than 10 Years
Demand Deposits	$68,036,343	$68,036,343	$ -	$ -	$ -
Certificates of Deposit	-	-	-	-	-
Investment Manager Cash & Cash Equivalents	12,351,126	12,351,126	-	-	-
U.S. Treasury & Agencies	121,766,372	10,835,131	56,217,361	17,330,085	37,383,795
Agency Backed Mortgages	57,994,941	1,443,821	5,832,067	7,081,582	43,637,471
Corporate Bonds & Notes	137,516,997	12,201,293	65,893,606	51,165,099	8,256,999
Structured Securities	84,214,534	768,701	38,853,561	13,499,149	31,093,123
Foreign Bonds (in U.S. dollars)	10,179,323	1,186,224	6,536,306	2,369,807	86,986
Municipal Bonds	28,137,746	4,348,549	13,894,435	7,633,716	2,261,046
Pooled Fixed Income Bonds	168,302,365	-	168,302,365	-	-
Total	**$688,499,747**	**$111,171,188**	**$355,529,701**	**$99,079,438**	**$122,719,420**



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, 2024:

	Fair Value	<1 Year	1-5 Years	6-10 Years	More than 10 Years
Demand Deposits	$56,598,227	$56,598,227	$ -	$ -	$ -
Certificates of Deposit	-	-	-	-	-
Investment Manager Cash & Cash Equivalents	10,042,264	10,042,264	-	-	-
U.S. Treasury & Agencies	118,912,890	3,618,890	62,962,135	17,955,690	34,376,175
Agency Backed Mortgages	60,503,038	2,907,192	7,632,168	9,027,843	40,935,835
Corporate Bonds & Notes	138,012,741	22,095,417	67,652,332	37,807,875	10,457,117
Structured Securities	72,400,210	284,215	26,907,420	16,336,828	28,871,747
Foreign Bonds (in U.S. dollars)	13,573,047	3,172,639	8,666,732	1,733,676	-
Municipal Bonds	30,091,463	5,226,440	19,716,124	2,942,818	2,206,081
Pooled Fixed Income Bonds	153,112,349	-	153,112,349	-	-
Total	**$653,246,229**	**$103,945,284**	**$346,649,260**	**$85,804,730**	**$116,846,955**

C. CREDIT RISK

Credit risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligations. As of June 30, 2025, 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	$68,036,343	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$68,036,343
Certificates of Deposit	-	-	-	-	-	-	-	-	-
Investment Manager Cash & Cash Equivalents	12,351,126	-	-	-	-	-	-	12,351,126	-
U.S. Treasury & Agencies	121,766,372	-	120,812,741	-	-	-	-	-	953,631
Agency Backed Mortgages	57,994,941	498,390	1	-	-	-	-	-	57,496,550
Corporate Bonds & Notes	137,516,997	2,775,804	68,255,006	50,411,196	2,338,199	-	-	-	13,736,792
Structured Securities	84,214,534	36,457,299	7,620,563	604,608	-	-	-	-	39,532,064
Foreign Bonds (in U.S. dollars)	10,179,323	1,974,577	4,820,707	3,384,039	-	-	-	-	-
Municipal Bonds	28,137,746	3,282,779	17,383,650	130,086	-	-	-	-	7,341,231
Pooled Fixed Income Bonds	168,302,365	-	-	-	-	-	-	-	168,302,365
Total	**$688,499,747**	**$44,988,849**	**$218,892,668**	**$54,529,929**	**$2,338,199**	**$ -**	**$ -**	**$12,351,126**	**$355,398,976**
As a percentage of total portfolio		6.5%	31.8%	7.9%	0.3%	0.0%	0.0%	1.8%	51.7%

As of June 30, 2024, 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	$56,598,227	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$56,598,227
Certificates of Deposit	-	-	-	-	-	-	-	-	-
Investment Manager Cash & Cash Equivalents	10,042,264	-	-	-	-	-	-	10,042,264	-
U.S. Treasury & Agencies	118,912,890	114,585,287	-	-	-	-	-	-	4,327,603
Agency Backed Mortgages	60,503,038	3,418,823	-	-	-	-	-	-	57,084,215
Corporate Bonds & Notes	138,012,741	5,627,330	63,379,591	54,061,572	1,640,409	-	-	-	13,303,839
Structured Securities	72,400,210	32,208,379	8,162,160	782,359	-	-	-	-	31,247,312
Foreign Bonds (in U.S. dollars)	13,573,047	3,049,641	5,757,625	3,817,881	-	-	-	-	947,900
Municipal Bonds	30,091,463	2,678,645	18,077,888	126,494	-	-	-	-	9,208,436
Pooled Fixed Income Bonds	153,112,349	-	-	-	-	-	-	-	153,112,349
Total	**$653,246,229**	**$161,568,105**	**$95,377,264**	**$58,788,306**	**$1,640,409**	**$ -**	**$ -**	**$10,042,264**	**$325,829,881**
As a percentage of total portfolio		24.7%	14.6%	9.0%	0.3%	0.0%	0.0%	1.5%	49.9%

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 College's target allocation is broken down into three tiers, Tier 1 through Tier 3. The tiers have separate objectives. Tier 1 is held for liquidity and to meet operating needs. Tier 2 is held for contingency reserves. Tier 3 is held for the total return. The minimum target allocation for these tiers is $50 million for Tier 1, $30 million for Tier 2, and Tier 3 will hold the remaining balance. Most of the College's investments are held in Tier 3.

The financial institutions that hold five percent (5%) or more of the College's investments as of June 30, 2025:

Name of Institution	Amount	Percentage
Fifth Third Bank	$57,741,651	8.4%

The financial institutions that hold five percent (5%) or more of the College's investments as of June 30, 2024:

Name of Institution	Amount	Percentage
Fifth Third Bank	$51,009,133	7.8%

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, 2025, and June 30, 2024, 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

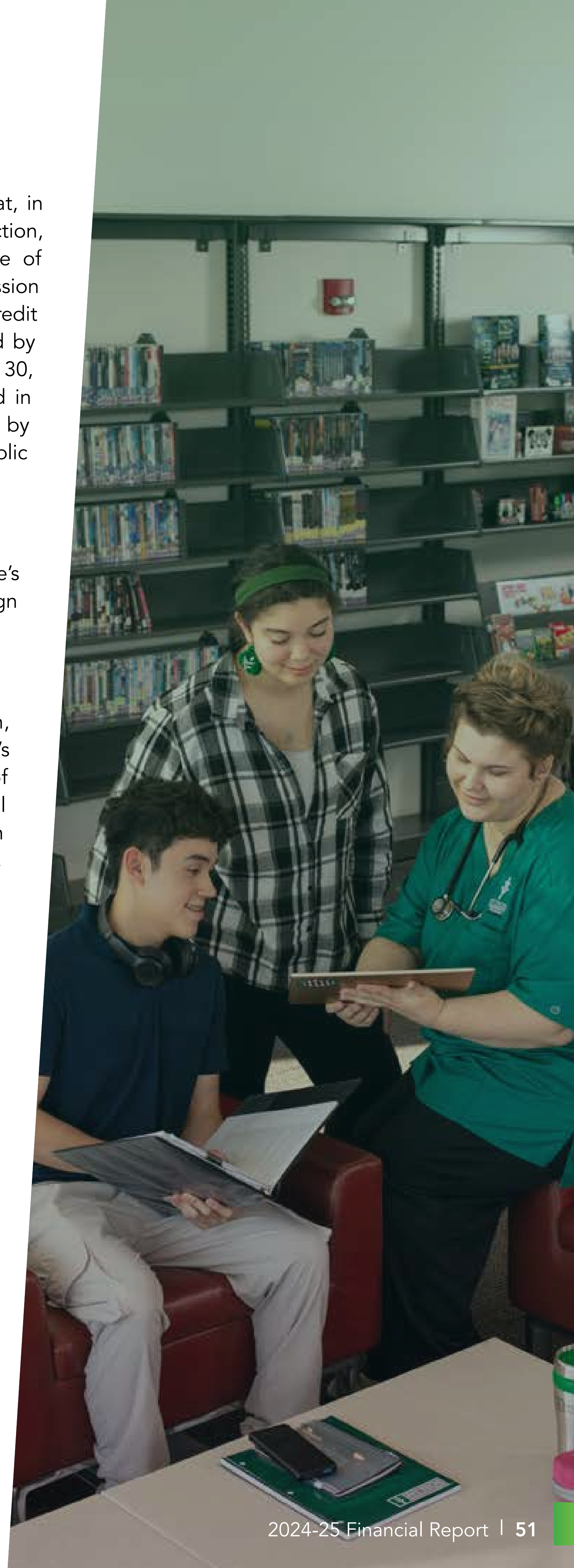
As of June 30, 2025, and June 30, 2024, all of the College's accounts are in U.S. dollars and not exposed to foreign currency risk.

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 $42.7 million and $43.1 million for student loans through the U.S. Department of Education federal direct lending program for the years ended June 30, 2025 and 2024, 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 subject to capital lease obligations are recorded at the net present value of the minimum lease payments of the asset at the lease's inception.

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	FY-Additions	FY-Retirements	Ending Balance
Capital assets not being depreciated:				
Land	$31,314,377	$168,844	$238,500	$31,244,721
Construction work in progress	37,587,836	64,156,186	58,341,405	43,402,617
Total capital assets not being depreciated	**68,902,213**	**64,325,030**	**58,579,905**	**74,647,338**
Capital assets being depreciated:				
Land improvements & infrastructure	40,822,995	1,246,968	1,059,049	41,010,914
Buildings	943,466,420	21,654,127	12,196,780	952,923,767
Furniture, fixtures & equipment	111,867,620	7,697,636	8,233,756	111,331,500
Library materials	3,653,738	26,808	369,208	3,311,338
Right-to-use leased equipment	11,615,362	22,312	9,554,484	2,083,190
Right-to-use leased buildings	4,493,563	189,306	871,428	3,811,441
Right-to-use leased land	613,175	-	-	613,175
Right-to-use subscription	49,047,267	9,673,511	4,196,171	54,524,607
Total capital assets being depreciated	**1,165,580,140**	**40,510,668**	**36,480,876**	**1,169,609,932**
Less accumulated depreciation and amortization:				
Land improvements & infrastructure	29,902,755	1,770,277	1,043,349	30,629,683
Buildings	413,122,236	22,869,958	9,226,858	426,765,336
Furniture, fixtures & equipment	95,383,709	5,781,711	7,861,279	93,304,141
Library materials	3,562,177	40,007	369,208	3,232,976
Right-to-use leased equipment	1,284,755	2,156,036	2,350,619	1,090,172
Right-to-use leased buildings	1,458,745	631,713	790,574	1,299,884
Right-to-use leased land	71,772	18,235	-	90,007
Right-to-use leased subscription	11,160,851	9,147,204	4,375,864	15,932,191
Total accumulated depreciation	**555,947,000**	**42,415,141**	**26,017,751**	**572,344,390**
Total capital assets being depreciated, net	**609,633,140**	**(1,904,473)**	**10,463,125**	**597,265,542**
Capital assets, net	**$678,535,353**	**$62,420,557**	**$69,043,030**	**$671,912,880**

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	FY-Additions	FY-Retirements	Ending Balance
Capital assets not being depreciated:				
Land	$31,248,943	$66,434	$1,000	$31,314,377
Construction work in progress	14,720,931	51,406,537	28,539,632	37,587,836
Total capital assets not being depreciated	**45,969,874**	**51,472,971**	**28,540,632**	**68,902,213**
Capital assets being depreciated:				
Land improvements & infrastructure	41,491,389	263,153	931,547	40,822,995
Buildings	935,160,844	8,305,576	-	943,466,420
Furniture, fixtures & equipment	107,636,349	10,872,737	6,641,466	111,867,620
Library materials	3,638,684	19,594	4,540	3,653,738
Right-to-use leased equipment	1,811,966	9,804,080	684	11,615,362
Right-to-use leased buildings	7,104,651	527,316	3,138,404	4,493,563
Right-to-use leased land	613,175	-	-	613,175
Right-to-use subscription	45,537,589	5,142,920	1,633,242	49,047,267
Total capital assets being depreciated	**1,142,994,647**	**34,935,376**	**12,349,883**	**1,165,580,140**
Less accumulated depreciation and amortization:				
Land improvements & infrastructure	28,194,095	2,136,980	428,320	29,902,755
Buildings	389,383,613	28,980,114	5,241,491	413,122,236
Furniture, fixtures & equipment	92,197,896	5,115,917	1,930,104	95,383,709
Library materials	3,510,078	55,755	3,656	3,562,177
Right-to-use leased equipment	209,105	1,076,334	684	1,284,755
Right-to-use leased buildings	1,989,527	675,707	1,206,489	1,458,745
Right-to-use leased land	53,537	18,235	-	71,772
Right-to-use leased subscription	5,666,787	6,976,915	1,482,851	11,160,851
Total accumulated depreciation	**521,204,638**	**45,035,957**	**10,293,595**	**555,947,000**
Total capital assets being depreciated, net	**621,790,009**	**(10,100,581)**	**2,056,288**	**609,633,140**
Capital assets, net	**$667,759,883**	**$41,372,390**	**$30,596,920**	**$678,535,353**

IV. LONG-TERM LIABILITIES

Long-Term Liability activity for year ended June 30, 2025 was as follows:

	2025				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Leases, Notes, and Bonds Payable:					
Leases	$12,495,278	$210,223	$8,486,752	$4,218,749	$655,655
Subscriptions	27,159,860	9,611,081	8,114,075	28,656,866	7,161,484
Bonds Payable-Public Offering	195,806,777	-	23,540,227	172,266,550	24,584,046
Total Leases, Notes, & Bonds Payable	**235,461,915**	**9,821,304**	**40,141,054**	**205,142,165**	**32,401,185**
Other Liabilities:					
Compensated Absences	24,877,972	12,058,280	11,834,013	25,102,239	18,715,878
Net Other post employment benefits	39,289,711	3,341,203	3,257,655	39,373,259	-
Net pension liability	4,638,604	2,626,836	3,269,122	3,996,318	-
Total Other Liabilities	**68,806,287**	**18,026,319**	**18,360,790**	**68,471,816**	**18,715,878**
Total Long-Term Liabilities	**$304,268,202**	**$27,847,623**	**$58,501,844**	**$273,613,981**	**$51,117,063**

Long-Term Liability activity for year ended June 30, 2024 was as follows:

	2024 (As Restated)				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Leases, Notes, and Bonds Payable:					
Leases	$7,412,618	$10,331,397	$5,248,737	$12,495,278	$2,532,439
Subscriptions	28,514,733	5,103,238	6,458,111	27,159,860	4,255,584
Bonds Payable-Public Offering	218,159,159	22,155,000	44,507,382	195,806,777	23,540,228
Total Leases, Notes, & Bonds Payable	**254,086,510**	**37,589,635**	**56,214,230**	**235,461,915**	**30,328,251**
Other Liabilities:					
Compensated Absences	23,792,745	12,353,744	11,268,517	24,877,972	17,338,007
Net Other post employment benefits	37,740,235	6,130,264	4,580,788	39,289,711	-
Net pension liability	5,177,961	3,123,875	3,663,232	4,638,604	-
Total Other Liabilities	**66,710,941**	**21,607,883**	**19,512,537**	**68,806,287**	**17,338,007**
Total Long-Term Liabilities	**$320,797,451**	**$59,197,518**	**$75,726,767**	**$304,268,202**	**$47,666,258**

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. In fiscal year 2024, the College issued the Series X-4 bond which refunded the Series R-1 bond. No bonds were issued in fiscal year 2025.

The June 30, 2024, Premium on Bonds of $24.8 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, 2025, of $22.2 million includes the remaining balance of Series T, U, V, W, and X-1 through X-4 Student Fee Bonds. It is amortized over the remaining life of the related bonds.

Bonds Outstanding as of 06/30/2025:

Issue Type/Series	Issue Date	Original Issue Amount	Interest Rate	Final Maturity Date	Principal Outstanding as of June 30, 2025	Principal Outstanding as of June 30, 2024	Current Portion
Series J: Richmond, Marion	1/6/2005	$9,245,000	4.25% - 4.47%	2025	$ -	$465,000	$ -
Series T: Refunding Series K	8/19/2015	28,090,000	.20% - 2.71%	2026	3,960,000	7,720,000	3,960,000
Series U: Refunding Series L	9/19/2017	20,550,000	.99% - 2.15%	2028	9,315,000	9,315,000	2,950,000
Series V: Kokomo and Muncie	7/17/2018	69,205,000	1.43% - 3.17 %	2039	51,405,000	53,880,000	2,600,000
Series W: Columbus; Refunding of Series N	7/15/2020	62,175,000	0.20% - 1.82 %	2040	41,315,000	46,460,000	5,385,000
Series X-1: Refunding of Series R-2	12/30/2020	11,915,000	1.80%	2033	11,750,000	11,795,000	45,000
Series X-2 Refunding of Series P	6/30/2020	11,525,000	1.41%	2032	8,990,000	10,095,000	740,000
Series X-3 Refunding of Series O	12/31/2021	9,330,000	1.12%	2026	6,860,000	9,170,000	3,410,000
Series X-4: Refunding of Series R	3/7/2024	22,155,000	3.77%	2029	16,430,000	22,155,000	3,045,000
Student Fee Bonds		**244,190,000**			**150,025,000**	**171,055,000**	**22,135,000**
Add: Unamortized bond premium					22,241,550	24,751,777	
Totals					**$172,266,550**	**$195,806,777**	

Bonds Outstanding as of 06/30/2024:

Issue Type/Series	Issue Date	Original Issue Amount	Interest Rate	Final Maturity Date	Principal Outstanding as of June 30, 2024	Principal Outstanding as of June 30, 2023	Current Portion
Series J: Richmond, Marion	1/6/2005	$9,245,000	4.25% - 4.47%	2025	$465,000	$3,540,000	$465,000
Series R: Anderson, Bloomington, Indianapolis, Series H & L Partial Refunding	11/21/2013	64,925,000	.21% - 4.20%	2033	-	24,525,000	-
Series T: Refunding Series K	8/19/2015	28,090,000	.20% - 2.71%	2026	7,720,000	11,335,000	3,760,000
Series U: Refunding Series L	9/19/2017	20,550,000	.99% - 2.15%	2028	9,315,000	11,980,000	-
Series V: Kokomo and Muncie	7/17/2018	69,205,000	1.43% - 3.17 %	2039	53,880,000	56,235,000	2,475,000
Series W: Columbus; Refunding of Series N	7/15/2020	62,175,000	0.20% - 1.82 %	2040	46,460,000	51,345,000	5,145,000
Series X-1: Refunding of Series R-2	12/30/2020	11,915,000	1.80%	2033	11,795,000	11,835,000	45,000
Series X-2: Refunding of Series P	6/30/2020	11,525,000	1.41%	2032	10,095,000	10,815,000	1,105,000
Series X-3: Refunding of Series O	12/31/2021	9,330,000	1.12%	2026	9,170,000	9,250,000	2,310,000
Series X-4: Refunding of Series R	3/7/2024	22,155,000	3.77%	2029	22,155,000	-	5,725,000
Student Fee Bonds		**309,115,000**			**171,055,000**	**190,860,000**	**21,030,000**
Add: Unamortized bond premium					24,751,777	27,299,159	
Totals					**$195,806,777**	**$218,159,159**	

Annual debt service requirements through maturity for bonds are presented in the following chart.

ANNUAL DEBT SERVICE REQUIREMENTS AS OF JUNE 30, 2025						
	Direct Placements		Other Debts		Totals	
Fiscal Year Ended June 30	Principal	Interest	Principal	Interest	Principal	Interest
2026	$7,240,000	$952,386	$14,895,000	$4,893,125	$22,135,000	$5,845,511
2027	11,725,000	755,294	11,505,000	4,233,125	23,230,000	4,988,419
2028	3,935,000	573,844	12,080,000	3,643,500	16,015,000	4,217,344
2029	4,090,000	438,150	9,265,000	3,109,875	13,355,000	3,548,025
2030	4,215,000	297,356	6,975,000	2,703,875	11,190,000	3,001,231
2031-2035	12,825,000	331,845	24,750,000	9,677,250	37,575,000	10,009,095
2036-2040	-	-	26,525,000	2,810,550	26,525,000	2,810,550
2041-2045	-	-	-	-	-	-
Total	**$44,030,000**	**$3,348,875**	**$105,995,000**	**$31,071,300**	**$150,025,000**	**$34,420,175**

ANNUAL DEBT SERVICE REQUIREMENTS AS OF JUNE 30, 2024						
	Direct Placements		Other Debts		Totals	
Fiscal Year Ended June 30	Principal	Interest	Principal	Interest	Principal	Interest
2025	$9,185,000	$1,010,422	$11,845,000	$5,561,625	$21,030,000	$6,572,047
2026	7,240,000	952,386	14,895,000	4,893,125	22,135,000	5,845,511
2027	11,725,000	755,294	11,505,000	4,233,125	23,230,000	4,988,419
2028	3,935,000	573,844	12,080,000	3,643,500	16,015,000	4,217,344
2029	4,090,000	438,150	9,265,000	3,109,875	13,355,000	3,548,025
2030-2034	17,040,000	629,201	26,270,000	10,952,750	43,310,000	11,581,951
2035-2039	-	-	30,235,000	4,204,025	30,235,000	4,204,025
2040-2044	-	-	1,745,000	34,900	1,745,000	34,900
Total	**$53,215,000**	**$4,359,297**	**$117,840,000**	**$36,632,925**	**$171,055,000**	**$40,992,222**

B. COMPENSATED ABSENCES

As of June 30, 2025, the accrued vacation benefit is $12.1 million, and the eligible sick leave benefit is $13.0 million. This is not a significant change from June 30, 2024, as restated. The College restated the compensated absence liability for June 30, 2024, due to the implementation of GASB 101. This restatement resulted in a $7.1 million increase in the compensated absence liability as of June 30, 2024, from the originally reported liability. This is because GASB 101 includes a more comprehensive liability than previously required under GASB 16. Refer to Note I, section V. Change in Accounting Principle for more information. The College has internally designated a portion of its unrestricted funds to offset the entire liability for compensated absences.

V. LEASE

A. LEASE RECEIVABLE

During the current fiscal year, the College had contractual agreements for leasing 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, 2025, and 2024 are as follows:

	Fiscal Year Ending June 30, 2025	Fiscal Year Ending June 30, 2024 (As Restated)
Building Space	$828,374	$1,090,493
Land	1,617	4,677
Total Lease Receivable	**$829,991**	**$1,095,170**

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, 2025, the balance of the deferred inflow of resources was $745,876 compared to a balance of $1,014,828 reported as of June 30, 2024.

During fiscal year 2025, the College recognized $268,952 in lease revenue and $48,350 in interest revenue. In fiscal year 2024, the College recognized $263,506 in lease revenue and $58,486 in interest revenue related to these leases.

During the current fiscal year, the College received $0 in variable lease revenue. The college received $2,090 in variable lease revenue in fiscal year 2024.

B. LEASE PAYABLE

During the current fiscal year, the College had contractual agreements for various leases of buildings, land, and equipment ranging from 1 – 44 years in length as the lessee.

Lease liability for the years ending June 30, 2025, and 2024 are as follows:

	Fiscal Year Ending June 30, 2025	Fiscal Year Ending June 30, 2024 (As Restated)
Right-to-use leased equipment	$937,530	$8,656,654
Right-to-use leased buildings	2,694,048	3,245,350
Right-to-use leased land	587,171	593,274
Total	**$4,218,749**	**$12,495,278**

For leases entered during the current fiscal year, an initial lease liability was recorded of $191,246. For leases entered during the fiscal year 2024, an initial lease liability was recorded in the amount of $10,331,397.

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 – 44 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, 2025, and 2024.

During the current fiscal year, the College paid $275,146 in variable lease expenses. In fiscal year 2024, the College paid $267,950 in variable lease expenses.

As of June 30, 2025, scheduled lease payments for the years ending June 30 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$655,655	$219,906	$875,561
2027	611,785	178,012	789,797
2028	450,967	141,430	592,397
2029	281,637	122,488	404,125
2030	273,360	108,136	381,496
2031-2035	647,371	377,255	1,024,626
2036-2040	399,299	277,997	677,296
2041-2045	521,453	163,607	685,060
2046-2050	254,132	54,811	308,943
2051-2055	46,353	22,435	68,788
2056-2060	26,031	16,141	42,172
2061-2065	33,424	8,749	42,173
2066-2068	17,282	990	18,272
Totals	**$4,218,749**	**$1,691,957**	**$5,910,706**

As of June 30, 2024, scheduled lease payments for the years ending June 30 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$2,532,439	$846,118	$3,378,557
2026	2,460,937	664,272	3,125,209
2027	2,509,130	483,872	2,993,002
2028	2,492,427	299,986	2,792,413
2029	281,637	122,488	404,125
2030-2034	853,114	418,630	1,271,744
2035-2039	378,439	297,270	675,709
2040-2044	494,080	189,059	683,139
2045-2049	333,980	69,701	403,681
2050-2054	77,878	25,622	103,500
2055-2059	24,771	17,401	42,172
2060-2064	31,790	10,382	42,172
2065-2068	24,656	2,056	26,712
Totals	**$12,495,278**	**$3,446,857**	**$15,942,135**

VI. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

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 – 10 years in length.

Subscription balances for the years ending June 30, 2025, and 2024 are as follows:

	Fiscal Year Ending June 30, 2025	Fiscal Year Ending June 30, 2024 (As Restated)
Short-Term Subscription Liability	$7,161,484	$4,255,584
Long-Term Subscription Liability	21,495,382	22,904,276
Total Subscription Liability	**$28,656,866**	**$27,159,860**

For subscriptions entered during the current fiscal year, an initial lease liability was recorded of $8,640,742. For leases entered during the fiscal year 2024, an initial lease liability was recorded in the amount of $5,103,238.

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 - 10 years in length based on the noncancellable 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, 2025, and 2024.

As of June 30, 2025, scheduled subscription payments for the years ending June 30 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$7,161,484	$2,411,362	$9,572,846
2027	4,319,598	1,863,667	6,183,265
2028	2,042,334	1,525,161	3,567,495
2029	2,282,538	1,340,120	3,622,658
2030	2,473,600	1,137,990	3,611,590
2031-2034	10,377,312	1,925,562	12,302,874
Totals	**$28,656,866**	**$10,203,862**	**$38,860,728**

As of June 30, 2024, scheduled subscription payments for the years ending June 30 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	$4,255,584	$2,340,497	$6,596,081
2026	3,815,195	2,004,877	5,820,072
2027	1,913,298	1,690,134	3,603,432
2028	2,042,334	1,525,161	3,567,495
2029	2,282,538	1,340,120	3,622,658
2030-2034	12,850,911	3,063,553	15,914,464
Totals	**$27,159,860**	**$11,964,342**	**$39,124,202**

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, 2024, the Plan had 2,702 total participants, 2,550 of which are active participants and 152 inactive participants receiving benefits. As of July 1, 2023, the Plan had 2,635 total participants, 2,432 of which are active participants and 203 inactive participants receiving benefits. The College contributed $2,300,901 to the Plan in fiscal year 2025 and $2,298,363 to the Plan in fiscal year 2024.

SIGNIFICANT ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

The total OPEB liability in the June 30, 2025, 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, 2024 census data. Liabilities rolled forward to June 30, 2025 measurement date.		
Experience study date	2013		
Long-term rate of return on assets	Not applicable		
Salary increases	3.0%		
Discount rate	4.64% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of April 30, 2025		
Ad hoc postemployment benefit changes	None		
Healthcare cost trend rates	Years	Pre-65 Medical	Dental
	2024	8.00%	5.00%
	2025	7.00%	5.00%
	2026	6.00%	5.00%
	2027+	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 $1,375 for medical and $105 for dental for 75 Plan retirees per year ($13,156 for medical and $525 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, 2024, 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, 2023 census data. Liabilities rolled forward to June 30, 2024 measurement date.		
Experience study date	2013		
Long-term rate of return on assets	Not applicable		
Salary increases	3.0%		
Discount rate	4.42% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of April 30, 2024		
Ad hoc postemployment benefit changes	None		
Healthcare cost trend rates	Years	Pre-65 Medical	Dental
	2023	8.00%	5.00%
	2024	7.00%	5.00%
	2025	6.00%	5.00%
	2025+	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 $1,354 for medical and $100 for dental for 75 Plan retirees per year ($12,292 for medical and $500 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, 2025.

Discount Rate

1 % Decrease	Current	1 % Increase
$41,889,360	$39,373,259	$37,037,523

Healthcare Cost Trend Rate

1 % Decrease	Current	1 % Increase
$36,143,488	$39,373,259	$43,015,513

As of June 30, 2024, the potential impact of a one percentage point rate decreases, or increase was as follows:

Discount Rate

1 % Decrease	Current	1 % Increase
$41,805,946	$39,289,711	$36,951,548

Healthcare Cost Trend Rate

1 % Decrease	Current	1 % Increase
$35,686,700	$39,289,711	$43,370,513

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, 2025, was $39,373,259, and as of June 30, 2024, was $39,289,711. The College pays claims as incurred, and as a result, the plan does not have assets segregated. Total OPEB expense was $2,300,901 and $2,298,363 for June 30, 2025, and June 30, 2024, respectively.

Components of OPEB expense are as follows:

	Fiscal Year Ending June 30, 2025	Fiscal Year Ending June 30, 2024 (As Restated)
Service Cost	$1,691,042	$1,625,845
Interest Cost	1,650,161	1,608,836
Expected Return on Plan Assets	-	-
Amortization		
Investment (Gain) Loss	-	-
Assumption Changes	(192,910)	(133,623)
Experience (Gain) Loss	(847,392)	(802,695)
Total OPEB Expense	**$2,300,901**	**$2,298,363**

Changes in the total OPEB liability during the 2025 fiscal year are as follows:

	Total OPEB Liability
Balance as of June 30, 2024	$39,289,711
Changes for the year:	
Service cost	1,691,042
Interest	1,650,161
Changes of benefit terms	-
Plan amendments	-
Experience Gain/Loss	(517,592)
Changes in assumptions or other inputs	(537,985)
Benefit payments	(2,202,078)
Net Changes	**83,548**
Balance as of June 30, 2025	**$39,373,259**

Changes in the total OPEB liability during the 2024 fiscal year are as follows:

	Total OPEB Liability
Balance as of June 30, 2023	$37,740,235
Changes for the year:	
Service cost	1,625,845
Interest	1,608,836
Changes of benefit terms	-
Plan amendments	-
Experience Gain/Loss	2,895,583
Changes in assumptions or other inputs	(686,539)
Benefit payments	(3,894,249)
Net Changes	**1,549,476**
Balance as of June 30, 2024	**$39,289,711**

Deferred inflows and outflows of resources as of June 30, 2025, were as follows.

Value on June 30, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning balance or Value at June 30, 2024	$ -	($5,989,671)
Differences between expected and actual experience	-	329,800
Changes of assumptions	-	(345,075)
Total at June 30, 2025	**$ -**	**($6,004,946)**

Deferred inflows and outflows of resources as of June 30, 2024, were as follows.

Value on June 30, 2024	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning balance or Value at June 30, 2023	$ -	($9,135,033)
Differences between expected and actual experience	-	3,698,278
Changes of assumptions	-	(552,916)
Total at June 30, 2024	**$ -**	**($5,989,671)**

As of June 30, 2025, the amortization schedule of deferred outflows and inflows of resources for the College is as follows:

Amortization of Net Deferred Outflows (Inflows) of Resources	
2026	($1,086,760)
2027	(1,086,760)
2028	(1,054,480)
2029	(839,434)
2030	(614,086)
Thereafter	(1,323,426)
Amount recognized as a reduction of total OPEB liability	**($6,004,946)**

As of June 30, 2024, the amortization schedule of deferred outflows and inflows of resources for the College is as follows:

Amortization of Net Deferred Outflows (Inflows) of Resources	
2025	($997,344)
2026	(997,344)
2027	(997,344)
2028	(965,064)
2029	(750,018)
Thereafter	(1,282,557)
Amount recognized as a reduction of total OPEB liability	**($5,989,671)**

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 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 3,799 and 3,353 active employees as of June 30, 2025, and June 30, 2024, 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, 2025, the College accrued $26.5 million for Transamerica contributions, representing $236.7 million in total salaries compared to the $25.7 million accrued for Transamerica representing $221.7 million in total salaries as of June 30, 2024. During fiscal year 2025, $770 thousand was forfeited by employees and used to offset other defined contributions and expenses. During fiscal year 2024, $276 thousand was forfeited by employees. On June 30, 2025, there were 3,674 employees participating in the defined contribution retirement plan compared to 3,204 employees participating on June 30, 2024.

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

B. PUBLIC EMPLOYEES' RETIREMENT FUND

PLAN DESCRIPTION

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

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

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

Complete financial statements for INPRS are available online at www.in.gov/inprs/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. To be a member, employees hired after June 30, 1982, except employees of participating school corporations, must occupy positions that normally require a 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 2025 and 2024, the College was required to contribute 11.2% of covered payroll per year, which totaled $624,751 and $717,083 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, 2025. The State approved a COLA increase of 0.4% as of January 1, 2024.INPRS will set a surcharge to actuarially fund 13th checks and 1% annual cost of living adjustments (COLAs) depending upon the individuals' retirement dates. For qualifying PERF DB, TRF '96 DB, and EG&C plan members and beneficiaries retiring before July 1, 2025, INPRS will set the actuarial surcharge necessary to grant annual 13th checks. For qualifying PERF DB, TRF '96 DB, and EG&C future retiree members retiring on or after July 1, 2025, INPRS will set the actuarial surcharge necessary to grant annual 1% annual COLAs.

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, 2024 is below.

Valuation date:	
Assets	June 30, 2024
Liabilities	June 30, 2023 - Member census data as of June 30, 2023, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2023 and June 30, 2024. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2023, to the June 30, 2024 measurement date.
Actuarial assumptions:	
Experience study date	Period of 5 years ended June 30, 2019
Investment rate of return	6.25%, includes inflation and net of investment expenses
Cost of living increase	2025 - 13th check, Beginning July 1, 2025 - For members retired before July 1, 2025 - indexed 13th check, For members retired on or after July 1, 2025 - 1% COLA
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, 2023 is below.

Valuation date:	
Assets	June 30, 2023
Liabilities	June 30, 2022 - Member census data as of June 30, 2022, was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2022 and June 30, 2023. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2022, to the June 30, 2023 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	0.40% January 1, 2026 – 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, 2024

	Target Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	20.0%	4.6%
Private Market	15.0%	7.1%
Fixed Income-Ex Inflation-Linked	20.0%	3.6%
Fixed Income-Inflation-Linked	15.0%	2.1%
Commodities	10.0%	2.8%
Real Assets	10.0%	5.4%
Absolute Return	5.0%	2.5%
Risk Parity	20.0%	6.3%
Cash and Cash Overlay	N/A	1.7%

Geometric Basis on June 30, 2023

	Target Asset Allocation	Long-Term Expected Real Rate of Return
Public Equity	20.0%	3.7%
Private Market	15.0%	6.4%
Fixed Income-Ex Inflation-Linked	20.0%	2.2%
Fixed Income-Inflation-Linked	15.0%	0.5%
Commodities	10.0%	1.1%
Real Assets	10.0%	3.4%
Absolute Return	5.0%	1.6%
Risk Parity	20.0%	5.9%
Cash and Cash Overlay	N/A	--

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 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, 2024, 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%)
$6,366,709	$3,996,318	$2,025,385

Net pension liability is sensitive to changes in the discount rate. The following table illustrates, as of June 30, 2023, 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%)
$7,559,450	$4,638,604	$2,203,193

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
www.in.gov/inprs/publications/annual-reports/

OTHER INFORMATION

Ivy Tech Community College's proportionate share of the collective net pension liability is $3,996,318 which is 0.0991% of PERF's total net pension liability compared to a proportionate share as of June 30, 2023, of $4,638,604 or 0.1314%, a decrease in proportionate share of 0.0323%. 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, 2024. The actuarial valuation date upon which the total pension liability is based, is June 30, 2024. Standard actuarial roll-forward techniques were used to project the total pension liability computed as of June 30, 2023, to June 30, 2024.

The contribution rates were calculated as of June 30, and the newly calculated contribution rates will become effective January 1, 2025.

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, 2025, is $3,996,318 and as of June 30, 2024, was $4,638,604. The College's total pension expense was $449,084 and ($96,901) as of June 30, 2024, and 2023, respectively. Deferred inflows and outflows of resources were as follows.

As of June 30, 2024	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$409,574	$ -
Net difference between projected and actual earnings on pension plan investments	529,126	-
Changes of assumptions	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,338	(1,107,211)
Employer contributions subsequent to measurement date	624,751	-
Totals	**$1,572,789**	**$(1,107,211)**

As of June 30, 2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$94,904	$ -
Net difference between projected and actual earnings on pension plan investments	1,063,181	-
Changes of assumptions	252,952	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	10,997	(1,206,920)
Employer contributions subsequent to measurement date	739,877	-
Totals	**$2,161,911**	**$(1,206,920)**

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

Amortization of Net Deferred Outflows (Inflows) of Resources	
2025	($430,173)
2026	279,666
2027	24,023
2028	(32,689)
2029	-
Thereafter	-
Total	**($159,173)**

A. 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.

B. 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.

	Natural Classification							
Functional Classification	Salaries & wages	Benefits	Scholarships	Utilities	Supplies & other services	Depreciation & Amortization	2025 Total	2024 Total (As Restated)
Instruction	$106,880,174	$32,426,694	$517,466	$143,673	$49,083,406	$ -	$189,051,413	$179,351,092
Institutional support	66,974,274	30,119,746	1,580,902	260,830	75,541,132	-	174,476,884	166,283,480
Scholarships & fellowships	1,169,082	150,386	63,006,741	-	101	-	64,326,310	50,850,892
Academic support	73,514,545	23,011,770	2,507,837	105,396	25,297,682	-	124,437,230	107,128,836
Student services	38,909,556	15,448,732	1,302,641	37,086	11,469,886	-	67,167,901	60,781,086
Operations & maintenance of plant	8,200,667	3,150,492	-	11,768,249	10,071,908	-	33,191,316	33,405,717
Depreciation	-	-	-	-	-	42,206,161	42,206,161	39,084,382
Auxiliary services	342,700	21,813	3,586	40,354	200,321	-	608,774	848,671
Public services	185,435	41,475	-	-	83,596	-	310,506	344,049
TOTAL	**$296,176,433**	**$104,371,108**	**$68,919,173**	**$12,355,588**	**$171,748,032**	**$42,206,161**	**$695,776,495**	**$638,078,205**

				Natural Classification				
Functional Classification	Salaries & wages	Benefits	Scholarships	Utilities	Supplies & other services	Depreciation & Amortization	2024 Total (As Restated)	2023 Total (As Restated)
Instruction	$103,027,284	$32,748,424	$263,443	$153,288	$43,158,653	$-	$179,351,092	$170,797,209
Institutional support	62,918,827	27,881,902	1,080,617	290,459	74,111,675	-	166,283,480	178,355,178
Scholarships & fellowships	758,708	128,154	49,748,908	-	215,122	-	50,850,892	61,992,141
Academic support	65,803,668	22,125,610	2,155,682	21,986	17,021,890	-	107,128,836	90,102,072
Student services	34,951,147	14,589,468	168,004	73,105	10,999,362	-	60,781,086	55,481,528
Operations & maintenance of plant	7,365,539	2,975,808	-	11,194,277	11,870,093	-	33,405,717	25,250,406
Depreciation	-	-	-	-	-	39,084,382	39,084,382	45,246,979
Auxiliary services	435,613	111,736	2,444	34,782	264,096	-	848,671	(711,390)
Public services	188,963	59,898	-	-	95,188	-	344,049	797,787
TOTAL	**$275,449,749**	**$100,621,000**	**$53,419,098**	**$11,767,897**	**$157,736,079**	**$39,084,382**	**$638,078,205**	**$627,311,910**

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 six (6) lawsuits in the U.S. District Court for the Southern District of Indiana. In addition to these matters, the College has three (3) open charges with the Equal Employment Opportunity Commission (EEOC) and one (1) open 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. The Indiana Department of Environmental Management has approved a Remediation Work plan in April 2025. The College estimates a remaining cost of $289,000 for investigation and remediation, for which insurance is expected to cover all except for $200; therefore, no contingency was recorded.

C. SUBSEQUENT EVENTS

None

D. CONSTRUCTION WORK IN PROGRESS

The following table presents the construction projects in progress as of June 30, 2025:

EC Renovation Cap Project	$11,103,828
MC Demo and New Space Build Out	1,840,799
BLM Main Roof Project	590,311
C4 Concrete Repairs	411,092
CIT Roof Project FY25	532,519
Controls Upgrade	398,909
Fisher Elevators	737,470
Fort Wayne Campus Restructure FY24	1,089,317
FY23 Coliseum Bldg 1 Roof	946,331
GTC Electrical Infrastructure	636,031
Ivy Hall Roof Replacement	977,992
Ivy Tech Indianapolis Nursing Restructure	4,366,819
NMC Elevator Replacement	1,229,585
NMC Masonry Repairs	445,800
Parking Lot 1 Reconstruction	1,347,096
Valparaiso Phase 1 Roof Replacement FY25	467,710
Replace 2 Chillers Coliseum	718,548
VAL Welding Lab Exhaust	1,133,216
Various Repair & Rehab Projects	5,621,154
Various Parking Lots and Internally Designated Repair & Rehab Projects	7,237,712
Various Grant Funded Projects	1,570,378
Total Construction Work in Progress	**$43,402,617**

The following table presents the construction projects in progress as of June 30, 2024:

Security Project- Lake County	$746,589
Franklin Buildout - Warehouse	410,042
Elevator Modernization	301,886
Fisher Electrical - Insurance	1,790,764
Industrial 4.0 Equipment	1,114,674
Statewide Facilities Plan	1,820,977
C4 Concrete Repairs	269,625
E. Chicago Welding Lab Project	1,766,015
EC Renovation Cap Project	8,486,702
Health Sciences Renovation Ph 2	397,767
Insurance Refund Richmond	334,719
EDA Sellersburg Pfau Hall - Fed	3,314,621
Baptist Health Pfau Hall	3,351,067
Various Repair & Rehab Projects	6,535,318
Various Parking Lots and Internally Designated Repair & Rehab Projects	4,885,251
Various Grant Funded Projects	2,061,819
Total Construction Work in Progress	**$37,587,836**

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 and 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 $5,000 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. 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, 2025, actuaries calculated the 2025 unpaid unreported claim liability to be $2.2 million for the medical plan and $51 thousand for the dental plan. Prior year totals were $3.0 million for the medical plan and $51 thousand for the dental plan and $3.2 million for the medical plan and $55 thousand for the dental plan in 2023. Additionally, the unpaid liability includes $1.5 million of medical and $55 thousand of dental expenses that were invoiced in July 2025 for services incurred in June 2025. As of June 2024, there were $1.4 million of medical and $85 thousand of dental expenses invoiced in July 2024 but incurred in June 2024.

Changes in the balance of claims liabilities are as follows:

	FY25	FY24	FY23
Claims Incurred	$53,938,826	$51,259,838	$52,925,567
Claims Paid	(54,755,500)	(51,454,177)	(52,543,698)
Claims Incurred but Unpaid 6/30	(816,674)	(194,339)	381,869
Unpaid Unreported Claims - Beginning Balance	3,040,852	3,235,191	2,853,322
Unpaid Unreported Claims – Ending Balance	**$2,224,178**	**$3,040,852**	**$3,235,191**

As of June 30, 2025, the College has a reserve (the excess/deficit of employer share over claims paid, excess/deficit of fringe rate charge over actual, and funds transferred in from other college resources) in the amount of $11.2 million. As of June 30, 2024, the reserve was $10.3 million.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF COLLEGE'S OTHER POSTEMPLOYMENT BENEFITS					
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Total OPEB liability—beginning	$39,289,711	$37,740,235	$37,922,661	$46,933,838	$44,090,257
Service cost	1,691,042	1,625,845	1,476,087	1,934,165	1,886,671
Interest	1,650,161	1,608,836	1,482,319	765,417	1,176,891
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(517,592)	2,895,583	952,653	(3,666,835)	(1,551,773)
Changes of assumptions or other inputs	(537,985)	(686,539)	(374,554)	(5,420,414)	3,008,357
Benefit payments	(2,202,078)	(3,894,249)	(3,718,931)	(2,623,510)	(1,676,565)
Total OPEB liability-end	39,373,259	39,289,711	37,740,235	37,922,661	46,933,838
Covered employee payroll	$234,277,714	$219,768,993	$217,804,845	$208,304,528	$198,966,214
Total OPEB liability as percentage of covered employee payroll	17%	18%	17%	18%	24%

SCHEDULE OF COLLEGE'S OTHER POSTEMPLOYMENT BENEFITS				
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability—beginning	$45,592,026	$43,178,310	$43,136,472	$43,753,369
Service cost	1,806,581	1,774,855	1,905,089	2,142,987
Interest	1,299,962	1,603,853	1,563,656	1,391,731
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(3,949,722)	(1,744,880)	(1,073,714)	(624,300)
Changes of assumptions or other inputs	992,057	2,223,332	(467,965)	(1,518,443)
Benefit payments	(1,650,647)	(1,443,444)	(1,885,228)	(2,008,872)
Total OPEB liability-end	44,090,257	45,592,026	43,178,310	43,136,472
Covered employee payroll	$191,240,512	$190,453,691	$189,194,063	$189,812,818
Total OPEB liability as percentage of covered employee payroll	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, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
College's proportion of the net pension liability	0.099%	0.131%	0.164%	0.197%	0.228%
College's proportion of the net pension liability (asset)	$3,996,318	$4,638,604	$5,177,961	$2,594,062	$6,880,760
College's covered payroll	$6,659,134	$8,262,753	$9,448,876	$ 10,869,126	$12,298,481
College's proportionate share of the collective net pension liability (asset) as a percentage of its covered payroll	60.0%	56.1%	54.8%	23.9%	55.9%
Plan fiduciary net position as a percentage of the total pension liability	79.5%	80.8%	82.5%	92.5%	81.4%

SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY CONTINUED					
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
College's proportion of the net pension liability	0.267%	0.311%	0.370%	0.441%	0.508%
College's proportion of the net pension liability (asset)	$8,807,995	$10,573,983	$16,525,557	$19,997,294	$20,669,978
College's covered payroll	$13,885,017	$15,882,656	$18,376,394	$21,117,060	$24,308,288
College's proportionate share of the collective net pension liability (asset) as a percentage of its covered payroll	63.4%	66.6%	89.9%	94.7%	85.0%
Plan fiduciary net position as a percentage of the total pension liability	79.4%	78.9%	76.6%	75.3%	77.3%

SCHEDULE OF THE COLLEGE'S CONTRIBUTIONS					
	2024	2023	2022	2021	2020
Contractually required contribution	$717,083	$901,854	$1,033,115	$1,202,591	$1,369,354
Contributions in relation to the contractually required contributions	(717,083)	(901,854)	(1,033,115)	(1,202,591)	(1,369,354)
Contribution deficiency (excess)	-	-	-	-	-
College's covered payroll	$6,659,134	$8,262,753	$9,448,876	$10,869,126	$12,298,481
Contributions as a percentage of covered-payroll	10.8%	10.9%	10.9%	11.1%	11.2%

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

NOTES TO RSI:

FISCAL YEAR 2025 CHANGES IN ASSUMPTIONS AND BENEFIT TERMS

The discount rate, per capita claim costs, and the per capita retiree contributions 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, 2025. The annual age 65 per capita claims cost increased by $1,648 for pre-Medicare medical and $32 for dental in fiscal year 2025. Additionally, the assumption for per capita retiree contributions increased by $21 for medical and increased $5 for dental for 75 Plan retirees per year; for regular retirees, the amount increased by $864 in fiscal year 2025 to $13,156 and increased by $25 to $525 for dental.

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, 2025, no other changes to benefit terms are anticipated.

FISCAL YEAR 2024 CHANGES IN ASSUMPTIONS AND BENEFIT TERMS

The discount rate, per capita claim costs, and the per capita retiree contributions 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, 2024. The annual age 65 per capita claims cost increased by $1,721 for pre-Medicare medical and $6 for dental in fiscal year 2024. Additionally, the assumption for per capita retiree contributions decreased by $104 for medical and increased $1 for dental for 75 Plan retirees per year; for regular retirees, the amount increased by $825 in fiscal year 2024 to $12,292 and increased by $5 to $500.

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, 2024, no other changes to benefit terms are anticipated.

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 2025: PERF PLAN AMENDMENTS AND ASSUMPTION CHANGES

PLAN AMENDMENTS

In 2024, there were no changes to the plan provisions during the fiscal year.

ASSUMPTION CHANGES

In 2024, 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_FY24.pdf

FISCAL YEAR 2024: PERF PLAN AMENDMENTS AND ASSUMPTION CHANGES

PLAN AMENDMENTS

In 2023, for PERF DB, TRF Pre-'96 DB, and TRF '96 DB the full retirement benefit eligibility condition of age 70 and 20 years of credible service while still active in covered position was changed to age 65 and 20 years of creditable service while still active in a covered position. This change was deemed immaterial and has no impact on the actuarial liability.

ASSUMPTION CHANGES

In 2023, 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_FY23.pdf

FISCAL YEAR 2023: PERF PLAN AMENDMENTS AND ASSUMPTION CHANGES

PLAN AMENDMENTS

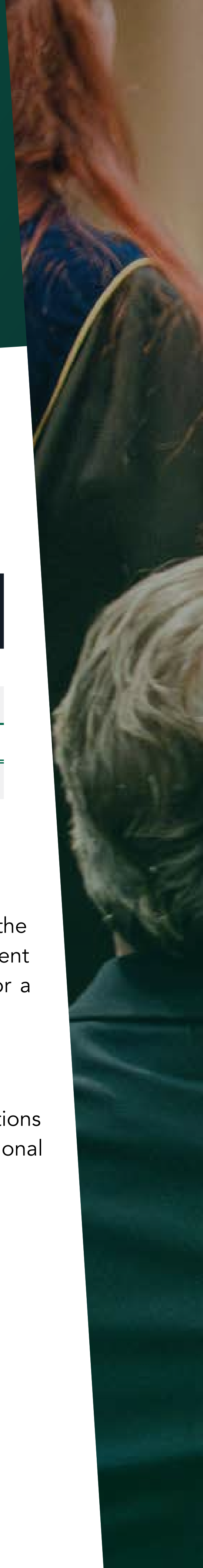
In 2022, there were no changes to the plan provisions during the fiscal year.

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

FIVE YEAR TREND IN STUDENT ENROLLMENT



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.

	2020-21	2021-22	2022-23	2023-24	2024-25
Credit Student - Full Time	19,971	19,632	21,073	23,382	24,557
Part Time	131,144	135,708	143,737	155,550	166,274
Total	**151,115**	**155,340**	**164,810**	**178,932**	**190,831**
FTE	51,349	51,056	54,437	60,101	65,246
Skills Training Students	11,712	14,676	15,086	20,484	16,881

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 counts, 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