

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

FEDERAL SINGLE AUDIT REPORT  
IVY TECH COMMUNITY COLLEGE OF INDIANA  
INDIANAPOLIS, INDIANA  
July 1, 2014 to June 30, 2015



**FILED**  
04/21/2016



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### SCHEDULE OF COLLEGE OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President	Thomas J. Snyder	07-01-14 to 06-30-16
Senior Vice President and Chief Financial Officer	Christopher Ruhl	07-01-14 to 06-30-16
Chairman of the Board of Trustees	Steve Schreckengast Richard R. Halderman Paula Hughes	07-01-14 to 08-08-14 08-09-14 to 08-08-15 08-09-15 to 08-08-16



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component unit of Ivy Tech Community College of Indiana (College), a component unit of the State of Indiana, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated October 23, 2015. Our report includes a reference to other auditors who audited the financial statements of the Ivy Tech Foundation (Foundation), as described in our report on College's financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
(Continued)

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

October 23, 2015, except for the Schedule of Expenditures of Federal Awards,  
which is as of March 1, 2016



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR  
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY OMB CIRCULAR A-133

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

**Report on Compliance for the Major Federal Program**

We have audited Ivy Tech Community College of Indiana (College) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended June 30, 2015. The College's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the College's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the College's compliance.

***Opinion on the Major Federal Program***

In our opinion, the College complied in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2015.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR  
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY OMB CIRCULAR A-133  
(Continued)

**Report on Internal Control Over Compliance**

Management of the College is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by *OMB Circular A-133***

We have audited the financial statements of the business-type activities and the discretely presented component unit of the College, a component unit of the State of Indiana, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated October 23, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR  
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
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REQUIRED BY OMB CIRCULAR A-133  
(Continued)

management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

  
Paul D. Joyce, CPA  
State Examiner

March 1, 2016

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes were prepared by management of the College. The schedule and notes are presented as intended by the College.

IVY TECH COMMUNITY COLLEGE OF INDIANA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended June 30, 2015

Federal Grantor Agency/Pass Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Total Federal Awards Expended
<u>US DEPARTMENT OF EDUCATION</u>		
Direct Grant		
Student Financial Aid Cluster		
Federal Supplemental Educational Opportunity Grants	84.007	\$ 3,181,154
Federal Work-Study Program	84.033	1,171,864
Federal Pell Grant Program	84.063	166,226,341
Federal Direct Student Loans	84.268	126,306,937
Total for cluster		296,886,296
Direct Grant		
Trio Cluster		
Student Support Services	84.042	900,607
Talent Search	84.044	241,599
Total for cluster		1,142,206
<u>NATIONAL SCIENCE FOUNDATION &amp; DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</u>		
Direct Grant		
Research and Development Cluster		
Education and Human Resources	47.076	104,427
Pass-Through Sinclair Community College		
Education and Human Resources	47.076	16,072
Pass-Through EdLab Group		
Education and Human Resources	47.076	465
Pass-Through Indiana University		
Biomedical Research and Research Training	93.859	5,224
Total for cluster		126,188
<u>US DEPARTMENT OF AGRICULTURE</u>		
Direct Grant		
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants	10.226	35,564
Total for federal grantor agency		35,564
<u>US DEPARTMENT OF LABOR</u>		
Direct Grant		
Youthbuild	17.274	159,966
Direct Grant		
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	1,700,309
Total for federal grantor agency		1,860,275

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

IVY TECH COMMUNITY COLLEGE OF INDIANA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended June 30, 2015  
 (Continued)

Federal Grantor Agency/Pass Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Total Federal Awards Expended
<u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>		
Pass-Through Purdue University Education	43.008	23,386
Total for federal grantor agency		23,386
<u>NATIONAL ENDOWMENT FOR THE ARTS</u>		
Pass-Through Indiana Arts Commission Promotion of the Arts_Partnership Agreements	45.025	138,753
Pass-Through Columbus Arts Council Promotion of the Arts_Partnership Agreements	45.025	(18)
Total for federal grantor agency		138,735
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>		
Pass-Through State of Indiana Grants to States	45.310	9,206
Total for federal grantor agency		9,206
<u>NATIONAL SCIENCE FOUNDATION</u>		
Direct Grant Education and Human Resources	47.076	83,341
Pass-Through Regents of the University of New Mexico Social, Behavioral, and Economic sciences	47.075	6,068
Pass-Through Madisonville Community College Education and Human Resources	47.076	78,327
Pass-Through Montgomery County Community College Education and Human Resources	47.076	49,997
Pass-Through Penn State University Education and Human Resources	47.076	63,692
Total for federal grantor agency		281,425

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

IVY TECH COMMUNITY COLLEGE OF INDIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2015  
(Continued)

Federal Grantor Agency/Pass Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Total Federal Awards Expended
<u>ENVIRONMENTAL PROTECTION AGENCY</u>		
Pass-Through Harrisburg University of Science and Technology Environmental Educaton Grants	66.951	1,040
Total for federal grantor agency		1,040
<u>US DEPARTMENT OF EDUCATION</u>		
Direct Grant		
Undergraduate International Studies and Foreign Language Programs	84.016	88,130
Higher Education_Institutional Aid	84.031	353,268
Pass-Through Indiana Department of Workforce Development Career and Technical Education – Basic Grants to States	84.048	6,360,473
Pass-Through Indiana Commission of Higher Education College Access Challenge Grant Program	84.378	26,646
Total for federal grantor agency		6,828,517
<u>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>		
Pass-Through Purdue University Area Health Education Centers Point of Service Maintenance and Enhancement Awards	93.107	6,929
Pass-Through Ball State University Area Health Education Centers Point of Service Maintenance and Enhancement Awards	93.107	903
Pass-Through St. Joseph Community Health Foundation Refugee and Entrant Assistance_State Administered Programs	93.566	134,368
Pass-Through Indiana Rural Health Association Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912	1,317
Total for federal grantor agency		143,517
<u>US DEPARTMENT OF HOMELAND SECURITY</u>		
Pass-Through Indiana Department of Homeland Security Emergency Management Performance Grants	97.042	24,247
Total for federal grantor agency		24,247
Total federal award expended		\$ 307,500,602

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

IVY TECH COMMUNITY COLLEGE OF INDIANA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

Circular A-133 requires an annual audit of any entity expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of colleges and universities shall be conducted annually.

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) has been prepared in a format that presents summary financial information of the federal funds awarded to Ivy Tech Community College of Indiana directly from federal agencies as well as amounts received as sub-grantee of other organizations. For purposes of the Schedule, federal assistance includes all federal assistance and procurement relationships entered into directly between Ivy Tech Community College of Indiana and the federal government and subawards from nonfederal organizations made under federally sponsored agreements. Because the Schedule presents only a selected portion of the activities of between Ivy Tech Community College of Indiana, it is not intended to and does not present either the financial position, change in net assets, or change in cash flows of Ivy Tech Community College of Indiana.

The accounting principles followed by between Ivy Tech Community College of Indiana and used in preparing the accompanying schedule are as follows:

*Awards Other Than Student Financial Assistance*

Deductions (expenditures) for direct costs are recognized as incurred using the accrual method of accounting and the cost accounting principles contained in the U.S. Office of Management and Budget (OMB) Circular A-21, Cost Principles for Educational Institutions. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. Moreover, expenditures include a portion of costs associated with general university activities (indirect costs) which are allocated to federal awards under negotiated formulas commonly referred to as indirect cost rates.

IVY TECH COMMUNITY COLLEGE OF INDIANA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

*Student Financial Assistance*

Expenditures for non-loan awards made to students are recognized and reported in the Schedule of Expenditures of Federal Awards.

Student loan programs are funded by the federal government under various programs; e.g., Perkins Student Loan, Health Professions Student Loan and Nursing Student Loan Programs. Activity related to these loan programs includes federal capital contributions, loan repayments, interest earned on loans, cancellation of loans, and administrative and collection costs. The Schedule of Expenditures of Federal Awards reflects only current year loans to students.

**Note 2. Subrecipients**

Of the federal expenditures presented in the schedule, the primary government provided federal awards to subrecipients as follows for the year ended June 30, 2015:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Education and Human Resources	47.076	\$ 7,808
Undergraduate International Studies Foreign Language Programs	84.016	46,812

**Note 3. Other Considerations**

There were no federal awards of noncash assistance, no federal loans outstanding, and no amount of insurance in effect for federal programs for the year ending June 30, 2015.

IVY TECH COMMUNITY COLLEGE OF INDIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of <i>OMB Circular A-133</i> ?	No

Identification of Major Program:

Name of Federal Program or Cluster

Student Financial Aid Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$318,616

Auditee qualified as low-risk auditee? Yes

**Section II - Financial Statement Findings**

No matters are reportable.

**Section III - Federal Award Findings and Questioned Costs**

No matters are reportable.