

Available Funds

Available Funds are defined as (a) the Net Income of the Facilities, and (b) any and all other funds of the University legally available for transfer to the sinking fund. Available Funds include, but are not limited to, unrestricted operating fund balances, auxiliary fund balances, and certain other fund balances of the University and selected related entities, in each case without any priority among any such fund balances and only to the extent not pledged, restricted, or specifically authorized for other purposes, now or in the future, or otherwise restricted by law. Available Funds do not include (i) student fees pledged for other purposes or otherwise restricted by law; (ii) certain prior encumbered revenues to the extent of such encumbrance; (iii) other specifically identified revenues or funds pledged or otherwise dedicated or restricted for other purposes; or (iv) moneys appropriated by the Indiana General Assembly and specifically authorized for other purposes or otherwise restricted by law. No assurance can be provided as to the availability or adequacy of any Available Funds as of any particular date. The University retains the right to use Available Funds for the payment of other obligations of the University and to use any or all Available Funds for other lawful corporate purposes of the University. In particular, Net Income of the Facilities and other Available Funds may be used to pay costs of facilities, financing expenses, other amounts payable under any credit facility, and other amounts payable (such as termination payments, etc.) under any derivative agreement.

The following table presents certain Available Funds balances (unaudited), which are the source of payment for the University's Certificates of Participation, Commercial Paper, Consolidated Revenue Bonds, and Lease Purchase Obligations (see "Indebtedness of the University"), as of the end of the fiscal years shown:

Fiscal Year Ended June 30	Available Funds ¹ (dollars in thousands)				
	2016	2017	2018	2019	2020
Indiana University ^{2,3}	\$1,416,985	\$1,434,658	\$1,175,519	\$1,204,358	\$1,117,918
Indiana University Foundation	349,219	376,848	393,776	380,982	358,780
Available Funds ¹	\$1,766,204	\$1,811,506	\$1,569,295	\$1,585,340	\$1,476,698

Source: audited IU financial report; Indiana University Foundation (unaudited)

- 1 Amounts include unrestricted net position of the University as of June 30 of each year. Amounts also include certain quasi-endowment funds held by the Foundation designated for general use by specific schools or departments, that could be used to replace other revenues budgeted for such schools or departments, allowing such budgeted revenues to be applied to debt service on outstanding obligations in the event other Available Funds are not sufficient to pay such debt service.
- 2 Audited IU Financial Report fiscal year 2018, Note 1 Organization and Summary of Significant Accounting Policies, New Accounting Pronouncements: Adoption of New Standard - The GASB issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. GASB 75 requires governments providing OPEB to recognize their unfunded actuarial accrued liability on the balance sheet and to more comprehensively and comparably measure the annual costs of OPEB benefits. The statement also enhances accountability and transparency through revised note disclosures and RSI for material items. The University reported a \$195,954,000 change in accounting principle adjustment to unrestricted net position as of July 1, 2017. Amounts as of June 30, 2017, have not been restated to reflect the impact of GASB 75 because the information is not available to calculate the impact on OPEB expense for the fiscal year ending June 30, 2017.
- 3 Unrestricted Net Position is the largest component of Available Funds. See "Financial Operations of the University - Net Position".