



CONSOLIDATED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

June 30, 2021 and 2020

IVY TECH FOUNDATION, INC.

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Independent Auditors' Report

Board of Directors
Ivy Tech Foundation, Inc.

We have audited the accompanying consolidated financial statements of Ivy Tech Foundation, Inc. (a not-for-profit organization), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ivy Tech Foundation, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana

October 18, 2021

IVY TECH FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash	\$ 11,165,278	\$ 3,056,041
Investments	30,097,794	24,830,641
Promises to give, net	9,144,037	12,067,397
Prepaid expenses and other assets	325,965	426,516
Net investment in direct financing lease with related party		4,711,835
Property and equipment, net	42,427,161	35,105,882
Note receivable from bank	10,442,150	
Beneficial interest in trusts	301,372	244,532
Assets restricted for endowment	46,443,681	39,584,331
	<u>\$ 150,347,438</u>	<u>\$ 120,027,175</u>
TOTAL ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 1,919,662	\$ 87,280
Accounts payable - related party	959,614	125,003
Line of credit borrowings		295,849
Interest rate swap	258,424	364,330
Notes payable and capital lease obligation, net	19,466,211	9,643,528
Other liabilities	371,828	871,253
	<u>22,975,739</u>	<u>11,387,243</u>
Total Liabilities		
NET ASSETS		
Without donor restrictions	29,508,546	26,206,443
With donor restrictions	97,863,153	82,433,489
Total Net Assets	<u>127,371,699</u>	<u>108,639,932</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 150,347,438</u>	<u>\$ 120,027,175</u>

See accompanying notes.

IVY TECH FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
Years Ended June 30, 2021 and 2020

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

See accompanying notes.

2020		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 1,310,465	\$ 6,187,727	\$ 7,498,192
	785,213	785,213
21,554	1,524,294	1,545,848
	9,380,004	9,380,004
<u>1,332,019</u>	<u>17,877,238</u>	<u>19,209,257</u>
3,703,505		3,703,505
	272,301	272,301
<u>5,035,524</u>	<u>18,149,539</u>	<u>23,185,063</u>
945,889	1,217,484	2,163,373
433,563		433,563
1,288,398		1,288,398
	(1,014,979)	(1,014,979)
(422,479)		(422,479)
5,509	21,145	26,654
<u>2,250,880</u>	<u>223,650</u>	<u>2,474,530</u>
12,615,162	(12,615,162)	
<u>19,901,566</u>	<u>5,758,027</u>	<u>25,659,593</u>
20,318,484		20,318,484
1,758,647		1,758,647
3,288,908		3,288,908
<u>25,366,039</u>		<u>25,366,039</u>
(5,464,473)	5,758,027	293,554
(120,825)		(120,825)
<u>(120,825)</u>	<u>-</u>	<u>(120,825)</u>
(5,585,298)	5,758,027	172,729
31,791,741	76,675,462	108,467,203
<u>\$ 26,206,443</u>	<u>\$ 82,433,489</u>	<u>\$ 108,639,932</u>

IVY TECH FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021

	Student Financial Aid Program	College Facilities and Equipment	College Real Estate Management	College Funded Programs	General Assistance to College	Community Outreach	Total Program	Administrative	Fundraising	Total
Salary and benefits				\$ 3,638,685			\$ 3,638,685	\$ 1,427,782	\$ 2,965,709	\$ 8,032,176
Staff development and recognition					\$ 151,130		151,130			151,130
Professional fees				101,908			101,908	120,371	516,343	738,622
Direct outreach to constituents						\$ 309,311	309,311			309,311
Equipment and instructional supplies		\$ 593,995					593,995			593,995
Office expenses					816		816	83,611	33,918	118,345
Meetings					3,813	62,603	66,416	2,827	5,262	74,505
Financial aid and college fees	\$ 5,680,051						5,680,051			5,680,051
Facilities construction and repair		3,041,353					3,041,353			3,041,353
Building leasing and utilities			\$ 426,514				426,514	78,016	91,584	596,114
Depreciation			2,484,470				2,484,470			2,484,470
Volunteer and student recognition					40,474		40,474			40,474
Travel					27,117		27,117			27,117
Advertising and promotion						6,908	6,908		44,645	51,553
Interest expense			364,906				364,906			364,906
Real estate taxes			39,289				39,289			39,289
Special programs				1,017,204			1,017,204			1,017,204
Events and association activities					24,760		24,760		58,146	82,906
Donated items		1,737,973					1,737,973			1,737,973
Miscellaneous expense								10,117	561	10,678
TOTAL EXPENSES BY FUNCTION	<u>\$ 5,680,051</u>	<u>\$ 5,373,321</u>	<u>\$ 3,315,179</u>	<u>\$ 4,757,797</u>	<u>\$ 248,110</u>	<u>\$ 378,822</u>	19,753,280	1,722,724	3,716,168	25,192,172
Less: Expenses included with revenues on the consolidated statement of activities Special events									(58,146)	(58,146)
TOTAL EXPENSES ON THE CONSOLIDATED STATEMENT OF ACTIVITIES							<u>\$19,753,280</u>	<u>\$ 1,722,724</u>	<u>\$ 3,658,022</u>	<u>\$ 25,134,026</u>

See accompanying notes.

IVY TECH FOUNDATION, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2020

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

See accompanying notes.

IVY TECH FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended June 30, 2021 and 2020

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

See accompanying notes.

IVY TECH FOUNDATION, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
Years Ended June 30, 2021 and 2020

	2021	2020
CASH AND EQUIVALENTS		
Cash	\$ 11,165,278	\$ 3,056,041
Cash equivalents held in investments	6,018,312	4,655,155
Cash equivalents held in assets restricted for endowment	<u>1,693,333</u>	<u>1,229,682</u>
TOTAL CASH AND EQUIVALENTS	<u><u>\$ 18,876,923</u></u>	<u><u>\$ 8,940,878</u></u>
SUPPLEMENTAL DISCLOSURES		
Interest paid, including capitalized interest of \$95,698 in 2021	\$ 407,032	\$ 503,372
Noncash investing and financing activities:		
Contributions of properties to Ivy Tech Community College		3,712,237
Dissolution of direct financing lease with related party	4,376,780	
Dissolution of capital lease obligation	4,376,780	
Property purchase financed with note payable	8,464,053	
Capital expenditures included in accounts payable	1,876,126	

IVY TECH FOUNDATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS June 30, 2021 and 2020

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: Ivy Tech Foundation, Inc. (the Foundation) was incorporated on June 9, 1969, under The Indiana Foundations and Holding Companies Act of 1921 (as amended), and during the 1992-1993 fiscal year elected to be governed under the Indiana Nonprofit Corporation Act of 1991. 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 of Indiana (the College), commenced its financial activities with the receipt of various contributions in October 1970. Major sources of revenue, gains and support for the Foundation include real estate rental income, investment return, and contributions from individuals, corporations and granting foundations.

The accompanying consolidated financial statements include the accounts of the Foundation and the following wholly-owned subsidiaries:

- Ivy Tech Properties, Inc. (ITP) - an Indiana public benefit corporation formed on February 15, 2012, to engage in real estate transactions. ITP is a qualified active low-income community business under Section 45D(f)(2) of the Internal Revenue Code.
- Community Enterprises Incorporated (CEI) - A corporation formed on October 15, 2008, to engage in real estate transactions.
- Community Enterprises Properties, LLC (CEP) - A member managed limited liability company formed on June 29, 2009, to engage in real estate transactions.
- Ivy Tech Loan Fund, LLC (ITLF) - A member managed limited liability company formed on June 23, 2020, to engage in real estate transactions.

The Foundation and its subsidiaries are collectively referred to as the Foundation throughout this report. All intra-entity accounts and transactions have been eliminated in consolidation.

New Accounting Pronouncement: On January 1, 2020, the Company retrospectively adopted Accounting Standards Update (ASU) No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement* (ASU No. 2018-13) as prescribed by the Financial Accounting Standards Board. As a result of the adoption of ASU No. 2018-13, the Foundation removed and modified certain disclosure requirements related to Level 3 fair value measurements. The adoption of ASU No. 2018-13 did not have an impact on the Foundation's financial position or results of operations.

Basis of Presentation: The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, which require the Foundation to report information regarding its consolidated financial position and activities according to the following net asset classifications:

- **Net Assets Without Donor Restrictions** are not subject to donor-imposed restrictions and may be used at the discretion of the Foundation's management and the Board of Directors.
- **Net Assets With Donor Restrictions** are subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by the passage of time or by actions of the Foundation. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities. Restrictions expire when the stipulated time has elapsed, when the stipulated purposes for which the resource was restricted has been fulfilled, or both. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released from restriction when the assets are placed in service.

Estimates: Management uses estimates and assumptions in preparing consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of asset and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Cash and Equivalents consist of cash on hand or in demand deposit accounts and highly liquid investments purchased with an original maturity of three months or less. The Foundation maintains its cash in bank deposit accounts which, at times, may exceed the federally insured limits. The Foundation has not experienced any losses from its bank accounts.

Promises to Give: Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Amounts expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted rates applicable in the years in which those promises are received. Amortization of the discounts is included in contributions in the consolidated statements of activities. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Promises to give are reviewed for collectability and a provision for doubtful accounts is recorded based on management’s judgment and analysis of the creditworthiness of the donors, historical experience, economic conditions, and other relevant factors.

Investment Valuation and Income Recognition: Investments initially recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are stated at fair value. See Note 3 for discussion of fair value measurements.

Investment return reported in the consolidated statements of activities consists of interest and dividend income, realized and unrealized capital gains and losses, and changes in value of beneficial interest in trusts, net of external and direct internal investment expenses. Interest income is recorded on the accrual basis, and dividends are recorded on the ex-dividend date. Purchases and sales of investments are recorded on the trade date. Gains and losses on the sale of investments are determined using the specific-identification method.

Investment Pools: The Foundation maintains master investment accounts for its endowments. Interest, dividends, and realized gains and losses from securities in the master investment accounts are allocated quarterly to the individual endowments based on the relationship of the value of each endowment to the total.

Property and Equipment are stated at cost for purchased assets, or at fair value for donated assets, less accumulated depreciation. Depreciation of property and equipment is provided on a straight-line basis over the estimated useful lives as follows:

Buildings and improvements	20-30 years
Software	3-5 years
Furniture and fixtures	5-10 years

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the asset's carrying amount to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds their fair market value. No adjustments to the carrying amount of property and equipment were required during the years ended June 30, 2021 and 2020.

Beneficial Interest in Trusts: The Foundation is an irrevocable beneficiary of trusts. The Foundation's beneficial interest in trusts is reported at fair value in net assets with donor restrictions, based on the nature of the trust and donor restrictions. See Note 3 for discussion of fair value measurements. Changes in value of beneficial interest in trusts are recognized in investment return.

Interest Rate Swap: The Foundation uses an interest rate swap to mitigate interest-rate risk on bonds payable. The related liability or asset is reported at fair value in the consolidated statements of financial position, and unrealized gains or losses are included in the consolidated statements of activities. See Notes 3 and 11.

Contributions and Grants are recognized as support when they are received or unconditionally promised. Grants and contracts are classified as contributions in instances in which a resource provider is not itself receiving commensurate value for the resources provided. Contributions are considered conditional when the agreement with the resource provider includes a barrier that must be overcome and either a right of return of assets transferred or right of release of a promisor's obligation to transfer assets. Conditional contributions are not recognized as revenue until the conditions are substantially met.

Government contracts and certain other grants are subject to audit by the government or granting agency, and as a result of such audit, adjustments to revenue and support could be required.

Non-Cash Contributions: In addition to receiving cash contributions, the Foundation receives non-cash contributions including gifts of securities and real estate from various donors. The Foundation's policy is to record securities and real estate donations at their fair market value on the date of donation.

Contributions of services, other than those related to personnel services from the College, which provide direct benefit to the Foundation, are recorded at estimated fair value when received if such services require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not donated. For the services provided by the College, all services received are recorded as support based on an allocation of the actual cost recognized by the College, less amounts reimbursed to the College. Volunteers contribute significant amounts of time to the Foundation's activities that do not meet recognition criteria, and the value of these contributed services is not reflected in the consolidated financial statements.

Leasing Arrangements: The Foundation's leasing arrangements consist principally of the leasing of various land and buildings. Except for one arrangement, the Foundation's leases are classified as operating leases. Real estate rental income is recognized on a straight-line basis over the term of each operating lease.

Special Event Revenue, including related sponsorship revenue and other contributions, are considered unconditional contributions, except for the portion related to the direct benefit being provided to the donors that is considered an exchanged transaction. The contribution portion of the revenue is recognized when received, and the exchange transaction portion of the revenue is recognized when the event occurs.

Functional Allocation of Expenses: The costs of providing program and other activities have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Directly identifiable expenses are charged to the specific program or supporting service benefited. Expenses related to more than one function are allocated among program and support services based on occupied space (including, office expenses and building leasing and utilities) or time spent by Foundation staff (including, salaries and benefits and professional fees). Administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Other Assistance are recognized as expense when the grant is made or other assistance is provided. Promises to give to others are recognized as grants payable and expense when the promise has been communicated to the grantees and becomes unconditional.

Debt Issuance Costs are being amortized on the effective interest rate method over the term of the related debt instrument. Unamortized debt issuance costs are presented as a direct deduction from the carrying amount of notes payable on the consolidated statements of financial position. Amortization of the debt issuance costs is reported as interest expense.

Advertising Costs are expensed as incurred and totaled \$51,553 in 2021 and \$59,843 in 2020.

Income Taxes: Ivy Tech Foundation, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). CEP and ITLF are single member, member managed limited liability companies that are treated as disregarded entities for federal and state income tax purposes, and thus are also exempt from federal income taxes under Section 501(c)(3) of the IRC. Ivy Tech Properties, Inc. is exempt from federal income taxes under Section 501(c)(2) of the IRC. In addition, Ivy Tech Foundation, Inc. has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the IRC. However, the Foundation is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the IRC. There was no unrelated business income tax for the years ended June 30, 2021 and 2020.

CEI is a taxable corporation; however, it had no federal or state income taxes currently payable or deferred tax assets or liabilities as of June 30, 2021 and 2020.

The Foundation and ITP file U.S. federal and state of Indiana information returns. CEI files U.S. federal and state of Indiana income tax returns. The Foundation, ITP, and CEI are no longer subject to U.S. federal and state income tax examinations by tax authorities for years before the year ended June 30, 2018.

Management believes that the Foundation's income tax filing positions will be sustained on audit and does not anticipate any adjustments that will result in a material change.

Subsequent Events: The Foundation has evaluated the consolidated financial statements for subsequent events occurring through October 18, 2021, the date the consolidated financial statements were available to be issued.

NOTE 2 - AVAILABLE RESOURCES AND LIQUIDITY

The Foundation's financial assets available for general expenditure within one year of June 30, 2021 and 2020 were as follows:

	2021	2020
Cash	\$ 11,165,278	\$ 3,056,041
Investments	30,097,794	24,830,641
Promises to give, net	9,144,037	12,067,397
Net investment in direct financing lease with related party		4,711,835
Beneficial interest in trusts	301,372	244,532
Assets restricted for endowment	<u>46,443,681</u>	<u>39,584,331</u>
Total Financial Assets	97,152,162	84,494,777
Promises to give scheduled to be collected in more than one year	(8,793,811)	(9,868,293)
Net investment in direct financing lease with related party scheduled to be collected in more than one year		(4,027,574)
Contractual or Donor-imposed Restrictions:		
Endowment funds not available for general expenditure within one year	(43,657,060)	(38,000,958)

NOTE 2 - AVAILABLE RESOURCES AND LIQUIDITY (CONTINUED)

	2021	2020
Investments held in charitable remainder trust	\$ (301,372)	\$ (244,532)
Other donor restrictions not available for general expenditure within one year	<u>(4,286,069)</u>	<u>(4,051,475)</u>
Total Financial Assets Available Within One Year	<u>\$ 40,113,850</u>	<u>\$ 28,301,945</u>

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long-term grant commitments and obligations under endowments with donor restrictions that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

As part of its liquidity management for funds to be spent, the Foundation invests cash in excess of daily requirements in both short-term investments, including certificate of deposits and money market fund shares and longer-term investments, including equities, bonds and alternative investments.

Approximately 90% of the Foundation's investment portfolio consists of highly liquid investments. Certain investments (approximately 10%) in real estate, private equities, and private investments are subject to constraints limiting the Foundation's ability to withdraw capital after such investments are made or the amount available for withdrawal at a given redemption date. These constraints may limit the Foundation's ability to respond quickly to changes in market conditions.

The Foundation's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes. Donor-restricted endowment funds are not available for general expenditure with the exception of appropriated amounts in accordance with the Foundation's endowment spending policy. See Notes 4, 5, 6 and 12 for further information about the Foundation's investments, net assets, and endowment funds.

NOTE 3 - FAIR VALUE MEASUREMENTS

The Foundation has categorized its assets and liabilities that are measured at fair value into a three-level fair value hierarchy. The hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 - Inputs to the valuation methodology may include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and/or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. In situations where there is little or no market activity for the asset or liability, the Foundation makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

Following is a description of the valuation methodologies used by the Foundation for assets and liabilities that are measured at fair value on a recurring basis. There have been no changes in the methodologies used at June 30, 2021 and 2020.

Mutual Fund Shares and Money Market Fund Shares: Valued at the daily closing price, as reported by each fund. These funds are required to publish net asset value and the transaction price. These funds are deemed to be actively traded.

Common Stocks, Exchange Traded Funds, and Government Obligations: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issues with similar credit ratings. When quoted prices are not available for identical or similar bonds, those corporate bonds are valued under a discounted cash flow approach that maximizes observable inputs, such as current yields or similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks.

Certificates of Deposit: Valued by discounting the related cash flows on interest rates of similar instruments with similar credit ratings and duration.

Alternative Investments: Valued at net asset value (NAV), as provided by the fund manager. NAV is used as a practical expedient to estimate fair value and is based on the fair value of the underlying investments less liabilities. The practical expedient would not be used if it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. When NAV is used to estimate fair value, these funds are not classified in the fair value hierarchy.

Life Insurance Contracts: Determined using the cash surrender value of the policies as the basis for the amounts that could be realized under the insurance contracts as of the date of the consolidated statements of financial position.

Beneficial Interest in Perpetual Trust: Valued using the Foundation's proportionate share of the fair value of the assets in the trust, as provided by the trustee, unless there are facts and circumstances that indicate that the fair value of the beneficial interest differs from the fair value of the Foundation's proportionate share of the assets held by the trust, in which case the present value of the estimated future cash flows would be used. When the Foundation's proportionate share of the fair value of the assets in the trust is used to estimate fair value, these assets are not classified in the fair value hierarchy.

Beneficial Interest in Charitable Remainder Trusts: Valued at the present value of future cash flows considering the estimated return on invested assets during the expected term of the agreement, the contractual payment obligations under the agreement, and a discount rate commensurate with the rates involved.

Interest Rate Swap: Valued using the valuation provided by the counterparty, without adjustment, which utilizes a model primarily based on the applicable interest yield curve at the reporting date.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain assets could result in a different fair value measurement at the reporting date.

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a summary, by major nature and risks class within each level of the fair value hierarchy, of the Foundation's assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2021 and 2020:

2021	Level 1	Level 2	Level 3	Total	Measured at NAV
Assets					
Investments (including endowment):					
Cash	\$ 3,976,984			\$ 3,976,984	
Money market fund shares	3,734,661			3,734,661	
Mutual fund shares - equities:					
Large cap funds	13,726,813			13,726,813	
International funds	1,927,677			1,927,677	
Mutual fund shares - fixed income:					
Intermediate-term bond funds	5,899,208			5,899,208	
Short-term bond funds	1,385,648			1,385,648	
International funds	912,409			912,409	
Other bond funds	2,418,867			2,418,867	
Common stocks	1,030,253			1,030,253	
Exchange traded funds - equities:					
Large cap funds	10,193,394			10,193,394	
International funds	11,695,045			11,695,045	
Mid cap funds	40,310			40,310	
Corporate bonds:					
Technology		\$1,236,423		1,236,423	
Retail goods and services		1,466,740		1,466,740	
Financial services		2,117,018		2,117,018	
Healthcare		795,175		795,175	
Industrial goods		761,075		761,075	
Other		1,536,737		1,536,737	
Government obligations	1,324,886			1,324,886	
Alternative investments					\$6,531,016
Certificates of deposit - banks		1,078,188		1,078,188	
Life insurance contracts		193,428		193,428	
Beneficial interest in trusts (including endowment):					
Beneficial interest in perpetual trust					1,163,692
Beneficial interest in charitable remainder trusts			\$301,372	301,372	
Total Assets at Fair Value	<u>\$58,266,155</u>	<u>\$9,184,784</u>	<u>\$301,372</u>	<u>\$67,752,311</u>	<u>\$7,694,708</u>
Liabilities					
Interest rate swap		\$ 258,424		\$ 258,424	
Total Liabilities at Fair Value		<u>\$ 258,424</u>		<u>\$ 258,424</u>	

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

2020	Level 1	Level 2	Level 3	Total	Measured at NAV
Assets					
Investments (including endowment):					
Cash	\$ 3,652,314			\$ 3,652,314	
Money market fund shares	2,232,523			2,232,523	
Mutual fund shares - equities:					
Large cap funds	8,532,903			8,532,903	
International funds	813,398			813,398	
Mutual fund shares - fixed income:					
Intermediate-term bond funds	3,410,483			3,410,483	
Short-term bond funds	468,663			468,663	
International funds	3,725,496			3,725,496	
Other bond funds	5,399,546			5,399,546	
Common stocks	832,976			832,976	
Exchange traded funds - equities:					
Large cap funds	10,384,639			10,384,639	
International funds	6,460,824			6,460,824	
Mid cap funds	26,673			26,673	
Exchange traded funds - fixed income:					
Large cap funds	528,270			528,270	
Corporate bonds:					
Technology		\$1,019,213		\$ 1,019,213	
Retail goods and services		1,500,496		1,500,496	
Financial services		1,659,900		1,659,900	
Utilities		1,040,440		1,040,440	
Industrial goods		1,038,564		1,038,564	
Other		1,606,002		1,606,002	
Government obligations	\$ 1,349,242			1,349,242	
Alternative investments					\$5,193,098
Certificates of deposit - banks		823,506		823,506	
Life insurance contracts		161,429		161,429	
Beneficial interest in trusts (including endowment):					
Beneficial interest in perpetual trust					945,955
Beneficial interest in charitable remainder trusts			\$244,532	244,532	
Total Assets at Fair Value	<u>\$47,817,950</u>	<u>\$8,849,550</u>	<u>\$244,532</u>	<u>\$56,912,032</u>	<u>\$6,139,053</u>
Liabilities					
Interest rate swap		\$ 364,330		\$ 364,330	
Total Liabilities at Fair Value		<u>\$ 364,330</u>		<u>\$ 364,330</u>	

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

The following table represents the Foundation's Level 3 assets, the valuation techniques used to measure the fair value of those assets, and the significant unobservable inputs and the ranges of values for those inputs.

Instrument	Fair Value		Principal Valuation Technique	Significant Unobservable Inputs	Basis or Range of Significant Input Values
	2021	2020			
Beneficial Interest in Charitable Remainder Trusts	<u>\$301,372</u>	<u>\$244,532</u>	Discounted cash flow	Return on trust assets Discount rate	6.0% 2.0%

Fair Value of Investments in Entities that Use NAV (or Equivalent)

The following table summarizes investments measured at fair value based on the NAV per share (or equivalent) as of June 30, 2021 and 2020:

Instrument	Fair Value		Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
	2021	2020			
Beneficial interest in perpetual trust	\$1,163,692	\$ 945,955	N/A	Illiquid	Illiquid
Alternative investment (a)	806,003	670,605	None	Quarterly	45 days
Alternative investment (b)	25,203	56,610	None	Quarterly	45 days
Alternative investment (c)	309,310	350,338	\$181,005	25% per quarter; not eligible until 7 th anniversary of initial investment	Not yet eligible
Alternative investment (d)	1,291,776	1,160,601	None	Up to 35% per quarter	65 days
Alternative investment (e)	507,476	328,343	230,000	Liquid upon public offering (target by year 4) or liquidation of fund in years 6+	Not yet eligible
Alternative investment (f)	413,254	317,749	None	Weekly	3 days
Alternative investment (g)	306,691	332,154	None	Weekly	3 days
Alternative investment (h)	42,109	271,487	None	Quarterly	50 days
Alternative investment (i)	411,212	271,722	None	Quarterly	65 days
Alternative investment (j)	374,194	357,676	None	Quarterly	50 days
Alternative investment (k)	356,254	283,545	None	Semi-annually	95 days
Alternative investment (l)	386,258	292,007	None	Quarterly	70 days
Alternative investment (m)	565,826	500,261	None	Quarterly, \$100,000 minimum	95 days
Alternative investment (n)	121,129		375,867	Not yet eligible	Not yet eligible
Alternative investment (o)	214,321		None	Quarterly	50 days
Alternative investment (p)			500,000	Illiquid	Illiquid
Alternative investment (q)	<u>400,000</u>	<u></u>	None	Quarterly	60 days
	<u>\$7,694,708</u>	<u>\$6,139,053</u>			

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

- (a) The portfolio engages primarily in the following investment strategies: merger arbitrage, fundamental equities, convertible/derivative arbitrage, corporate credit and structured credit.
- (b) The fund is a credit relative value hedge fund focused on generating absolute returns while mitigating volatility and limiting drawdowns. Investments are structured based upon fundamental credit analysis and benefit from the team's quantitative hedging capability. The fund seeks to exploit potential inefficiencies in small, mid-cap and unrated issues and offerings that are underfollowed by many investors.
- (c) Investment fund focuses primarily on second lien, mezzanine and other private high-yield debt investments in upper market entities.
- (d) Investment fund is an actively managed registered fund of hedge funds with a target portfolio of 20-25 single strategy and diversified hedge funds. It seeks to fully complement an existing traditional stock and bond portfolio with a focus on generating capital appreciation over the long-term, with relatively low volatility and a low correlation with traditional equity and fixed income markets.
- (e) The fund focuses on private senior secured, U.S. corporate floating rate loans.
- (f) The fund utilizes a discretionary global macro approach which employs directional, as well as, relative value trading strategies, investing across asset classes in both developed and emerging markets.
- (g) The fund develops proprietary, systematic investment strategies trading in managed futures and equities. The fund has a market neutral approach, seeking correlation absolute returns.
- (h) The fund uses an opportunistic, relative value credit strategy with an emphasis on capital preservation. The fund seeks to construct a short duration and high carry portfolio.
- (i) The fund is a long/short fund which employs an opportunistic, value-oriented investment strategy. The investment portfolio is comprised of value-oriented long equity positions and company-specific short positions designed to generate profits independent of market conditions.
- (j) The fund is a broad-based long/short equity fund that seeks to construct a low volatility portfolio with minimum leverage. The fund invests globally with a primary focus on U.S. listed companies across all industries except healthcare and very minimally in financials.
- (k) The fund is a global distressed credit fund that invests opportunistically across geographies and asset classes. The fund seeks complex situations in dislocated and inefficient markets to identify asset mispricings.
- (l) The fund is a credit relative value hedge fund focused on generating absolute returns while mitigating volatility and limiting drawdowns. Investments are structured based upon fundamental credit analysis and benefit from the team's quantitative hedging capability. The fund seeks to exploit potential inefficiencies in small, mid-cap and unrated issues and offerings that are underfollowed by many investors.
- (m) The fund is an actively managed portfolio of approximately 15-20 single and diversified strategy hedge funds. It seeks to full complement an existing traditional stock and bond portfolio by focusing on generating total returns while moderating downside risk.
- (n) The fund focuses on investment opportunities within the healthcare industry.
- (o) The fund is an actively managed portfolio implementing a unique stock picking process that limits net exposure by sector and country.

NOTE 3 - FAIR VALUE MEASUREMENTS (CONTINUED)

(p) The fund focuses on distressed real estate market.

(q) The fund is a fixed income relative value multi-strategy seeking to deliver strong absolute risk-adjusted returns.

NOTE 4 - INVESTMENTS

The Foundation's investments, including investments included in assets restricted for endowment, consisted of the following at June 30, 2021 and 2020:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Cash and equivalents	\$ 7,711,645	\$ 7,711,645	\$ 5,884,837	\$ 5,884,837
Certificates of deposit	815,989	1,078,188	817,022	823,506
Government obligations	1,299,657	1,324,886	1,324,075	1,349,242
Mutual funds - fixed income	10,615,025	10,616,132	12,530,349	13,004,188
Mutual funds - equities	10,990,883	15,647,865	8,597,863	9,346,301
Exchange traded funds- fixed income	554,914	553,163	13,815,696	17,400,406
Exchange traded funds- equities	14,170,069	21,382,214		
Corporate bonds	7,653,233	7,913,168	7,415,953	7,864,615
Common stocks	463,250	1,030,253	478,438	832,976
Alternative investments	5,934,396	6,531,016	5,350,729	5,193,098
Life insurance contracts	193,428	193,428	161,429	161,429
Total Investments	<u>\$60,402,489</u>	<u>\$73,981,958</u>	<u>\$56,376,391</u>	<u>\$61,860,598</u>

Investments are included in the consolidated statements of financial position at June 30, 2021 and 2020 as follows:

	2021	2020
Investments	\$30,097,794	\$24,830,641
Assets restricted for endowment	<u>43,884,161</u>	<u>37,029,957</u>
Total Investments	<u>\$73,981,955</u>	<u>\$61,860,598</u>

Investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term could materially affect the amounts reported in the Foundation's consolidated financial statements.

NOTE 5 - ASSETS RESTRICTED FOR ENDOWMENT

Assets with donor-imposed restrictions limiting their use to long-term purposes have been excluded from other assets which are available for current use. Assets restricted for endowment consisted of the following at June 30, 2021 and 2020:

	2021	2020
Investments	\$43,884,161	\$37,029,957
Beneficial interest in perpetual trust	1,163,692	945,955
Promises to give	<u>1,395,828</u>	<u>1,608,419</u>
Total Assets Restricted for Endowment	<u>\$46,443,681</u>	<u>\$39,584,331</u>

NOTE 6 - ENDOWMENT

The Foundation's endowment consists of over 450 individual funds established by donors for a variety of purposes. The endowment net asset composition as of June 30, 2021 and 2020, was as follows:

	2021	2020
Donor-restricted endowment funds:		
Original gifts and amounts required to be maintained in perpetuity by donors	\$37,699,247	\$36,773,955
Accumulated investment gains	<u>8,744,434</u>	<u>2,810,376</u>
Total Endowment Funds	<u>\$46,443,681</u>	<u>\$39,584,331</u>

Activity in the endowment, which is composed of only net assets with donor restrictions, for the years ended June 30, 2021 and 2020, is summarized as follows:

	2021	2020
Endowment at beginning of year	\$39,584,331	\$38,967,454
Investment return	8,052,118	1,227,048
New gifts and charitable remainder trust distribution	938,304	1,103,127
Appropriations for expenditure	(2,131,072)	(2,172,889)
Reclassification of donor intent	<u>459,591</u>	<u>459,591</u>
Endowment at end of year	<u>\$46,443,681</u>	<u>\$39,584,331</u>

NOTE 6 - ENDOWMENT (CONTINUED)

Interpretation of Relevant Law

The Foundation is subject to the Indiana Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions, because those assets are time restricted until the Board of Directors appropriates such amounts for expenditure. Most of those assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Board of Directors has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. The Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

Additionally, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original value of the level that the donor requires the Foundation to retain as a fund of perpetual duration. There were no underwater endowment funds at June 30, 2021 and 2020.

Investment and Spending Policies

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. Endowment assets include those assets of funds with donor restrictions that the Foundation must hold in perpetuity. Under this policy, as approved by the Board of Directors, the primary investment objective of the Foundation for endowment assets is to provide a real rate of return (total return minus inflation) sufficient to support, in perpetuity, the restricted purposes of each endowment account, in order to serve the mission of the Foundation. The Board of Directors recognizes in the policy that it is particularly important to preserve the value of the assets in real terms to enable the Foundation to maintain the purchasing power of its support of the College without eroding the real, long-term value of the corpus of the endowment. The target return, net of fees, approved by the Board of Directors is 7%. Actual returns in any given year may vary from these objectives.

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation of 55% equity investments, 35% fixed income investments, and 10% alternative investments to achieve its long-term return objectives within prudent risk constraints.

NOTE 6 - ENDOWMENT (CONTINUED)

The Foundation has a policy of appropriating for distribution each year 6% of its endowment fund's asset value based on a 3 year rolling average of the value on January 1st of the preceding years. The amount may also be reduced at the recommendation of the Finance Committee if deemed prudent based on a balanced view of investment returns, spending needs of the College, and maintaining fund values in perpetuity. Over the long term, the Foundation expects the current spending policy to allow its endowment to grow. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 7 - PROMISES TO GIVE

Unconditional Promises to Give

Unconditional promises to give were as follows at June 30, 2021 and 2020:

	2021	2020
Capital campaign	\$ 3,001,892	\$ 3,458,273
Endowments	1,395,828	1,706,450
Grants	3,179,126	4,613,596
Other promises to give	<u>6,167,737</u>	<u>6,371,971</u>
	13,744,584	16,150,290
Unamortized discounts	(1,204,719)	(894,474)
Allowances for uncollectible amounts	<u>(2,000,000)</u>	<u>(1,580,000)</u>
 Total Promises to Give, net	 <u>\$10,539,865</u>	 <u>\$13,675,816</u>
 Amount due in:		
Less than one year	\$ 3,871,577	\$ 6,251,997
One to five years	8,934,129	8,785,960
More than five years	<u>938,878</u>	<u>1,112,333</u>
 Total Promises to Give	 <u>\$13,744,584</u>	 <u>\$16,150,290</u>

Promises to give are included in the consolidated statements of financial position at June 30, 2021 and 2020 as follows:

	2021	2020
Promises to give, net	\$ 9,144,037	\$12,067,397
Assets restricted for endowment	<u>1,395,828</u>	<u>1,608,419</u>
 Total Promises to Give, net	 <u>\$10,539,865</u>	 <u>\$13,675,816</u>

The Foundation has also been informed that it had been named as a beneficiary of various wills and individual retirement accounts. These items are not recorded in the consolidated financial statements due to the donors' power to modify or remove the Foundation as the beneficiary.

NOTE 7 - PROMISES TO GIVE (CONTINUED)

Conditional Promises to Give

In December 2017, the Foundation signed a grant agreement that is designed to provide funds for one of the Foundation's scholarship funds through matching contributions. The grant agreement provides matching contributions, on a dollar-to-dollar basis, up to \$300,000 through June 2022, which are available to be paid upon receipt of promises to give restricted by the donor or designated by the Foundation for the scholarship fund. Eligible promises to give must be received annually to obtain the entire \$60,000 annual match available under the grant agreement. The Foundation has recognized \$60,000 on the grant agreement as eligible promises to give were received. At June 30, 2021 and 2020, the remaining amount available for matching contributions was \$240,000. These funds will be recognized as revenue in the periods in which the conditions are fulfilled.

NOTE 8 - NOTE RECEIVABLE FROM BANK

On August 28, 2020, ITLF advanced proceeds of \$10,442,150 to a bank under a note which matures on September 15, 2046. Interest-only payments are due from the Bank quarterly through August 28, 2027. Principal and interest are due quarterly beginning December 15, 2027. Interest is accrued at 1.0887% per year. Interest earned in 2021 was \$95,684. The Bank used the proceeds to provide capital to certain entities making Qualified Low-Income Community Investment (QLICI) loans to ITP.

NOTE 9 - BENEFICIAL INTEREST IN TRUSTS

The Foundation is the beneficiary of an irrevocable beneficial interest in a perpetual trust managed by a third-party trustee. The Foundation is entitled to receive 50% of the net income earned from the assets of the trust, but will never receive the assets held in the trust. The portion of the trust attributable to the present value of the future benefits to be received by the Foundation is recorded as a contribution with donor restrictions in the period the trust is established. Beneficial interests in perpetual trusts are measured at fair value. See Note 3 for the discussion of fair value measurements. Distributions received from the trust are restricted for scholarships and are included in contributions with donor restrictions. Total distributions received from this trust were \$82,101 and \$79,611 for the years ended June 30, 2021 and 2020, respectively.

NOTE 10 - ASSETS HELD IN COMMUNITY FOUNDATIONS AND SIMILAR ENTITIES

The Foundation also holds an irrevocable beneficial interest in four charitable remainder trusts managed by third-party trustees. The charitable remainder trusts provide for the payment of distributions to a grantor or other designated beneficiary over the designated beneficiaries' lifetimes. Upon the death of the designated beneficiaries of the trusts, the remaining assets will be distributed to the Foundation for its use in accordance with donor restrictions, if any. The portion of the trusts attributable to the present value of the future benefits to be received by the Foundation is recorded as a contribution with donor restrictions in the period the trust is established. Beneficial interests in charitable remainder trusts held by third parties are measured at fair value. See Note 3 for the discussion of fair value measurements. During 2021 and 2020, there were no distributions received from these trusts or new trusts recognized as contributions.

The Foundation has been named a beneficiary of various funds administered by community foundations and other similar entities. However, these funds are not included in the Foundation's consolidated statements of financial position because the other entities have variance power over the funds. At June 30, 2021 and 2020, these funds approximated \$13.5 million and \$11.5 million, respectively, based on information available from the community foundations and other entities.

NOTE 11 - DEBT AND CREDIT ARRANGEMENTS

Notes payable and capital lease obligation consisted of the following at June 30, 2021 and 2020:

	2021	2020
Note payable - 6.50%, payable in 240 monthly installments of \$9,506, including interest, with a final payment due on May 3, 2025. Collateralized by land and buildings in Kokomo, Indiana. A portion of this note was due to a related party. A portion of this note was repaid in 2021 and the remainder was refinanced as described below.		\$ 478,676
Related party note payable in monthly installments of \$8,705, including interest computed at a fixed rate of 6.50%, through maturity in May 2025.	\$ 353,609	
Tax exempt bond - 65% of LIBOR plus 2.42% (2.51% at June 30, 2021), payable in monthly interest-only payments, with a balloon payment due on June 1, 2036. Debt is held by CEP, and guaranteed by Ivy Tech Foundation. Collateralized by a building in Fort Wayne, Indiana.	1,514,622	1,579,722
Note payable with fixed interest calculated at 2.40%. Payable in monthly installments ranging \$15,000 to \$19,000 including interest, with a balloon payment of \$2,992,209 at maturity on August 1, 2023. Debt is held by CEP.	3,207,355	3,213,997
Capital lease obligation with semiannual installments through December 2030, ranging from \$570,256 to \$577,606 annually, including interest imputed at 5.17%. Secured by the associated building which has been leased to the College under a direct financing lease arrangement. Lease was terminated in 2021.		4,371,133
QLICI note payable – fixed 1.00%, payable in quarterly interest-only payments through December 5, 2027 and quarterly principal and interest payments beginning on March 5, 2028 through maturity on June 30, 2052. Debt is held by ITP and collateralized by a mortgage on property in Indianapolis, Indiana. Note may not be prepaid prior to June 30, 2052.	6,081,300	
QLICI note payable – fixed 1.00%, payable in quarterly interest-only payments through December 5, 2027 and quarterly principal and interest payments beginning on March 5, 2028 through maturity on June 30, 2052. Debt is held by ITP and collateralized by a mortgage on property in Indianapolis, Indiana. Note may not be prepaid prior to June 30, 2052.	2,738,700	
QLICI note payable – fixed 1.00%, payable in quarterly interest-only payments through December 5, 2027, and quarterly principal and interest payments beginning on March 5, 2028, through maturity on June 30, 2052. Debt is held by ITP and collateralized by a mortgage on property in Indianapolis, Indiana. Note may not be prepaid prior to June 30, 2052.	3,303,500	

NOTE 11 - DEBT AND CREDIT ARRANGEMENTS (CONTINUED)

	2021	2020
QLICI note payable – fixed 1.00%, payable in quarterly interest-only payments through December 5, 2027, and quarterly principal and interest payments beginning on March 5, 2028, through maturity on June 30, 2052. Debt is held by ITP and collateralized by a mortgage on property in Indianapolis, Indiana. Note may not be prepaid prior to June 30, 2052.	\$ 1,496,500	
QLICI note payable – fixed 1.00%, payable in quarterly interest-only payments through December 5, 2027, and quarterly principal and interest payments beginning on March 5, 2028, through maturity on June 30, 2052. Debt is held by ITP and collateralized by a mortgage on property in Indianapolis, Indiana. Note may not be prepaid prior to June 30, 2052.	1,057,350	
QLICI note payable – fixed 1.00%, payable in quarterly interest-only payments through December 5, 2027, and quarterly principal and interest payments beginning on March 5, 2028, through maturity on June 30, 2052. Debt is held by ITP and collateralized by a mortgage on property in Indianapolis, Indiana. Note may not be prepaid prior to June 30, 2052.	442,650	
	<u>20,195,586</u>	<u>\$9,643,528</u>
Less: Unamortized debt issuance costs	<u>(729,375)</u>	
Total Notes Payable and Capital Lease Obligation, net	<u>\$19,466,211</u>	<u>\$9,643,528</u>

At June 30, 2021, the aggregate maturities of long-term debt were as follows:

Payable In Year Ending June 30,	Principal Payments
2022	\$ 162,931
2023	235,180
2024	3,070,145
2025	92,708
2026	
Thereafter	16,634,622

The Foundation capitalized interest costs of \$95,698 during construction of the building for ITP in the year ended June 30, 2021.

The Foundation had an unsecured bank line of credit with PNC Bank for short-term borrowings up to \$4,000,000 which expired on August 29, 2020, and was not renewed. At June 30, 2020, the Foundation had outstanding borrowings of \$295,849 under the line of credit.

The Foundation has an interest rate swap agreement that effectively fixes the interest rate on the outstanding principal of the tax exempt bond that had a balance of \$1,514,622 at June 30, 2021. The notional amount of the contract as of June 30, 2021 was \$1,523,480, and the agreement expires in June 2036. Based on the swap agreement, the Foundation pays interest calculated at a fixed rate of 5.29% to the counterparty to the swap agreement. In return, the counterparty pays the Foundation interest based on a variable rate of 65% of the USD-LIBOR-BBA-Bloomberg rate plus 242 basis points. Only the net difference in interest payments is exchanged with the counterparty.

NOTE 11 - DEBT AND CREDIT ARRANGEMENTS (CONTINUED)

The Foundation's purpose for entering into this swap agreement was to hedge against the risk of interest rate increases on the related variable rate bond debt. Accordingly, the swap agreement is classified as a cash flow hedging activity and represents a derivative financial instrument reflected on the consolidated statements of financial position at fair value. The estimated fair value of the interest rate swap at June 30, 2021 and 2020 was a liability of \$258,424 and \$364,330, respectively. The change in the fair value is recognized in the consolidated statements of activities. The cash flow effect of the swap arrangement is reported as an adjustment to interest expense. See Note 3 for the related fair value measurement disclosures.

NOTE 12 - NET ASSETS

Net Assets Without Donor Restrictions

Net assets without donor restrictions consisted of the following as of June 30, 2021 and 2020:

	2021	2020
General undesignated	\$ 8,756,465	\$ 5,059,533
Campus undesignated	2,505,791	3,521,813
Property	17,984,507	17,396,059
Alumni association	<u>268,408</u>	<u>229,038</u>
Total Net Assets Without Donor Restrictions	<u>\$29,515,171</u>	<u>\$26,206,443</u>

Net Assets With Donor Restrictions

Net assets with donor restrictions consisted of the following as of June 30, 2021 and 2020:

	2021	2020
Subject to expenditure for specified purpose:		
Grants and programs	\$24,569,187	\$23,887,726
Deferred gifts	912,222	799,251
Scholarships	4,096,486	4,522,819
Technology	398,391	394,754
Other direct funds	3,791,144	647,746
Facility	13,355,915	6,089,776
Capital accumulation	3,103,172	3,298,643
Subject to expenditure for specified purpose (continued):		
Project	161,080	172,987
Expendable from endowed	978,736	2,266,059
Other	<u>53,139</u>	<u>769,397</u>
	<u>51,419,472</u>	<u>42,849,158</u>
Endowments:		
Subject to endowment spending policy and appropriation:		
Appreciation on endowment funds	8,744,434	2,810,376
Deferred gifts for endowment	<u>37,699,247</u>	<u>36,773,955</u>
	<u>46,443,681</u>	<u>39,584,331</u>
Total Net Assets With Donor Restrictions	<u>\$97,863,153</u>	<u>\$82,433,489</u>

NOTE 12 - NET ASSETS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors as follows for the years ended June 30, 2021 and 2020:

	2021	2020
Satisfaction of purpose restrictions:		
Scholarships	\$ 2,238,586	\$ 792,142
Grants and programs	8,247,755	4,620,374
Technology	10,140	475
Other direct funds	233,782	268,945
Facility	1,214,910	2,173,645
Capital accumulation	1,134,669	676,921
Project	112,774	30,566
In-kind	1,737,974	1,524,294
Special events		382,809
Other	21,121	231,036
Restricted purpose spending-rate distributions and appropriations:		
Expendable from endowed	<u>3,482,391</u>	<u>1,913,955</u>
Total Net Assets Released from Restrictions	<u>\$18,434,102</u>	<u>\$12,615,162</u>

At times, the Foundation receives requests by donors, or their designates, to change the use for which their original gift was intended. These requests are reviewed by the Foundation for approval. Approved changes, depending on the donors' requests, may result in the reclassification of net assets.

NOTE 13 - LEASES

A summary of property rented under operating leases to the College and the related rental income for the years ended June 30, 2021 and 2020 was as follows:

	2021	2020
Kokomo Technology building	\$ 99,000	\$118,800
Fort Wayne aviation land and building	176,544	177,713
Indianapolis culinary building	150,000	150,000
OAMTC building	<u> </u>	<u>154,056</u>
Total Rental Income from the College	<u>\$425,544</u>	<u>\$600,569</u>

The related leases contain purchase options and renewal provisions with various terms. As of June 30, 2021, future minimum lease payments receivable under the agreements for fiscal year 2021 totaled \$176,544 in 2022 and 2023, which does not include leases expected to be renewed subsequent to June 30, 2021.

Additionally, the Foundation receives rental income from third party operating leases. Rental income from third party lessees for the years ended June 30, 2021 and 2020 was \$433,663 and \$687,829, respectively. As of June 30, 2021, the future minimum lease payments receivable under these agreements were as follows:

Year Ending June 30,	Rental Receipts
2022	\$ 398,905
2023	472,238
2024	524,738
2025	278,905
2026	278,905
Thereafter	<u>25,380,351</u>
	<u>\$27,334,042</u>

NOTE 13 - LEASES (CONTINUED)

The cost of property and equipment predominantly held for lease and the related accumulated depreciation at June 30, 2021 and 2020, was as follows:

	2021	2020
Land	\$ 3,846,457	\$ 4,256,707
Buildings and improvements	59,245,542	49,924,273
Software	431,995	284,096
Furniture and fixtures	<u>123,030</u>	<u>123,030</u>
	63,647,024	54,588,106
Less: Accumulated depreciation	<u>(21,219,863)</u>	<u>(19,482,224)</u>
Property and Equipment, net	<u>\$ 42,427,161</u>	<u>\$ 35,105,882</u>

The Foundation received an in-kind contribution of real property located in Muncie, Indiana on August 31, 2009, valued at \$3,143,300. The Foundation's gift agreement with the donor specified that a portion of the property will be used for the educational purposes of the College beginning on March 1, 2011 through December 31, 2035. In 2020, the property was donated to the College and the donor formally agreed to the College continuing the requirement of use of the building through 2035.

During 2015, the Foundation entered into a leasing arrangement with the College classified as a direct financing lease. The Foundation recognized interest income of \$237,301 and \$254,155 during the years ended June 30, 2021 and 2020, respectively, related to its investment in this direct financing lease. The related property was purchased directly by the College in 2021, and therefore, the corresponding lease was dissolved.

Effective April 1, 2011, the Foundation entered into a land operating lease with a third party through March 31, 2051. The base rent is due in monthly installments and includes rent escalations over the term of the lease. The Foundation owns the building that is located on the rented land. The Foundation sub-leases the land lease payments to the College. The future base rental payments due under the agreement as of June 30, 2021, were as follows:

Year Ending June 30,	Rental Payments
2022	\$ 26,406
2023	26,406
2024	27,198
2025	27,198
2026	27,198
Thereafter	<u>778,971</u>
	<u>\$913,377</u>

NOTE 14 - RELATED PARTY TRANSACTIONS

The College employees provide staff support for the Foundation. The College pays all salaries and benefits for these employees. The Foundation provides the College a monthly amount to fund a portion of the College's operating expenses related to the College Development Office. The amount paid to the College was \$762,000 for fiscal year 2021 and \$754,000 for 2020. In addition, the Foundation recorded in-kind contributions of \$3,690,262 and \$3,703,505 for the years ended June 30, 2021 and 2020, respectively, for personnel services and other operating expenses not reimbursed.

NOTE 14 - RELATED PARTY TRANSACTIONS (CONTINUED)

As part of the Foundation's principal activity of promoting the College, the Foundation provides funding and support to the College for various purposes. Such funding and support is included in the consolidated statements of activities and functional expenses as student financial aid program, college facilities and equipment, college real estate management and college funded programs. Related party accounts payable to the College were \$959,614 and \$125,003 at June 30, 2021 and 2020, respectively.

The College contributed \$6,854,719 during fiscal year 2021 and \$785,213 during fiscal year 2020 to the Foundation to assist the Foundation in paying for certain properties and renovations. The Foundation donated associated properties with a cost basis of \$3,712,237 to the College in fiscal year 2020.

During fiscal year 2005, the Foundation purchased property from a member of its Board at that time and two other unrelated persons. The amount of the related note payable to the former Board member (see Note 11) at June 30, 2021 and 2020, was \$353,609 and \$438,622, respectively. The Foundation's purchase of the property enabled the College to reduce its monthly rent payments.

The Foundation has several operating leases and had a direct financing lease with the College. See Note 13.

NOTE 15 - FORETHOUGHT BUILDING AGREEMENT

During fiscal year 2014, the Foundation entered into an agreement with Batesville Community School Corporation (the School Corporation) for the School Corporation to purchase a 20% interest in certain real estate for \$1,000,000. After \$1,000,000 of student grants are awarded or after 10 years, whichever is sooner, the interest will transfer back to CEP. Since the 20% interest ultimately transfers back to CEP and CEP retains rights to rental income during the agreement, the transaction was not recognized as a sale. During the ten-year period, the School Corporation is entitled to receive student grants up to \$1,000,000 from the College. The proceeds were recorded as a liability, which will be amortized into revenue as the College awards the student grants. As of June 30, 2021 and 2020, there was \$38,800 and \$266,400, respectively, included in accrued expenses related to this transaction.

NOTE 16 - CONCENTRATION

One donor accounted for 11% and another donor accounted for 21% of total contributions in for the years ended June 30, 2021 and 2020, respectively.

NOTE 17 - CONTINGENCY AND GUARANTEE

By providing QLICI loans (see Note 11), the financing entities are entitled to receive New Market Tax Credits (NMTCs) if all other criteria of the NMTC program are met. The NMTCs are contingent on the Foundation maintaining compliance with applicable sections of 45D of the Internal Revenue Code during the seven-year recapture period ending in August 2027. Failure to maintain compliance or to correct noncompliance within a specified time period could result in recapture of previously claimed tax credits plus penalties and interest. The financing entities are expected to receive approximately \$10,442,150 of NMTCs over the seven-year period. Management has determined that no liability should be recorded related to this recapture contingency.

NOTE 18 - STATE AND LOCAL GOVERNMENT FUNDING

The following summarizes expenditures of the Foundation's state and local government funding in 2021 and 2020:

	2021	2020
Bartholomew County School Corporation - iGrad Program	\$328,120	\$177,921
NCCO / Muscatatuck Urban Training Center		42,881
Evansville Vanderburgh School Corporation - Public Safety Academy	28,800	3,929
Batesville Community School Corporation - iGrad Program	227,600	150,300
City of Rushville - iGrad Program	203,851	201,300
City of Lawrenceburg - iGrad Program	125,000	79,717
City of Tell City - iGrad Program		28,800
City of Fort Wayne - iGrad Program		10,644
Flatrock Hawcreek School Corporation - iGrad Program		20,000
Purdue University Global		<u>6,825</u>
Total State and Local Government Funding	<u>\$913,371</u>	<u>\$722,317</u>

CONSOLIDATING INFORMATION

*Independent Auditors' Report
on Consolidating Information*

Board of Directors
Ivy Tech Foundation, Inc.

We have audited the consolidated financial statements of Ivy Tech Foundation, Inc. (a not-for-profit organization) as of and for the year ended June 30, 2021, and our report thereon dated October 18, 2021 which contained an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The information included in the consolidating schedules of statement of financial position information and statement of activities information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
October 18, 2021

IVY TECH FOUNDATION, INC.

CONSOLIDATING SCHEDULE - STATEMENT OF FINANCIAL POSITION INFORMATION
June 30, 2021

	Ivy Tech Foundation, Inc.	Ivy Tech Properties, Inc.
ASSETS		
Cash	\$ 5,377,628	\$ 5,691,966
Investments	30,097,794	
Promises to give, net	8,818,072	6,625
Prepaid expenses and other assets	325,965	
Intra-entity due from	38,800	
Property and equipment, net	24,470,193	11,496,519
Note receivable from bank		
Beneficial interest in trusts	301,372	
Assets restricted for endowment	46,443,681	
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 115,873,505</u>	<u>\$ 17,195,110</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 1,919,662	
Accounts payable - related party	959,614	
Intra-entity due to	140,000	
Interest rate swap	258,424	
Notes payable, net	353,609	\$ 14,390,625
Other liabilities	371,828	
	<hr/>	<hr/>
Total Liabilities	4,003,137	14,390,625
NET ASSETS AND STOCKHOLDER'S EQUITY		
Common stock		
Additional paid-in capital		
Without donor restrictions	14,007,215	2,804,485
With donor restrictions	97,863,153	
	<hr/>	<hr/>
Total Net Assets and Stockholder's Equity	111,870,368	2,804,485
TOTAL LIABILITIES AND NET ASSETS AND STOCKHOLDER'S EQUITY	<u>\$ 115,873,505</u>	<u>\$ 17,195,110</u>

Community Enterprises Incorporated	Community Enterprises Properties, LLC	Ivy Tech Loan Fund, LLC	Eliminations	Total
		\$ 95,684		\$ 11,165,278
	\$ 319,340			30,097,794
	140,000		\$ (178,800)	9,144,037
	6,460,449	10,442,150		325,965
				42,427,161
				10,442,150
				301,372
				46,443,681
<u>\$ -</u>	<u>\$ 6,919,789</u>	<u>\$ 10,537,834</u>	<u>\$ (178,800)</u>	<u>\$ 150,347,438</u>
				\$ 1,919,662
	\$ 38,800		\$ (178,800)	959,614
	4,721,977			258,424
				19,466,211
				371,828
	<u>4,760,777</u>		<u>(178,800)</u>	<u>22,975,739</u>
\$ 1,000			(1,000)	
9,000	140,000	\$ 10,442,150	(10,591,150)	
(10,000)	2,019,012	95,684	10,592,150	29,508,546
				97,863,153
	<u>2,159,012</u>	<u>10,537,834</u>		<u>127,371,699</u>
<u>\$ -</u>	<u>\$ 6,919,789</u>	<u>\$ 10,537,834</u>	<u>\$ (178,800)</u>	<u>\$ 150,347,438</u>

IVY TECH FOUNDATION, INC.

CONSOLIDATING SCHEDULE - STATEMENT OF ACTIVITIES INFORMATION
Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>		
	<u>Ivy Tech Foundation, Inc.</u>	<u>Ivy Tech Properties, Inc.</u>	<u>Community Enterprises Incorporated</u>
REVENUE, GAINS AND SUPPORT			
Support:			
Contributions:			
Cash and promises to give	\$ 584,304		
College assistance for property			
Non-cash			
Grant revenue			
Total Contributions	<u>584,304</u>		
In-kind contributed operational services	3,690,262		
Special events income, net of expenses			
Total Support	<u>4,274,566</u>		
Revenue and Gains:			
Investment return	4,019,774		
Vending and royalty income	256,450		
Real estate rental income	11,699		
Uncollectible promises to give	(1,950)		
Gain on sale of property and equipment	239,876		
Miscellaneous revenue	120,420	\$ 32,094	
Total Revenue and Gains	<u>4,646,269</u>	<u>32,094</u>	
Net assets released from restrictions	<u>18,434,102</u>		
Total Revenue, Gains and Support	<u>27,354,937</u>	<u>32,094</u>	
EXPENSES			
Program expenses	18,647,699	84,248	
Administrative expenses	1,721,124		\$ 1,600
Fundraising expenses	3,658,022		
Total Expenses	<u>24,026,845</u>	<u>84,248</u>	<u>1,600</u>
INCREASE (DECREASE) IN NET ASSETS AND STOCKHOLDER'S EQUITY FROM OPERATIONS	3,328,092	(52,154)	(1,600)
NON-OPERATING ACTIVITIES			
Gain on interest rate swap	<u>105,906</u>		
	<u>105,906</u>		
INCREASE (DECREASE) IN NET ASSETS AND STOCKHOLDER'S EQUITY BEFORE TRANSFERS	3,433,998	(52,154)	(1,600)
TRANSFERS	(7,240,704)	13,298,789	4,010
NET ASSETS AND STOCKHOLDER'S EQUITY			
Beginning of Year	17,813,921		(2,410)
Contributed Capital		<u>(10,442,150)</u>	
End of Year	<u>\$ 14,007,215</u>	<u>\$ 2,804,485</u>	<u>\$ -</u>

<u>Without Donor Restrictions</u>		<u>With Donor Restrictions</u>	Eliminations	Total
Community Enterprises Properties, LLC	Ivy Tech Loan Fund, LLC	Ivy Tech Foundation, Inc.		
		\$ 10,817,266		\$ 11,401,570
		6,854,719		6,854,719
		1,737,973		1,737,973
		7,244,708		7,244,708
		<u>26,654,666</u>		<u>27,238,970</u>
				3,690,262
		84,613		84,613
		<u>26,739,279</u>		<u>31,013,845</u>
		8,428,215		12,447,989
\$ 847,508				256,450
		(1,308,573)		859,207
				(1,310,523)
				239,876
	\$ 95,684	4,845		253,043
<u>847,508</u>	<u>95,684</u>	<u>7,124,487</u>		<u>12,746,042</u>
		(18,434,102)		
<u>847,508</u>	<u>95,684</u>	<u>15,429,664</u>		<u>43,759,887</u>
1,021,333				19,753,280
				1,722,724
				3,658,022
<u>1,021,333</u>				<u>25,134,026</u>
(173,825)	95,684	15,429,664		18,625,861
				105,906
				<u>105,906</u>
(173,825)	95,684	15,429,664		18,731,767
(6,062,095)				
8,394,932		82,433,489		108,639,932
	10,442,150			
<u>\$ 2,159,012</u>	<u>\$10,537,834</u>	<u>\$ 97,863,153</u>	<u>\$ -</u>	<u>\$ 127,371,699</u>