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

AUDIT REPORT

OF

IVY TECH COMMUNITY COLLEGE OF INDIANA

INDIANAPOLIS, INDIANA

July 1, 2011 to June 30, 2012

FILED
02/26/2013

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SCHEDULE OF COLLEGE OFFICIALS

Office	Official	Term
President	Thomas J. Snyder	07-01-11 to 06-30-13
Sr. Vice President and Chief Financial Officer	Robert C. Holmes	01-01-11 to 06-30-12
	Christopher Ruhl	` 07-01-12 to 06-30-13
Chairman of the Board of Trustees	Lee J. Marchant	08-12-10 to 08-11-11
	Anne K. Shane	08-12-11 to 08-08-12
	V. Bruce Walkup	08-09-11 to 08-08-13

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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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 the financial statements of Ivy Tech Community College of Indiana (College), as of and for the years ended June 30, 2012 and 2011, and have issued our report thereon dated October 11, 2012. Our report includes a reference to other auditors. We conducted our audit in accordance with 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. Other auditors audited the financial statements of the discretely presented component unit, as described in our report on the College's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of 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.

This report is intended solely for the information and use of the College's Board of Trustees, Audit Committee, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

State Board of Accounts

October 11, 2012

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the Ivy Tech Community College of Indiana (College) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2012. The College's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the College's management. Our responsibility is to express an opinion on the College's compliance based on our audit.

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. Our audit does not provide a legal determination of the College's compliance with those requirements.

In our opinion, the College complied, in all material respects with the compliance requirements referred to above that that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the College's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

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.

Our consideration of the 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the College as of and for the year ended June 30, 2012, and have issued our report thereon dated October 11, 2012, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. 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 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 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 financial statements or to the 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 financial statements as a whole.

This report is intended solely for the information and use of the College's Board of Trustees, Audit Committee, management, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

State Board of Accounts

February 11, 2013

IVY TECH COMMUNITY COLLEGE OF INDIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2012

Federal Grantor Agency/Pass Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Total Federal Awards Expended
U.S. DEPARTMENT OF EDUCATION & DEPARTMENT OF HEALTH & HUMAN SERVICES		
Direct Grant		
Student Financial Aid Cluster		
Federal Supplemental Educational Opportunity Grants	84.007	$ 3,655,640
Federal Work-Study Program	84.033	1,804,733
Federal Pell Grant Program	84.063	240,238,046
Federal Direct Student Loans	84.268	311,153,401
Total for cluster		556,851,820
NATIONAL INSTITUTE OF FOOD AND AGRICULTURE, DEPARTMENT OF AGRICULTURE		
Pass-Through Purdue University		
International Science and Education Grants	10.305	2,689
U.S. DEPARTMENT OF TRANSPORTATION		
Pass-Through Indianapolis Public Transportation Corporation (IndyGO)		
Federal Transit Cluster		
ARRA - Federal Transit - Capital Investment Grants	20.500	23,243
Total for cluster		23,243
U.S. DEPARTMENT OF LABOR		
Direct Grant		
WIA Pilots, Demonstrations, and Research Projects	17.261	(7,973)
Direct Grant		
H-1B Job Training Grants	17.268	112,118
Direct Grant		
ARRA - Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors	17.275	2,454,943
Direct Grant		
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	40,666
Pass-Through Indiana Department of Workforce Development		
WIA Cluster		
WIA Adult Program	17.258	17,234
WIA Youth Activities	17.259	3,367
Total for cluster		20,601
Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors	17.275	58,840
Pass-Through Indianapolis Private Industry Council		
Community Based Job Training Grants	17.269	34,028
Pass-Through Anne Arundel Community College		
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	29,712
Total for federal grantor agency		2,742,935
NATIONAL ENDOWMENT FOR THE ARTS		
Pass-Through Indiana Arts Commission		
Promotion of the Arts - Partnership Agreements	45.025	11,122
INSTITUTE OF MUSEUM AND LIBRARY SERVICES		
Pass-Through State of Indiana		
Grants to States	45.310	7,973
NATIONAL SCIENCE FOUNDATION		
Direct Grant		
Education and Human Resources	47.076	336,887
Pass-Through Purdue University		
Computer and Information Science and Engineering	47.070	4,171
Pass-Through Missouri State University		
Education and Human Resources	47.076	58,188
Pass-Through Purdue University		
Education and Human Resources	47.076	61,821
Total for federal grantor agency		461,067
U.S. SMALL BUSINESS ADMINISTRATION		
Direct Grant		
Congressional Grants	59.059	37,504
Pass-Through South Central Indiana Small Business Development Center		
Small Business Development Centers	59.037	435,615
Total for federal grantor agency		473,119

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, 2012
(Continued)

Federal Grantor Agency/Pass Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Total Federal Awards Expended
U.S. DEPARTMENT OF ENERGY		
Direct Grant		
ARRA - Electricity Delivery and Energy Reliability Research Development and Analysis	81.122	1,482,382
Pass-Through Indiana Housing and Community Development Authority		
ARRA - Weatherization Assistance for Low-Income Persons	81.042	(1,230)
Pass-Through Purdue University		
ARRA - Conservation Research and Development	81.086	283,917
Total for federal grantor agency		1,765,069
U.S. DEPARTMENT OF EDUCATION		
Direct Grant		
Trio Cluster		
TRIO - Student Support Services	84.042A	988,376
TRIO - Talent Search	84.044A	258,000
Total for cluster		1,246,376
Pass-Through State of Indiana		
State Fiscal Stabilization Fund Cluster		
ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act (Education Stabilization Fund)	84.394A	890,145
Total for cluster		890,145
Direct Grant		
Higher Education - Institutional Aid	84.031	163,478
Fund for the Improvement of Postsecondary Education	84.116	216,331
Hurricane Education Recovery	84.938	25,000
Pass-Through Indiana Department of Workforce Development		
Career and Technical Education - Basic Grants to States	84.048	7,778,677
Pass-Through Indiana Department of Education		
Twenty-First Century Community Learning Centers	84.287	167,131
Pass-Through Indiana 21st Century Scholars		
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	373,796
Total for federal grantor agency		567,712,754
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Pass-Through Indiana Association for the Education of Young Children, Inc		
CCDF Cluster		
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	2,155
Total for cluster		2,155
Pass-Through Purdue University		
ARRA - Health Information Technology Regional Extension Centers Program	93.718	10,120
Pass-Through Cuyahoga Community College		
ARRA - Health Information Technology Professionals in Health Care	93.721	15,532
Pass-Through East Indiana Area Health Education Center		
Area Health Education Centers Infrastructure Development Awards	93.824	3,990
Total for federal grantor agency		31,797
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		
Pass-Through Harrisburg University of Science & Technology		
Learn and Serve America - Higher Education	94.005	8,536
DEPARTMENT OF HOMELAND SECURITY		
Pass-Through Indiana Department of Homeland Security		
Homeland Security Cluster		
Homeland Security Grant Program	97.067	62,890
Total for cluster		62,890
Emergency Management Performance Grants	97.042	54,176
Total for federal grantor agency		117,066
Total federal award expended		$ 573,357,370

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. Scope of Review

All federal awards expended by the College have been included in the Schedule of Expenditures of Federal Awards.

Note 2. 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 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 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.

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 3. Subrecipients

Of the federal expenditures presented in the schedule, the College provided federal awards to subrecipients as follows for the year ended June 30, 2012:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
H-1B Job Training Grants	17.268	$ 50,000
Education and Human Resources	47.076	15,133
ARRA - Electricity Delivery and Energy Reliability Research Development and Analysis	81.122	898,388

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:	Unqualified
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 programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
N/A	Student Financial Aid Cluster
17.275	ARRA - Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors
81.122	ARRA - Electricity Delivery and Energy Reliability Research Development and Analysis

Dollar threshold used to distinguish between Type A and Type B programs: $3,000,000

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.

IVY TECH COMMUNITY COLLEGE OF INDIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

IVY TECH COMMUNITY COLLEGE OF INDIANA
EXIT CONFERENCE

The contents of this report were discussed on February 11, 2013, with Christopher Ruhl, Sr. Vice President and Chief Financial Officer; Mark Husk, Assistant Treasurer; Mike Davis, Director of Internal Audit; Richard R. Halderman, Trustee; and Ben Burton, Chief Financial Student Resources Officer. Our audit disclosed no material items that warrant comment at this time.

Ivy Tech Community College of Indiana

2011-12 FINANCIAL REPORT

Dear Friends of Ivy Tech:

On behalf of the Trustees of Ivy Tech Community College, I am pleased to present the College's 2011-12 Financial Report.

As evidenced by this document, 2011-12 was a positive year for the College. The financial statements highlight the College's strong fiscal health. Chancellors, administrators and finance directors across the system have been conscientious in controlling expenditures and stretching available resources to ensure optimal quality and efficiencies statewide. The College continues to regard the funding it receives as a public trust and believes there is no better return on investment in Indiana.

Nearly 200,000 students annually choose Ivy Tech as their gateway to higher education or path to immediate career advancement. The College's tremendous growth has been fueled by its affordability, transferable credits, supportive learning environment, and nimble response to workforce needs. Ivy Tech has been able to accommodate the growth with funding from state appropriations combined with cost savings and efficiencies.

We are all dedicated to ensuring that our students achieve their education goals and that Indiana's citizens, workforce and businesses are globally competitive.

This is a tremendous success story. The dedication of our faculty and staff to help change the lives of so many students via the community college is a story that is continuing to get noticed.

We are fortunate for our recent successes, and we're eager to do even more in the future. As we look ahead to celebrating our 50th anniversary in 2013, we look forward to the opportunity to be of even greater service to Indiana. We believe that, with your input and your support, the best is yet to come as we dedicate ourselves to Changing Lives and Making Indiana Great.

Sincerely,

Tom Snyder

October 11, 2012

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

On behalf of all those individuals responsible for the financial stewardship of College resources, I am pleased to present the Ivy Tech Community College Annual Financial Report for the year ended June 30, 2012.

The report has been prepared in conformance with authoritative reporting standards and guidelines for colleges and universities. This report utilizes Governmental Accounting Standards Board Statement No. 35, Basic Financial Statement and Management's Discussion and Analysis for Public Colleges and Universities. An analysis is included which compares 2011-12 figures with the prior year.

The report contains data, which is consolidated for all College locations as well as statements and schedules listed in the table of contents.

The Indiana State Board of Accounts has audited the financial statements. Their audit opinion on the financial statements is a part of this report.

The final schedule provides information on student enrollment. The data is for five years and provides users of this report statistics relative to students enrolled in education provided by this College.

Respectfully submitted,

Christopher A. Ruhl
Senior Vice President and Chief Financial Officer

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying basic financial statements of Ivy Tech Community College of Indiana (College), a component unit of the State of Indiana, as of and for the years ended June 30, 2012 and 2011. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the component unit of the College as discussed in Note 1, which represents 100% of the assets and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report thereon has been furnished to us and our opinion, insofar as it relates to this unit, is based upon the report of the other auditors.

We conducted our audits in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the financial position of Ivy Tech Community College of Indiana, as of June 30, 2012 and 2011, and the respective changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 11, 2012, on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis (MD&A) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Introductory Section, Schedules of Annual Bond Requirements for Outstanding Debts, Schedule of Operating Leases, Student Financial Aid Expenditures and Student Enrollment Trend Information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Introductory Section, Schedules of Annual Bond Requirements for Outstanding Debts, Schedule of Operating Leases, Student Financial Aid Expenditures and Student Enrollment Trend Information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

STATE BOARD OF ACCOUNTS

State Board of Accounts

October 11, 2012

Management's Discussion and Analysis

This section of Ivy Tech Community College's annual financial report presents a discussion and analysis of the financial performance of the College for the fiscal year ending June 30, 2012, along with comparative data for the year ending June 30, 2011. The management's discussion and analysis provides summary level financial information; therefore, it should be read in conjunction with the accompanying financial statements and note disclosures. The management's discussion and analysis is designed to focus on current activities, significant changes, and currently known facts. The financial statements, notes, and this discussion are the responsibility of management.

Using this Annual Report

This annual report consists of a series of financial statements, prepared in accordance with the *Governmental Accounting Standards Board Statement No. 35, Basic Financial Statements-and Management's Discussion and Analysis-for Public Colleges and Universities, an Amendment of GASB Statement No. 34*. The financial statements focus on the financial condition of the College, the results of operations, and cash flows of the College as a whole.

One of the most important questions asked about the College's finances is whether the College is better or worse as a result of this year's activity. The keys to understanding that question are the Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Net Assets, and the Statement of Cash Flows. These statements present financial information in a form similar to that used by corporations. The College's net assets are one indicator of the College's financial strength. Over time, increases or decreases in net assets is one indicator of the improvement or erosion of the College's financial health when considered with non-financial facts such as enrollment levels and the condition of facilities.

The Statement of Net Assets includes all assets and liabilities. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service to the College, regardless of when cash is exchanged.

The Statement of Revenues, Expenses, and Changes in Net Assets presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. The authoritative financial reporting model classifies State appropriations and gifts as non-operating revenues; therefore, such a classification results in an operating deficit being shown in this statement. The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

Another important factor to consider when evaluating financial viability is the College's ability to meet financial obligations as they mature. The Statement of Cash Flows presents the information related to cash inflows and outflows summarized by operating, capital, and noncapital financing and investing activities.

Financial Highlights

In return for providing the resources necessary for the operations of the College, Ivy Tech's students and the taxpayers of Indiana demand careful stewardship of state appropriations, student fees, grants and contracts, donor contributions, and other funds. This Annual Financial Report for the 2011-12 fiscal year reflects that commitment.

Overall, the College's financial position continues to be strong. During fiscal year 2011-12 net assets increased by a total of $47.7 million (11.2%) compared to the previous year. During the last five years, net assets have grown from $258.7 million to $474.7 million, an increase of 83%. Unrestricted net assets also grew significantly in 2011-12, by $32.6 million (15.0%). Unrestricted net assets have grown from $106.1 million to $250.4 million, a 136% increase in five years. This performance has allowed the College to continue to fully fund internally designated funds to offset liabilities for accrued vacation, sick leave, and other post-employment benefits (OPEB) while also establishing reserves for repair and rehabilitation and technology related infrastructure.

Capital leases increased by $5.2 million mainly due to three new building leases with the Ivy Tech Foundation. Overall, long-term liabilities increased 1.1%.

Operating revenue growth slowed in 2011-12 as enrollment stabilized following a decade of strong growth. While headcount enrollment showed an increase of 2,062 students or 1.2%, the average student took fewer credit hours. This led to a 2.6% drop in the total number of full time equivalent (FTE) students. The drop in FTE students was mitigated by the modest increase in student fee rates. Gross tuition and fee revenue declined by 1.3%.

Non-operating revenues grew significantly in 2011-12. The increase in state appropriations was a major contributor to this growth. For fiscal year 2011-12, state appropriations grew by $21.7 million or 11.1%. This increase was primarily due to the College's success in the new performance funding metrics that determined funding levels for the State of Indiana's 2011-13 biennial budget.

Operating expenses totaled $647.0 million, 2.8% over 2010-11. During the past year, the College continued its aggressive cost-saving programs. New initiatives involving furnishings and equipment, employee healthcare, information technology, financial aid, and office supplies were launched. These new measures follow previous initiatives to outsource College bookstores, move to self-insurance for employee healthcare, improve energy efficiency, and use of both Build America Bonds and Qualified Energy Conservation Notes. The $17.4 million increase in operating expenses was principally driven by an increase in faculty and staff and a 2% salary increase. Other increases resulted from general supplies and other services as well as an increase in depreciation expense. The largest single component of operating expenses, salaries and wages, grew by $17.1 million or 7.3%.

During 2011-12, the College began offering classes in new academic facilities in Warsaw and Indianapolis. The addition of these two new facilities significantly improved academic space in these communities. The College also issued new bonds to finance renovations to the Fisher Building in Muncie ($4.8 million) and to complete the fourth and fifth floors of the Indianapolis Project ($6.8 million). The Indianapolis project also included a connector from the new facility over Illinois Street to the existing North Meridian Center.

In addition to financing new projects, the College refunded $42.2 million of outstanding bonds and refinanced a $5.6 million bank loan. The refunding will lead to scheduled debt service savings of $4.9 million with a net present value savings of $4.0 million.

As further evidence of the College's strong financial position, in November 2011 in conjunction with the first refunding, Standard and Poor's reaffirmed its "AA-" rating for Ivy Tech and likewise, Fitch Ratings reaffirmed its "AA" rating for the College.

CONDENSED STATEMENT OF NET ASSETS

June 30	2012	2011	Percent Change
Current assets	$261,973,582	$236,097,261	11.0
Noncurrent assets	635,746,432	594,244,902	7.0
Total assets	897,720,014	830,342,163	8.1
Current liabilities	101,770,235	86,735,011	17.3
Noncurrent liabilities	321,291,919	316,675,076	1.5
Total liabilities	423,062,154	403,410,087	4.9
Net assets			
Invested in capital assets, net of related debt	213,618,006	193,772,560	10.2
Restricted	10,605,327	15,365,420	-31.1
Unrestricted	250,434,527	217,794,096	15.0
Total net assets	**$474,657,860**	**$426,932,076**	**11.2**

Assets

Current Assets

Cash and cash equivalents are comprised of cash (in banks and on hand) and investments with maturity dates of 0-90 days as of June 30, 2012. This category decreased by $15.1 million or 14.5% with a corresponding increase in short-term investments.

Cash with Fiscal Agent is attributable to the debt principal and interest payment made in fiscal year 2011-12 and not due until July 1, 2012. This category increased by $23.5 million due to the sale of bond issue series Q and the recording of the interest payable. The interest was not shown as a payable in the previous year.

Short-term investments include those with maturity dates of 91-365 days. The College's policy is to invest available cash balances in both short and long-term instruments. Cash and cash equivalents decreased 14.5% and short-term investments increased 60.7% from June 30, 2011. The total combined investments in these two categories increased due to several factors, including increasing College cash reserves, and an increase in State Appropriations. The changes in investment maturities were primarily a result of increased investment rates in the 91-365 day category. Additionally, in the prior year the College had received favorable rates in the under 90 day category on certain bank certificates of deposit that were not available in the current year.

Accounts receivable are related, but not limited to, student and contract tuition and fees, grants, and financial aid. Accounting standards typically require the establishment of an allowance for doubtful accounts in the Statement of Net Assets to reflect receivables that are likely to be uncollectible. The College policy is that all accounts receivable greater than one year old are to be written off unless payments are being made currently. The net accounts receivable increased from the previous year by 5.3%; this increase was mainly due to the reclassification of a $2 million receivable from non-current to current related to the leasing of the College's bookstores to Follett. Additionally, there was a large increase in receivables from the State of Indiana related to grants and contracts.

The current portion of the deposits with trustee is $7.4 million or a 60.6% decrease from the previous year, due to the completion of the Indianapolis and Warsaw projects. It is anticipated that 100% of the total current deposits with trustee will be spent in fiscal year 2012-13. The deposits with trustee are mainly attributable to the Series P construction projects for the Indianapolis and Muncie campuses.

Prepaid expenses are payments made in the current or a previous fiscal year, which we have not realized the full value of through fiscal year 2011-12. This category increased $455,000 mainly due to a contract for services with Blackboard Inc.

Overall current assets increased by $25.9 million, which was mainly due to increases in the cash with fiscal agent and short-term investments.

Noncurrent Assets

Long-term investments increased by $16.6 million or 19.9% from the previous year. This increase was a result of increasing the College's cash reserves, and fully funding

OUTSTANDING DEBT AT YEAR END

	6/30/2012	6/30/2011	Increase (Decrease)	Percent Change
Leases, notes, and bonds payable:				
Revenue bonds payable:				
Series G student fee bonds	18,395,000	21,515,000	(3,120,000)	-14.5%
Series H student fee bonds	30,280,000	32,940,000	(2,660,000)	-8.1%
Series I student fee bonds	12,680,000	31,835,000	(19,155,000)	-60.2%
Series J student fee bonds	9,245,000	9,245,000	-	0.0%
Series K student fee bonds	40,525,000	52,530,000	(12,005,000)	-22.9%
Series L student fee bonds	51,670,000	55,425,000	(3,755,000)	-6.8%
Series M student fee bonds	10,830,000	14,220,000	(3,390,000)	-23.8%
Series N student fee bonds	70,290,000	70,290,000	-	0.0%
Series O student fee bonds	9,200,000	-	9,200,000	100.0%
Series P student fee bonds	32,415,000	-	32,415,000	100.0%
Series Q student fee bonds	15,190,000	-	15,190,000	100.0%
Total bonds payable	300,720,000	288,000,000	12,720,000	4.4%
Premium on bonds -H,I,J,K,L,M & P	8,163,500	6,494,683	1,668,817	25.7%
Lease Obligations	24,539,215	19,353,872	5,185,343	26.8%
Notes Payable	3,056,998	8,924,000	(5,867,002)	-65.7%
Total leases, notes, and bonds payable	**$336,479,713**	**$322,772,555**	**$13,707,158**	**4.2%**

liabilities for post employment benefits and vacation and sick leave accruals. The College sought opportunities to lock in rates at relatively favorable levels while still maintaining adequate liquidity.

Noncurrent accounts receivable represents future income related to the lease of the rights to operate the College's bookstores. The College will receive $2 million in fiscal year 2012-13, which resulted in the reclassification from non-current to current assets. Capital assets increased by $26.9 million, which includes land, buildings, infrastructure, equipment, deferred losses on debt refunding, and construction work in progress. The increase was mainly due to the capitalization of the Indianapolis and Warsaw projects. Noncurrent assets increased by $41.5 million or a 7.0% increase from the previous year, mainly attributable to the increase in capital assets and long-term investments.

Liabilities

Current Liabilities

Current liabilities will be paid in one year or less from the date of the Statement of Net Assets. Accounts payable and accrued liabilities increased by $2.7 million due mainly to the recognition of an additional six months of interest related to interest on debt that was not in the previous year. This was partially offset by the reduction in wages payable.

Compensated absences ($10.3 million), the amounts due to employees for earned but unpaid vacation and accrued sick leave payout, increased by $424,000 as compared to the previous year. Deposits held in custody for others are monies held by the College for payroll withholdings ($5.9 million), and student clubs ($1.5 million). Deferred revenue represents monies received in the current year for services, tuition and fees, future revenue related to the lease of the College bookstores, or goods to be provided by the College in a future period. Deferred Revenue decreased by $1.8 million mainly due to a small decrease in summer term enrollment. The Current portion of debt obligation is the portion of the College's long-term debt which is payable within the next fiscal year. This category increased by $12.4 million. This is mainly due to the refunding of the Series G bond issue. Overall, current liabilities increased by $15.0 million.

Noncurrent Liabilities

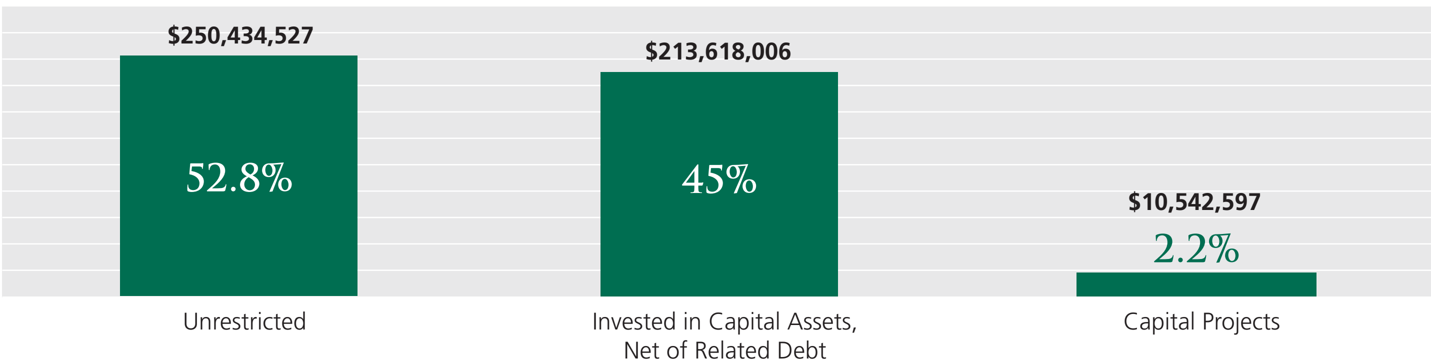
Noncurrent liabilities will be paid one year or later from the date of the Statement of Net Assets. The College's noncurrent liabilities include compensated absences, notes and bonds payable, and other post employment benefits. Noncurrent liabilities increased by $4.6 million, which was mainly due to an increase in Other Post Employment Benefits.

In accordance with the appropriate accounting guidance, the entire amount of Post Employment Benefits is considered a long-term liability.

Net Assets

Net assets represent the difference between the College's assets and liabilities. The classification "invested in capital assets, net of related debt" (which includes building and equipment less depreciation, land owned by the College, and construction work in progress) increased by 10.2% compared to the prior year. This was mainly due to the completion of the Indianapolis and Warsaw projects. The restricted "capital projects" classification decreased by 31.1% from the prior year. This decrease was a result of a reduction in federal and state R&R funding and the capitalization of the Indianapolis and Warsaw projects. Unrestricted Net Assets increased by 15.0%. This is mainly due to the College increasing unrestricted reserves. Overall net assets increased in fiscal year 2011-12 by $47.7 million or 11.2%. The net assets are comprised of Unrestricted of 52.8%, Invested in Capital Assets of 45.0%, and Capital Projects of 2.2%.

2012 ANALYSIS OF NET ASSETS



Internally Designated Reserves of Unrestricted Funds

The College ended the fiscal year with an unrestricted net asset balance of $250.4 million, an increase of $32.6 million, or 15.0% as compared to the prior fiscal year. The following provides additional information concerning the allocation of the unrestricted net assets.

Description	FY 2012 Amount	FY 2011 Amount
Self-Insurance	$8,243,304	$7,373,988
Bookstore Commissions	32,733,589	32,991,412
Economic Development Revolving Loan	5,534,500	5,487,000
Student Accounts Receivable	15,174,465	15,508,645
Insurance Stabilization	3,821,169	3,774,614
Parking Lot Repair and Replacement	4,416,028	4,669,192
Compensated Absences Reserve	17,427,365	15,727,365
Other Post Employment Benefits	16,736,975	13,468,150
Payroll Reserve	3,628,049	3,628,049
Enterprise Software Enhancements	3,302,889	2,598,752
Unclaimed Property	2,405,957	1,945,993
Student Loan Fund	73,473	73,852
Institutional R&R Reserve	20,860,995	19,699,418
Rainy Day Fund	10,495,463	12,717,062
Accelerating Greatness	3,113,835	-
Operating Budget	102,466,471	78,130,604
Total	**$250,434,527**	**$217,794,096**

The College administers health insurance for all benefits eligible employees. Under the self-insurance plan, claims are paid directly by the college in the month incurred. A reserve in the amount of $8,243,304 represents the excess of employer contribution over claims expense.

Effective June 30, 2008, all College bookstores have been leased to Follett Higher Education Group, Inc. The College maintains a reserve from the commissions to be used for various one-time budget needs. Expenditures from this reserve are approved by the Vice President and Chief Financial Officer.

The Economic Development Revolving Loan Fund is primarily used within the College to acquire equipment necessary to rapidly implement training programs relative to economic development as well as other College initiatives. This fund is a revolving fund and is paid back over time by the College site originally granted the loan.

The College does not recognize certain student accounts receivable balances for budget purposes. After they have been collected, they are recognized for budgetary purposes and therefore available for expenditure.

The insurance stabilization reserve was established in the fiscal year ending June 30, 1994. The interest earned on this reserve has been used to reduce the amount of health insurance increases that must be passed on to the employees of the College.

The parking lot repair and replacement reserve is funded with a College designated portion of student fee collections. Currently seventy-five cents ($.75) per student credit hour is designated to assist the funding of repairing, maintaining, and providing new parking lots throughout the College.

The compensated absences reserve was established to offset the College's compensated absences liability. The total amount of unrestricted monies set aside is $1,739,345 more than the total liability of $15,688,020. This benefit is discussed in more detail in the Notes to the Financial Statements, page 39.

The Other Post Employment Benefits cash reserve was established in fiscal year 2005-06 to offset the College's other post employment benefit liability. This reserve was established in advance of the reporting requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.* An actuarial estimate was obtained by the College as of June 30, 2012. As a result of this estimate, the College reported an OPEB liability in the amount of $16.7 million as of June 30, 2012, this equals the corresponding liability.

The College pays hourly employees bi-weekly. Therefore, every 11 years the College pays employees 27 times in one year instead of the normal 26. This payroll reserve is to be used to offset the additional payroll expense.

The enterprise software enhancement reserve has been established to assist the College in maintaining and enhancing the enterprise-wide software programs.

State law allows the College to maintain unclaimed property. The unclaimed properties are checks that have not been cashed and are greater than two years old. The payees may claim these checks upon the filing of a claim and proof of identity.

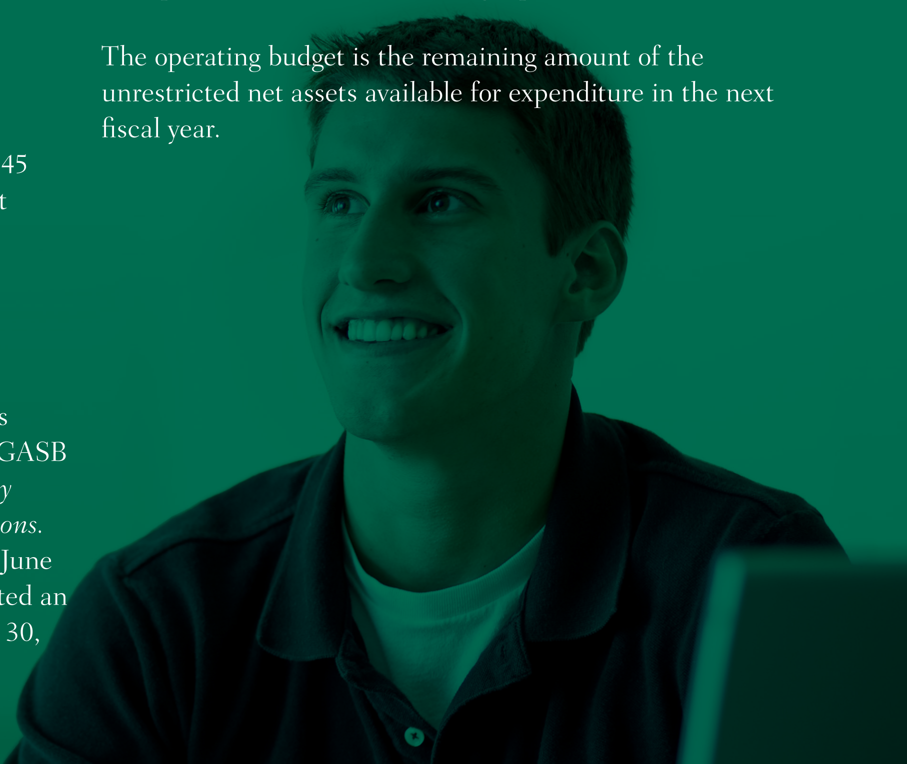
The College maintains a loan fund for the purpose of making short-term loans to students. The funds are derived from a number of different sources.

The College has two unrestricted reserves for potential R&R projects within the College. This year both reserves were included and for comparison purposes the previous year's amount was adjusted. The operating budget line item in the prior year was adjusted by the same amount.

The rainy day fund was established in fiscal year 2010-11 to assist in offsetting the financial impact of any enrollment declines. The prior year financial statements did not list this as a designated reserve. It is shown in the previous year column for comparison purposes. The operating budget in the prior year was adjusted by the same amount again for comparison purposes.

The accelerating greatness reserve will be used to fund one-time projects related to our strategic plan.

The operating budget is the remaining amount of the unrestricted net assets available for expenditure in the next fiscal year.



CAPITAL ASSETS, NET, AT YEAR-END

	6/30/2012	6/30/2011	Increase (Decrease)	Percent Change
Construction Work In Progress	$6,910,079	$40,761,029	($33,850,950)	-83.0%
Land, Improvements, and Infrastructure	39,524,057	37,888,862	1,635,195	4.3%
Buildings	465,378,272	405,933,223	59,445,049	14.6%
Furniture, fixtures, and equipment	20,865,910	21,222,255	(356,345)	-1.7%
Library materials	943,097	939,627	3,470	0.4%
Totals	**$533,621,415**	**$506,744,996**	**$26,876,419**	**5.3%**

During fiscal year 2011-12 net capital assets increased by $26.9 million or 5.3%. The major changes were from the capitalization of the Indianapolis project of $44.3 million and the Warsaw project of $9.6 million. Construction Work in Progress shows a decrease of $33.9 million, which can be attributed to the completion of the Indianapolis and the Warsaw projects.

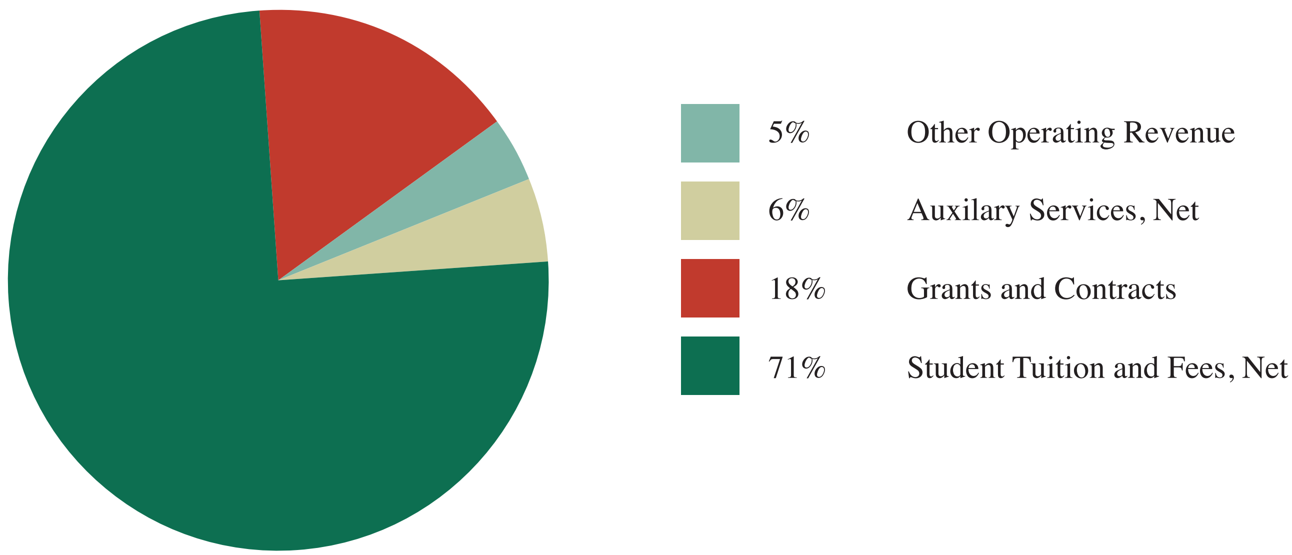
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Year Ended June 30	2012	2011	Percent Change
Operating revenue			
Tuition and fees, net	$141,758,041	$161,365,655	-12.2%
Grants and contracts	35,468,864	40,690,764	-12.8%
Auxiliary services, net	10,881,098	11,323,288	-3.9%
Other	10,265,941	9,486,091	8.2%
Total operating revenue	198,373,944	222,865,798	-11.0%
Operating expense	(647,010,723)	629,568,019	2.8%
Operating income (loss)	(448,636,779)	(406,702,221)	10.3%
Nonoperating revenue (expense)			
State/Federal appropriations	217,668,700	196,025,156	11.0%
Governmental Grants and Contracts	282,675,992	282,078,518	0.21%
Other nonoperating revenue (expense)	(9,352,045)	(8,784,551)	6.5%
Net nonoperating revenue	490,992,647	469,319,123	4.6%
Income before other revenue, expenses, gains, or losses	42,355,868	62,616,902	-32.4%
Capital appropriations/Gifts	5,369,916	2,304,958	133.0%
Total increase in net assets	47,725,784	64,921,860	-26.5%
Net assets			
Net assets - beginning of year	426,932,076	362,010,216	17.9%
Net assets - end of year	**$474,657,860**	**$426,932,076**	**11.2%**

Revenues

Operating Revenues

Total operating revenues for fiscal year 2011-12 were $198.4 million, representing an 11.0% decrease compared to the prior year. The following chart and analysis illustrate the details.



Tuition and Fees

Student tuition and fees include all fees assessed for educational purposes. Scholarship discounts and allowances represent the difference between the stated fee rates and the amount that is paid by third party payers. The vast majority of the scholarship discounts are paid to the College in the form of Federal and State student financial aid. The scholarship discounts increased 16.7% compared to fiscal year 2010-11 due to more tuition being paid from Federal financial aid revenue, e.g., Pell grants. Net tuition and fees decreased by 12.2% resulting from the increased scholarship discounts and a small enrollment decrease for summer term.

Grants and Contracts

Grants and contracts include restricted revenues made available by federal, state, local, and nongovernmental grants and contracts. In total, this revenue decreased 12.8% from 2010-11. Federal sources increased 18.7%, state sources decreased 4.0%, and private sources decreased 41.8%. The significant decrease in private funding ($5.2 million) can be attributed primarily to the completion of two large grants, one for the Multi-Modal Facility and a second for WorkOne operations at the Wabash Valley campus. The decrease in state grants ($925,000) can be primarily attributed to the expiration of the ARRA Weatherization Grant funded through the Indiana Housing Community Development Association and the spend down of the ARRA State Fiscal Stabilization funds provided for Repair and Rehabilitation. The increase in Federal Funds ($910,000) is mainly the result of continued efforts on ARRA Grants funded from the Department of Labor and Energy. These increases mitigated sizable decreases due to expiration of other federal projects from the Department of Labor and the Small Business Administration.

Auxiliary Enterprises

Auxiliary enterprises are intended to be self-supporting and supplement the operations of the College. The total auxiliary enterprise revenue was $10.9 million. The primary revenue source is the commission on book sales. This category decreased by 3.9% in 2011-12 due to a slight decrease in enrollment and a decrease in Federal Direct Loans borrowed by Ivy Tech students.

Nonoperating Revenue and Expense

The State of Indiana provides appropriations based on a biennial budget for higher education. The College recognized $216.2 million of State Appropriations for fiscal year 2011-12. This is an increase of 11.1% from the previous year primarily due to the College's success in the new performance funding metrics that determined funding levels for the State of Indiana's 2011-13 biennial budget. The federal appropriations totaling $1.4 million is mainly the interest subsidy for Build America Bonds and the Qualified Energy Conservation Promissory Note. Investment income, which is the earnings from pooled cash and plant investments, remained stable. Interest expense on capital asset-related debt is the interest paid on bond debt and interim financing and increased slightly. Student government support is the College's designated amount to support student government and remains stable.

Other Revenues, Expenses, Gains, or Losses

Capital Gifts, Grants and Appropriations increased by $3.1 million. This increase was due to the Kokomo Events Center gift valued at $3.6 million.

Statement of Cash Flows

Another way to assess the financial condition of an institution is to look at the statement of Cash Flows. Its primary purpose is to provide relevant information about the cash receipts and cash payments of an entity during a period. The Statement of Cash Flows also helps users evaluate:

- an entity's ability to generate future net cash flows
- its ability to meet its obligations as they come due
- its need for external financing

CONDENSED STATEMENT OF CASH FLOWS

Year Ended June 30	2012	2011
Cash provided (used) by:		
Operating activities	$(426,793,810)	$(383,645,585)
Noncapital financing activities	498,536,465	477,009,039
Capital and related financing activities	(48,103,548)	(48,340,893)
Investing activities	(38,704,241)	(4,372,934)
Net increase (decrease) in cash	(15,065,134)	40,649,627
Cash and cash equivalents, beginning of the year	103,541,234	62,891,607
Cash and cash equivalents, end of the year	**$88,476,100**	**$103,541,234**

For the College's financial statement purposes, cash and cash equivalents includes cash plus investments with maturity dates less than 90 days. Cash and cash equivalents decreased 14.5% this fiscal year. Changes in investment maturities were primarily a result of moving to longer term investment options.

According to the authoritative guidance from the Governmental Accounting Standards Board, state appropriations and federal and state financial aid proceeds are to be shown as a non-capital financing activity and not as cash provided by operating activities. This will always result in showing more cash being used for operating activities than cash being provided.

Factors Impacting Future Periods

2011-12 was a mixed year economically for both the State of Indiana and the nation as a whole, as the United States economy continues a slow recovery. While the economic picture brightened during the past year, unemployment remained stubbornly high. In Indiana, the current jobless rate hovers around 8.0% and many of those with jobs have seen wage cuts, wage freezes, or a reduction of hours.

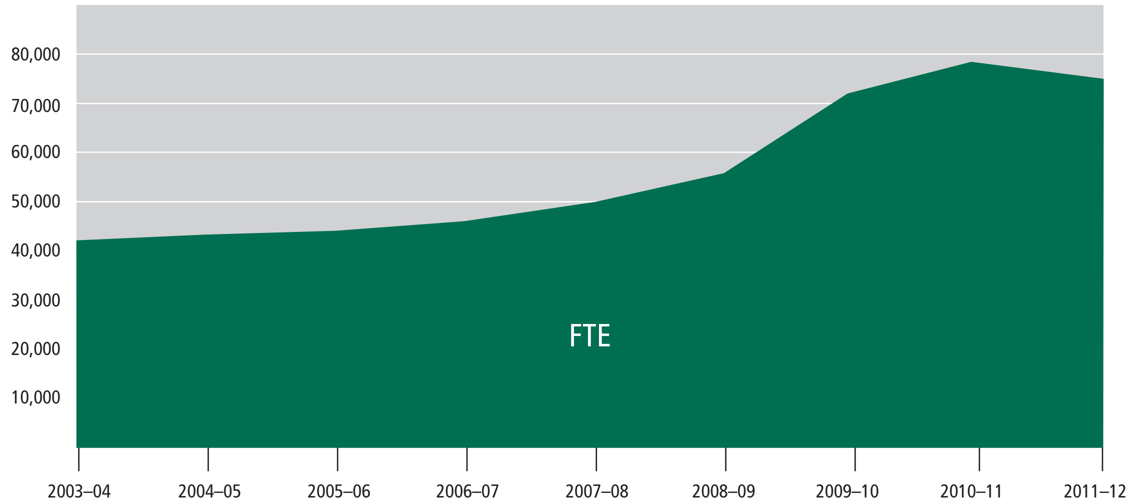
Despite the challenging economic environment, State of Indiana general fund revenues grew by $850 million or 6.4% compared to the prior year. The combination of strong revenue growth and a series of spending cuts allowed the State to end 2011-12 with a combined balance of $2.155 billion – a nearly $1 billion increase compared to 2010-11. The state operated 2011-12 with a nearly $600 million structural surplus. 2.3% growth in revenue is needed for the state to achieve the most recent revenue forecast which would result in the second consecutive year of combined balances in excess of $2 billion.

As Indiana's community college system, Ivy Tech's finances are heavily impacted by the State. In both 2009-10 and 2010-11, the College made budget cuts as the State reduced or rescinded operating appropriations. However, in the 2011-13 biennium, due to Ivy Tech's strong performance on a series of metrics used to determine biennial budget levels, the College's state operating appropriation grew by $20.4 million annually. The College has targeted a significant portion of these funds toward retention and completion efforts—hiring more full time faculty, adding academic advisors, redesigning math curriculum, enhancing customer service through self-service options, a new student success call center and investing in pathways that speed the time to earn a degree or certificate. While state appropriations per full time equivalent (FTE) student still lag behind other Indiana public colleges and universities, this increase has allowed the College to make significant progress. A new state budget for the 2013-2015 biennium will be considered by the Indiana General Assembly in January, 2013.

Enrollment growth at Ivy Tech slowed in 2011-12. Over the previous four years, headcount and FTE enrollment had increased by 61% and 68% respectively. Preliminary figures show total headcount of 176,769, an increase of 1.2% over the previous year. While this set another record, the rate of growth slowed as compared to recent years. On average, these students took fewer credit hours, as full time equivalent enrollment dropped from 76,696 to 74,700, a 2.6% decline. Enrollment in online classes grew 1.8% to an unduplicated headcount totaling 68,583. Early reports for the 2012 fall semester also show a decline, although the totals are still far above enrollment levels prior to the College's recent growth spurt. Cost savings measures have been developed and executed to offset any decline in revenue through budget reductions.

In conclusion, Ivy Tech Community College is well positioned to continue to serve the educational and training needs of Hoosiers. The College is in sound financial shape. During the past year, this conclusion has been confirmed by Standard and Poor's and Fitch Ratings, both of which reaffirmed the College's "AA-" and "AA" bond ratings respectively.

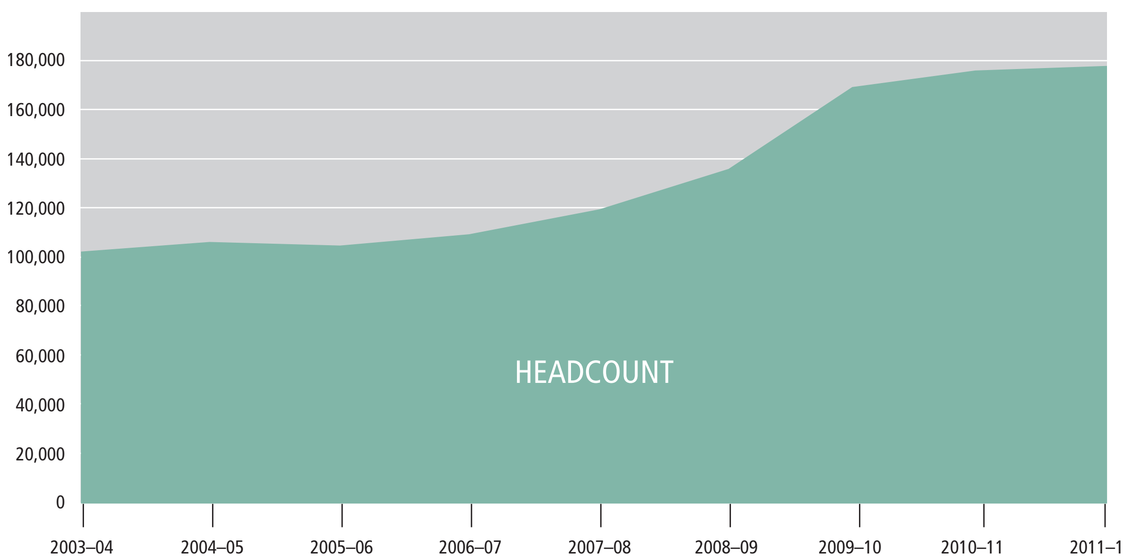
ANNUALIZED STUDENT ENROLLMENT TREND



Since 2003-2004 FTE Enrollment has grown by 81.5%.

Note: the annualized FTE number for the 2011-12 fiscal year is an estimate as of the publishing of these financial statements.

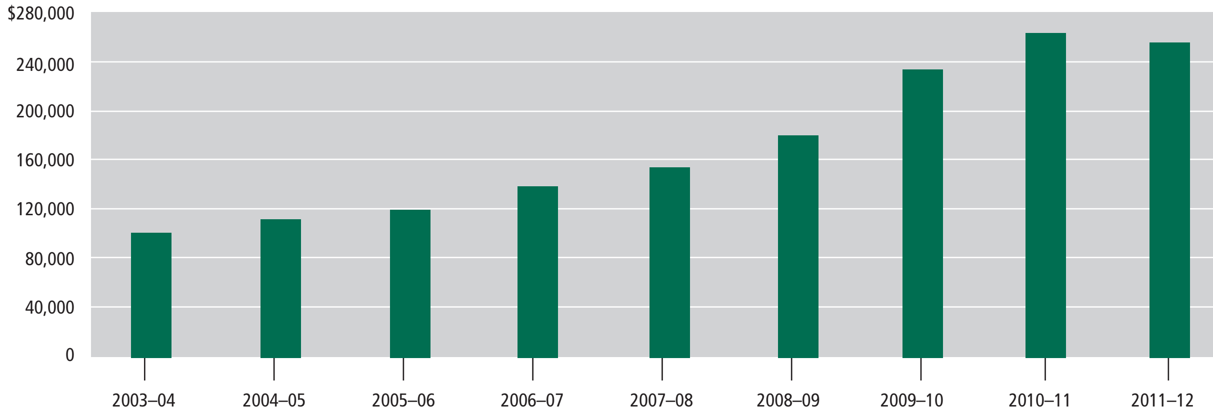
ANNUALIZED STUDENT ENROLLMENT TREND



Since 2003-2004 Unduplicated Headcount Enrollment has grown by 71.4%

Note: the annualized Headcount number for the 2011-12 fiscal year is an estimate as of the publishing of these financial statements.

GROSS STUDENT FEE REVENUE



Gross Student Fee Revenue has increased 150% since 2003-2004.

Authorized Facilities

The 2011-13 biennial budget adopted by the General Assembly did not include any cash funding or bonding authority for new capital projects for Indiana public higher education institutions. Ivy Tech currently has four projects that previously received bonding authority from the General Assembly but have not yet been released by the State Budget Committee and Governor. Those projects are Indianapolis Phase III ($23,098,100), Anderson ($20,000,000), Bloomington ($20,000,000), and Gary ($20,000,000). During 2010-11, the College did receive final approval to proceed with Indianapolis Phase II ($6,771,900) and Muncie Fisher Building Renovation ($4,800,000). Financing for these projects occurred in 2011-12. Construction for Indianapolis was completed in 2012 and the Muncie Fisher Building is expected to be completed in 2012-13. The timing for the financing and construction of the four authorized but not yet released projects is not known at this time.

IVY TECH COMMUNITY COLLEGE

STATEMENT OF NET ASSETS

JUNE 30, 2012 WITH COMPARATIVE FIGURES AT JUNE 30, 2011

ASSETS	FY 2012	FY 2011
Current Assets		
Cash and Cash Equivalents	$88,476,100	$103,541,234
Cash With Fiscal Agent	40,642,284	17,123,567
Short Term Investments	67,500,000	42,000,000
Accounts Receivable	71,331,660	66,864,291
Allowance for Doubtful Accounts	(14,071,619)	(12,503,227)
Deposit with Trustee	7,431,566	18,862,942
Prepaid Expenses	663,591	208,454
Total Current Assets	**261,973,582**	**236,097,261**
Noncurrent Assets		
Long-Term Investments	100,125,017	83,499,906
Deposit With Trustee	-	-
Accounts Receivable	2,000,000	4,000,000
Capital Assets, Net	533,621,415	506,744,996
Total Noncurrent Assets	**635,746,432**	**594,244,902**
TOTAL ASSETS	**897,720,014**	**830,342,163**
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	23,729,035	21,036,933
Compensated Absences	10,332,912	9,908,923
Deposits Held in Custody for Others	7,366,288	6,038,070
Deferred Revenue	23,062,123	24,892,035
Current Portion of Debt Obligation	37,279,877	24,859,050
Total Current Liabilities	**101,770,235**	**86,735,011**
Noncurrent Liabilities		
Compensated Absences	5,355,108	5,590,287
Long Term Debt and other Obligations	299,199,836	297,913,506
Other Post Employment Benefits	16,736,975	13,171,283
Total Noncurrent Liabilities	**321,291,919**	**316,675,076**
TOTAL LIABILITIES	**423,062,154**	**403,410,087**
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	213,618,006	193,772,560
Restricted:		
Expendable		
Capital Projects	10,542,597	15,303,455
Endowment	62,730	61,965
Unrestricted	250,434,527	217,794,096
TOTAL NET ASSETS	**$474,657,860**	**$426,932,076**

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

IVY TECH FOUNDATION, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2012 AND 2011

ASSETS	FY 2012	FY 2011
Cash and equivalents	$1,699,346	$1,889,845
Investments	11,120,139	24,743,615
Pledges receivable	7,265,481	5,864,474
Prepaid expenses and other assets	218,501	149,633
Property and equipment, net	64,856,857	33,663,743
Deferred financing costs, net	370,164	
Note received from bank	23,510,509	
Cash restricted for Ivy Tech Properties, Inc.	18,666,496	
Assets restricted for renovation of property	4,430,658	14,967,078
Assets restricted for permanent endowment	23,332,228	21,410,916
Agency funds-Intersection Connection	1,272,186	752,474
TOTAL ASSETS	**156,742,565**	**103,441,778**
LIABILITIES		
Accounts payable and accrued expenses	9,976,391	913,991
Accounts payable-related party	356,620	75,489
Agency funds-Intersection Connection	1,272,186	752,474
Line of credit	3,834,480	4,533,407
Interest rate swap liability	382,905	
Notes payable	49,144,486	7,501,777
Annuity payable	130,760	129,212
Total Liabilities	65,097,828	13,906,350
NET ASSETS		
Unrestricted	10,521,463	11,492,171
Restricted:		
Temporary restricted	57,791,046	56,632,341
Permanently restricted	23,332,228	21,410,916
Total Restricted	81,123,274	78,043,257
Total Net Assets	91,644,737	89,535,428
TOTAL LIABILITIES AND NET ASSETS	**$156,742,565**	**$103,441,778**

IVY TECH COMMUNITY COLLEGE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE FIGURES AT JUNE 30, 2011

REVENUES	FY 2012	FY 2011
Operating Revenues		
Student Tuition and Fees	$255,033,043	$258,441,581
Scholarship Allowances	(113,275,002)	(97,075,926)
Net Student Tuition and Fees	141,758,041	161,365,655
Federal Grants and Contracts	5,790,440	4,879,854
State and Local Grants and Contracts	22,441,944	23,367,017
Nongovernmental Grants and Contracts	7,236,480	12,443,893
Sales and Services of Educational Departments	1,952,703	2,002,872
Auxiliary Enterprises	10,881,098	11,323,288
Other Operating Revenues	8,313,238	7,483,219
TOTAL OPERATING REVENUES	**198,373,944**	**222,865,798**
EXPENSES		
Operating Expenses		
Salaries and Wages	249,682,001	232,620,786
Benefits	71,907,662	66,623,173
Scholarships and Fellowships	173,171,877	188,756,081
Utilities	9,175,837	8,867,095
Supplies and Other Services	117,191,285	109,396,889
Depreciation	25,388,325	22,888,357
Amortization of Deferred Loss on Refunding	493,736	415,638
TOTAL OPERATING EXPENSES	**647,010,723**	**629,568,019**
Operating Loss	(448,636,779)	(406,702,221)
NON-OPERATING REVENUES (EXPENSES)		
State Appropriations	216,235,174	194,578,831
Federal Appropriations	1,433,526	1,446,325
Investment Income	3,729,776	3,938,379
Interest on Capital Asset-Related Debt	(11,989,157)	(11,671,479)
Governmental Grants and Contracts-Federal	246,366,647	251,943,930
Governmental Grants and Contracts-State	36,309,345	30,134,588
Student Government Support	(1,092,664)	(1,051,451)
NET NON-OPERATING REVENUES	**490,992,647**	**469,319,123**
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	42,355,868	62,616,902
Capital Gifts and Grants	4,369,916	1,304,958
Capital Appropriations	1,000,000	1,000,000
Total Other Revenues	5,369,916	2,304,958
INCREASE IN NET ASSETS	**47,725,784**	**64,921,860**
Net Assets - Beginning of Year	426,932,076	362,010,216
NET ASSETS – END OF YEAR	**$474,657,860**	**$426,932,076**

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

IVY TECH FOUNDATION, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

FY 2012: REVENUE, GAINS AND SUPPORT	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Contributions:				
Cash and pledges	$ 304,377	$ 7,279,728	$ 1,761,059	$ 9,345,164
Non-cash		890,258		890,258
Grant revenue	0	2,281,367	0	2,281,367
Total Contributions	304,377	10,451,353	1,761,059	12,516,789
Investment income	583,823	57,169		640,992
Vending income	631,601			631,601
Special events income, net of expenses of $450,549 in 2012 and $380,176 in 2011		390,533		390,533
Royalties	93,586	1,159		94,745
Real estate rental income	2,003,467	34,423		2,037,890
Realized gain on sale of property and equipment	193,829			193,829
Uncollectible pledges		(3,100)		(3,100)
Miscellaneous revenue	7,425	16,033	0	23,458
	3,818,108	10,947,570	1,761,059	16,526,737
Net assets released from restrictions	9,638,612	(9,638,612)		
Reclassification of donor intent	(10,000)	(150,253)	160,253	0
Total Revenue, Gains and Support	13,446,720	1,158,705	1,921,312	16,526,737
EXPENSES				
Financial aid to students	2,712,326			2,712,326
Building improvements, supplies and equipment	4,148,161			4,148,161
Faculty and staff development	106,460			106,460
Employee recognition	90,593			90,593
Special programs	1,615,433			1,615,433
Community outreach/promotional expense	1,017,495			1,017,495
Donations to Ivy Tech Community College	339,993			339,993
Donated property to Ivy Tech Community College	587,276			587,276
In-kind expense	386,049			386,049
Annuity obligations	5,961			5,961
Real estate rental expenses	2,181,114			2,181,114
Other real estate expenses	236,368			236,368
Total College Assistance Program Expenses	13,427,229			13,427,229
Administrative expenses	517,455			517,455
Fundraising expenses	89,839			89,839
Total Expenses	14,034,523			14,034,523
INCREASE IN NET ASSETS	**(587,803)**	**1,158,705**	**1,921,312**	**2,492,214**
Net Assets - Beginning of Year	(382,905)	-	-	(382,905)
NET ASSETS – END OF YEAR	**$10,521,463**	**$57,791,046**	**$23,332,228**	**$91,644,737**

Continued on next page

IVY TECH FOUNDATION, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2012 AND 2011 (CONTINUED)

FY 2011: REVENUE, GAINS AND SUPPORT	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Contributions:				
Cash and pledges	$225,777	$2,523,333	$294,273	$3,043,383
Non-cash		4,645,737		4,645,737
Grant revenue		25,164,199		25,164,199
Total Contributions	225,777	32,333,269	294,273	32,853,319
Investment income	2,880,546	1,863,506		4,744,052
Vending income	689,761			689,761
Special events income, net of expenses of $450,549 in 2012 and $380,176 in 2011		284,385	41,611	325,996
Royalties	112,618	9,968		122,586
Real estate rental income	1,706,055	32,263		1,738,318
Realized gain on sale of property and equipment	25,853			25,853
Uncollectible pledges		(59,000)	(6,696)	(65,696)
Miscellaneous revenue	12,146	26,055		38,201
	5,652,756	34,490,446	329,188	40,472,390
Net assets released from restrictions	10,024,166	(10,024,166)		
Reclassification of donor intent	(10,000)	(421,787)	431,787	
Total Revenue, Gains and Support	15,666,922	24,044,493	760,975	40,472,390
EXPENSES				
Financial aid to students	2,059,570			2,059,570
Building improvements, supplies and equipment	5,449,431			5,449,431
Faculty and staff development	86,677			86,677
Employee recognition	56,338			56,338
Special programs	942,810			942,810
Community outreach/promotional expense	923,743			923,743
Donations to Ivy Tech Community College	252,787			252,787
Donated property to Ivy Tech Community College	279,594			279,594
In-kind expense	345,700			345,700
Annuity obligations	6,883			6,883
Real estate rental expenses	1,825,011			1,825,011
Other real estate expenses	98,350			98,350
Total College Assistance Program Expenses	12,326,894			12,326,894
Administrative expenses	456,315			456,315
Fundraising expenses	87,289			87,289
Total Expenses	12,870,498			12,870,498
INCREASE (DECREASE) IN NET ASSETS	2,796,424	24,044,493	760,975	27,601,892
LOSS ON INTEREST RATE SWAP				
Loss on interest rate swap				
INCREASE (DECREASE) IN NET ASSETS	2,796,424	24,044,493	760,975	27,601,892
NET ASSETS				
Beginning of Year	8,695,747	32,587,848	20,649,941	61,933,536
NET ASSETS – END OF YEAR	**$11,492,171**	**$56,632,341**	**$21,410,916**	**$89,535,428**

IVY TECH COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2012 WITH COMPARATIVE FIGURES AT JUNE 30, 2011

CASH FLOWS FROM (FOR) OPERATING ACTIVITIES	FY 2012	FY 2011
Tuition and Fees	$ 140,109,079	$ 163,119,508
Gifts, Grants, and Contracts	31,456,329	36,059,506
Auxiliary Enterprises	10,879,857	11,321,851
Sales and Services of Educational Departments	1,952,703	2,002,872
Payments to Suppliers	(126,141,918)	(122,847,661)
Payments to or on Behalf of Employees	(320,191,221)	(292,028,799)
Payments to Students	(173,171,877)	(188,756,081)
Other Receipts (Payments)	8,313,238	7,483,219
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**(426,793,810)**	**(383,645,585)**
CASH FLOWS FROM (FOR) NONCAPITAL FINANCING ACTIVITIES		
Federal and State Scholarships and Grants	282,675,992	282,078,518
State Appropriations	216,235,174	194,578,831
Receipts from Direct Federal Loan Proceeds	311,153,401	400,983,160
Payments from Direct Federal Loan Proceeds to Students/Financial Institutions	(312,099,716)	(400,260,792)
Other Nonoperating receipts (Payments)	571,614	(370,678)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	**498,536,465**	**477,009,039**
CASH FLOW FROM (FOR) CAPITAL & RELATED FINANCING ACTIVITIES		
Capital/Federal Appropriations	2,433,526	2,446,325
Deposit With Trustee	14,674,581	57,506,750
Proceeds from Issuance of Capital Debt	44,195,970	3,260,000
Purchase of Capital Assets	(42,045,851)	(78,776,812)
Principal Paid on Capital-Related Debt	(53,578,202)	(18,835,957)
Interest Paid on Capital-Related Debt	(13,783,572)	(13,941,199)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	**(48,103,548)**	**(48,340,893)**
CASH FLOW FROM (FOR) INVESTING ACTIVITIES		
Purchase of Investments	(194,000,000)	(154,000,000)
Proceeds from Sales and Maturities of Investments	151,999,906	146,022,184
Income on Investments	3,295,853	3,604,882
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	**(38,704,241)**	**(4,372,934)**
Net Increase in Cash	(15,065,134)	40,649,627
Cash and Cash Equivalents – Beginning of Year	103,541,234	62,891,607
Cash and Cash Equivalents – End of Year	**88,476,100**	**103,541,234**
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Net Operating Income (Loss)	(448,636,779)	(406,702,221)
Adjustments to reconcile net operating expenses		
Depreciation	25,388,325	22,888,357
Amortization	493,736	415,638
Allowance for Doubtful Accounts	(1,568,392)	(75,102)
Changes in Assets and Liabilities:		
Accounts Receivable	(2,264,883)	(1,774,950)
Prepaid Expense	(455,138)	214,974
Accounts Payable and Accrued Liabilities	1,890,423	610,338
Compensated Absences	188,810	1,807,824
Deferred Revenue	(1,829,912)	(1,030,443)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**$(426,793,810)**	**$(383,645,585)**

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

IVY TECH FOUNDATION, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2012 AND 2011

	FY 2012	FY 2011
OPERATING ACTIVITIES		
Increase in net assets	$2,109,309	$27,601,892
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	1,144,035	1,061,831
Amortization	2,355	
Gain on sales of property and equipment	(193,829)	(25,853)
Net realized and unrealized gain on investments	249,034	(3,665,348)
In-kind contribution of property	(503,750)	(4,300,037)
Contribution of property to Ivy Tech Community College	587,276	279,594
Loss on interest rate swap	382,905	
(Increase) decrease in certain operating assets:		
Pledges receivable	(1,401,007)	948,578
Prepaid expenses and other assets	83,024	(21,318)
Increase in certain operating liabilities:		
Accounts payable and accrued expenses	240,207	377,493
Contributions restricted for long-term purposes	(1,761,059)	(23,229,188)
Net Cash Provided (Used) by Operating Activities	938,500	(972,356)
INVESTING ACTIVITIES		
Purchases of property and equipment	(18,773,559)	(10,423,790)
Proceeds from sales of property and equipment	1,368,906	110,000
Note receivable from bank	(23,510,509)	
Purchases of investments	(10,244,092)	(23,013,983)
Sales and maturities of investments	23,770,334	18,292,746
Increase in cash restricted for Ivy Tech Properties, Inc.	(18,666,496)	
Increase in cash restricted for renovation of property	9,536,574	(13,967,232)
Net Cash Used by Investing Activities	(36,518,842)	(29,002,259)
FINANCING ACTIVITIES		
Net borrowings on line of credit	(698,927)	3,297,727
Borrowings on notes payable	35,671,035	
Repayments on notes payable	(528,549)	(432,080)
Cash paid for financing costs	(24,188)	
Net change in accounts payable-related party	281,131	(1,244,827)
Net change in annuities payable	1,548	9,020
Proceeds from contributions restricted for long-term purposes:		
Investment in permanently restricted endowment	687,793	282,619
Investment in property		22,900,000
Net Cash Provided by Financing Activities	35,389,843	24,812,459
NET DECREASE IN CASH AND EQUIVALENTS	(190,499)	(5,162,156)
CASH AND EQUIVALENTS		
Beginning of Year	1,889,845	7,052,001
End of Year	**$1,699,346**	**$1,889,845**
SUPPLEMENTAL DISCLOSURES		
Interest paid	$476,814	$370,340
Noncash investing and financing activities:		
Refinance of debt	734,526	
In-kind contribution of property	503,750	4,300,037
Contribution of property to Ivy Tech Community College	587,276	279,594
Property purchase financed with note payable	6,000,000	2,508,100
Capital expenditures included in accounts payable	8,762,757	
Prepaid expenses paid from debt proceeds	151,892	
Deferred financing costs paid from debt proceeds	348,331	
Capitalized interest included in accrued expenses	59,436	

I. Summary of Significant Accounting Policies

A. General Information

Ivy Tech Community College of Indiana is a statewide open-access, community college that provides residents of Indiana with professional, technical, transfer, and lifelong education for successful careers, personal development, and citizenship. Through its affordable, quality educational programs and services, the College strengthens Indiana's economy and enhances its cultural development. The Indiana General Assembly (by IC 20-12-61-2) established Ivy Tech in 1963. In 2005 the General Assembly adopted Senate Bill 296, which broadened the institution's mission to include serving as the state's community college system. Ivy Tech's official name changed to "Ivy Tech Community College of Indiana". Ivy Tech is governed by a board of trustees, composed of fourteen (14) members, appointed by the governor. Each member of the state board must have knowledge or experience in one (1) or more of the following areas: manufacturing; commerce; labor; agriculture; state and regional economic development needs; or Indiana's educational delivery system. At least one (1) trustee must reside in each College region. Appointments are made for three (3) year terms, on a staggered basis. Ivy Tech Community College has fourteen main regional sites located across the State of Indiana. The President's office and other statewide administrative offices are located in Indianapolis, Indiana.

Ivy Tech Foundation (the Foundation) was incorporated on June 9, 1969, under The Indiana Foundations and Holding Companies Act of 1921 as a corporation organized exclusively for charitable, educational and scientific purposes. The Foundation, whose principal activity is to promote educational, scientific and charitable purposes in connection with or at the request of Ivy Tech Community College (the College), commenced its financial activities with the receipt of various unrestricted contributions in October 1970 and provided $13.4 million to assist the College during fiscal year 2011-12. The Foundation currently operates under the Indiana Nonprofit Corporations Law of 1971 as amended, which is codified as IC 23-17. As required by the Governmental Accounting Standards Board (GASB) number 39, the audited financial statements of the Foundation are discretely presented with the College's financial statements. The Foundation's fiscal year reporting period is from July 1 through June 30. Further information regarding the Foundation may be obtained at Ivy Tech Foundation; 50 West Fall Creek Parkway Drive North, Indianapolis, IN 46208-5752 or http://ivytech.edu/giving.

With the implementation of Governmental Accounting Standards Boards (GASB) Statement No. 35, Ivy Tech Community College is considered a special purpose government. The College has elected to report as a business type activity using proprietary fund accounting and financial reporting model. The College is considered to be a component unit of the State of Indiana.

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

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

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

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The College's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Eliminations have been made to prevent the double counting of internal activities.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The College utilizes the accounting standard of the establishment of an allowance for doubtful accounts in the Statement of Net Assets to reflect receivables that are likely to be uncollectible.

Operating revenues of the College consist of tuition and fees, non-financial aid grants and contracts, sales and services of educational activities and bookstore commission revenues. Transactions related to financial aid grants, capital and related financing activities, non-capital financing activities, investing activities, and State appropriations are components of non-operating income.

C. Capital Assets Accounting Policy Disclosure

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

College capital equipment and facilities are depreciated on a "Straight Line" basis dividing the cost of the asset by the appropriate useful life. Building improvements are depreciated over the remaining life of the facilities to which they pertain. Leasehold improvements are depreciated over the remaining life of the asset for capital leases and over the remaining life of the lease for operating leases.

Land improvements	10 years
Buildings	40 years
Building improvements	Remaining life of the building
Furniture, fixtures, and equipment	3-8 years
Library books and materials	5 years

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

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

D. Cash with Fiscal Agent

The balance is attributable to the debt principal and interest payment made in fiscal year 2011-12 and not due until July 1, 2012. This amount previously included the principal payment only. It was decided that the interest should be shown as a payable to more accurately reflect the balance.

The June 30, 2012 balance also includes the Series Q bond proceeds of $15,135,742, which was issued in fiscal year 2012 to fully refund Series G. The new bond was issued in fiscal year 2012 but the Series G bonds were not called until fiscal year 2013.

II. Accrual of Loss Contingency

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

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

The College had four active matters in litigation: one in county Circuit Court, one in county Superior Court and two in United States District Court and four matters with the Equal Employment Opportunity Commission.

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

III. Lease Obligations

The College has entered into certain operating leases for facilities, office furniture and equipment, vehicles, computing equipment, etc. Many of these leases require payments in excess of one year from the date of initiation. The schedule on page 48 provides the minimum future annual payments for those leases, which were in effect on June 30, 2012.

The College has several lease obligations with Ivy Tech Foundation, Inc. which were determined to meet the requirements necessary to be recognized as capital leases, which are reflected in the College's Statement of Net Assets.

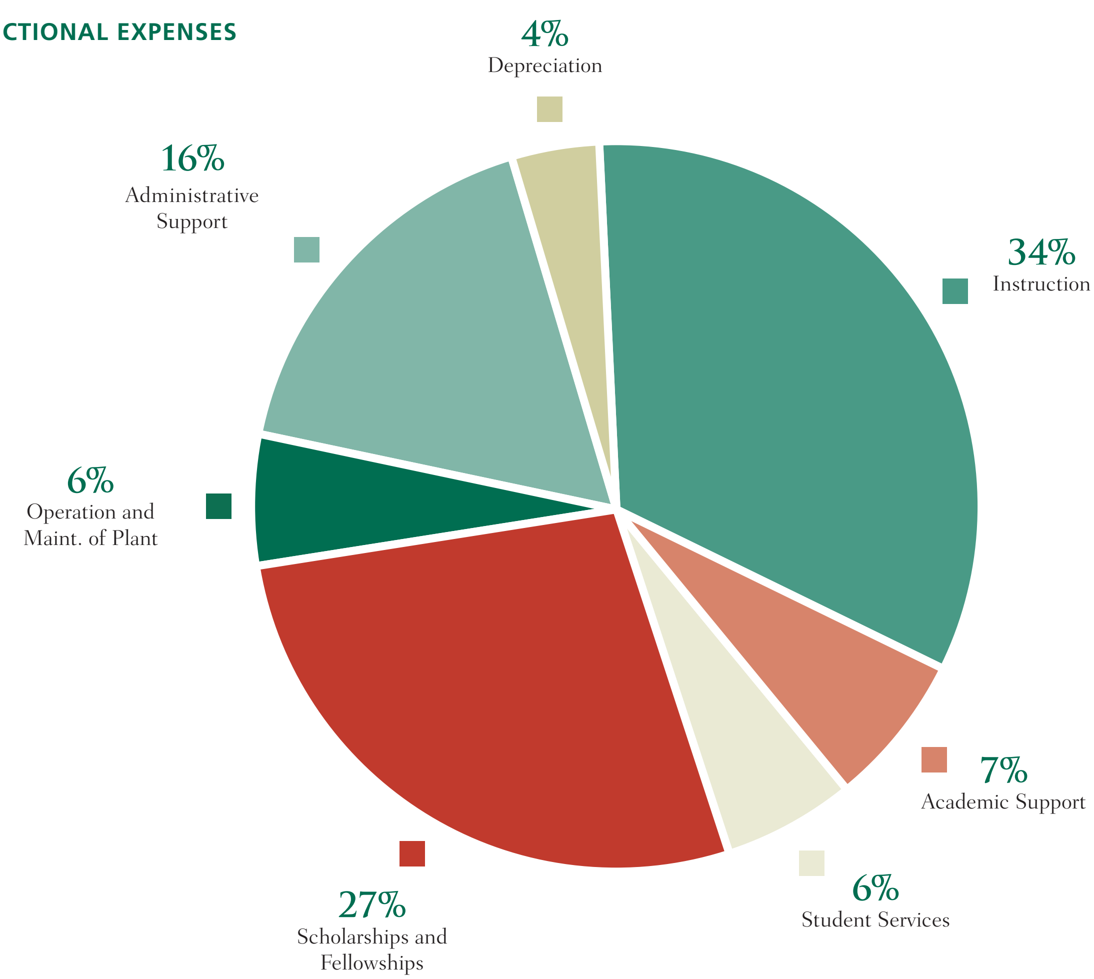
IV. Operating Expenses

The operating expenses are presented on the financial statements using natural classifications: salaries and wages, benefits, scholarships and fellowships, utilities, supplies and other services, and depreciation. The following schedule shows expenses based on College functional categories.

EXPENSES BY FUNCTION	2011-12	2010-11
Instruction	$216,642,575	$204,363,613
Public service	2,770,946	5,105,205
Academic support	47,601,379	34,707,656
Student services	38,779,623	35,825,662
Administrative support	100,665,008	98,964,155
Operation and maintenance of plant	41,497,159	39,870,926
Scholarships and fellowships	173,171,877	187,426,806
Depreciation and Amortization	25,882,156	23,303,996
Total	$647,010,723	$629,568,019

As a percentage of total expenses, instruction, student services, public service, operation and maintenance of plant, depreciation, and administrative support remained relatively stable, while academic support increased and scholarships and fellowships decreased as compared to the previous year.

2012 FUNCTIONAL EXPENSES



V. Investments

Investment policies, as set forth by the State Board of Trustees, authorize Certificates of Deposit to be established not longer than five years. The bank must be insured by Public Deposit Insurance Fund (PDIF) or Federal Deposit Insurance Corporation (FDIC). In February 2009, the College's State Board of Trustees approved a new investment policy which states that Certificates of Deposit and/or interest-bearing deposit accounts to one bank must not exceed twenty percent (20%) of the College's total investment portfolio at time of purchase. In addition, the total invested must not be more than fifty percent (50%) of the combined capital, surplus, and undivided profits of the bank. US Government Treasury Bills, Notes, Bonds and Agencies maturity dates cannot exceed five years or more. Repurchase Agreement's maximum maturity allowed is fourteen (14) days. Commercial Paper's maximum maturity is two hundred seventy (270) days, must be rated at least A-1 or P-1 by the bond rating agencies, may not exceed fifty (50%) of the College total investments, no more than one million ($1,000,000) or ten percent (10%) of the College's total investment, whichever is less, may be invested in any one company at one time, and no more than twenty five percent (25%) of the total Commercial Paper portfolio may be invested in a single industry. Money Market Accounts are limited to funds with assets totaling at least one billion ($1,000,000,000) or funds managed by Indiana banks insured by Public Deposit Insurance fund (PDIF). All investments are unrated at June 30, 2012.

All investments owned by the College are held in safekeeping by the issuing or selling bank. Safekeeping receipts are held by the College.

The College's policy regarding the Endowment investments are the same as the College's investment policy, unless restricted by the Endowment Trustee.

Types of investments held by the College's Foundation, a component unit, are authorized by the Foundation's Board of Trustees. They include a broader selection of investments including domestic equities, Certificates of Deposit, Money Market Accounts, interest bearing demand deposits insured by FDIC, US Government Notes, Bills, Bonds, Agencies, Commercial Paper and donated real and personal property.

Investments held in the name of the College at June 30, 2012, consist of the following:

			INVESTMENT MATURITIES (YEARS)		
INVESTMENT TYPE	**RATING**	**FAIR MARKET VALUE**	**LESS THAN 1**	**1-2**	**MORE THAN 2**
Deposits:	N/A				
Certificates of Deposit		$151,500,000	$98,500,000	$14,000,000	$39,000,000
Investment:					
US Government Agencies					
Securities	N/A	47,125,017		1,000,540	46,124,477
Money Market/Savings	N/A	65,742,984	65,742,984		
TOTAL		$264,368,001	$164,242,984	$15,000,540	$ 85,124,477

A. Credit Risk

The College's investment policy requires that all commercial paper investments have a Standard and Poor's rating of A-1 or better or a Moody's Investors Service rating of P-1.

B. Interest Rate Risk

Interest rate risk refers to the fact that changes in market interest rates may adversely affect the fair value of an investment. Generally the longer the maturity of the investment, the greater the sensitivity of its fair value to changes in market interest rate; one of the ways that the College manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The College's policy for Certificates of Deposit, US Government Treasury Bills, Notes, Bonds, and Agencies limit the maximum maturity to five years or less, thus limiting exposure to fair value losses arising from increasing interest rates. Additionally it has been College practice to hold the investment instrument to maturity.

C. Concentration of Credit Risk

In the allocation of assets, diversification of investments among asset classes that are not similarly affected by economic, political or social developments is a highly desirable objective of credit risk. Thus to avoid undue risk concentrations in any single asset class or investment category, the College's policy requires that Certificates of Deposit at any one bank do not exceed twenty (20%) of the College's total investment portfolio at the time of investment, the amount invested must not be more than fifty percent (50%) of the combined capital, surplus, and undivided profits of that bank, as determined from its last published report of condition, Commercial Paper may not exceed fifty (50%) of total investments, no more than one million ($1,000,000) or ten percent (10%) of the College's total investment, whichever is less, may be invested in any one company at one time, and no more than twenty-five percent (25%) of the total Commercial Paper portfolio may be invested in a single industry.

The financial institutions that hold five (5%) or more of the College's investments at June 30, 2012, are listed below:

INSTITUTIONS	COST	PERCENT OF TOTAL INVESTED
Fifth Third Bank	$ 48,000,000	18%
Huntington Bank	45,208,019	17%
1st Source	39,500,000	15%
US Bank	20,000,000	8%
PNC Capital	20,000,000	8%
PNC Bank	17,431,661	7%
Huntington Capital Corp.	14,000,000	5%

D. Foreign Currency Risk

The College does not hold foreign currency.

E. Custodial Credit Risk

The College Certificates of Deposit are all insured by Public Deposit Insurance Fund (PDIF) or Federal Deposit Insurance Corporation (FDIC) and Money Market Accounts are limited to funds with assets totaling at least one billion ($1,000,000,000) or funds managed by Indiana banks insured by the Public Deposit Insurance Fund (PDIF).

VI. Line Of Credit

The College has a line of credit in the amount of $3,000,000 with an Indiana financial institution. The College can draw against this agreement to meet certain working capital provisions. As of June 30, 2012, the College had not drawn against this line of credit.

VII. Post-Employment Benefits

All employees who retire between the age of 55 and up to but not including 65 with ten years of benefits-eligible service with the College, or at the age of 65 or later with five years of benefits-eligible service with the College, may continue participation in College group medical and/or dental benefits. For pre-Medicare coverage, the retiree pays 100% of the premium cost of an active employee. The College subsidizes the difference between the retiree premium cost and active premium cost. The expenditure is accrued and recognized under the terms of GASB Statement 45. The College does not subsidize the cost of retiree coverage for Medicare eligible retirees.

In addition, all employees who retire between the age of 55 and 65, and whose combined age and years of continuous benefit-eligible service equal at least 75, and were hired on or before December 31, 2008, and were benefits-eligible and continuously employed in a benefits-eligible position on or prior to December 31, 2008, may elect to remain in the College group medical and/or dental programs. Employees who meet the above requirements and remain in the programs pay only 20% of the full premium expense. The College pays the remaining 80% of the premium, and the expenditure is recognized when paid. During fiscal year 2011-12, expenditures of $452,900 were recognized for 62 employees who participated in the post-retirement health and dental care program.

To enable employees to have paid time off as needed, College policy provides for the accrual of sick leave and vacation time for benefits-eligible employees. The College will pay to each eligible full-time employee a benefit at retirement equal to 50% of the employee's unused sick leave accrual up to 100 days. An employee is eligible for this benefit if he is at least 55 years old and his age plus years of service equal 75 or more at retirement. There is no maximum age limit. Accrued benefit for sick leave is $4.9 million.

Annual OPEB Cost and Net OPEB Obligation

The College's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of the Governmental Accounting Standards Board Statement 45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the College's annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the College's net OPEB obligation to the plan:

IVY TECH COMMUNITY COLLEGE
JULY 1, 2011 TO JUNE 30, 2012

Annual required contribution	$ 3,932,313
Interest on net OPEB obligation	658,564
Adjustment to annual required contribution	(572,285)
Annual OPEB cost	4,018,592
Contributions made	(452,900)
Increase (decrease) in net OPEB obligation	3,565,692
Net OPEB obligation, beginning of year	13,171,283
Net OPEB obligation, end of year	$16,736,975

The College's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the two preceding years were as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06-30-10	3,667,075	14.9%	9,429,152
06-30-11	4,239,364	11.9%	13,171,283
06-30-12	4,018,592	11.5%	16,736,975

Funded Status and Funding Progress

As of June 30, 2012, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was $31,343,920, and the actuarial value of assets was $0.00 resulting in an unfunded actuarial accrued liability (UAAL) of $31,343,920.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Schedule of Funding Progress	July 1, 2011	July 1, 2010	July 1, 2009
1. Actuarial Value of Assets	$0	$ 0	$0
2. Accrued Liability	31,343,920	33,775,655	29,102,681
3. Unfunded Accrued Liability (UAL) (2. – 1.)	31,343,920	33,775,655	29,102,681
4. Funded Ratio (1. / 2.)	0.0%	0.0%	0.0%
5. Covered Payroll	N/A	N/A	N/A
6. UAL as a Percentage of Covered Payroll (3. / 5.)	N/A	N/A	N/A

Actuarial Methods and Assumption

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of asset, consistent with the long-term perspective of the calculations.

In the June 30, 2012, actuarial valuation, the Unit Credit actuarial cost method was used. The actuarial assumptions included a 5% investment rate of return (net of administrative expenses), which is the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10% initially, reduced by 1% decrements to an ultimate rate of 5% after 5 years. Both rates included a 3% inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2012, was 26 years.

VIII. Self Insurance

The College has two health care plans (medical and dental) for full-time appointed employees. These plans are also available to retirees not eligible for Medicare. All of the employee plans are self-funded. The College records a liability for incurred but unpaid claims for college-sponsored, self-funded health care plans.

At June 30, the unpaid claim liability for the dental plan was actuarially estimated at $362,000. In addition, the unpaid claim liability for the medical plan was $4.9 million. The medical plan unpaid claim liability is an estimate based upon Anthem's experience with standard claim payment lag time and a projected number of claims in lag. Additionally, the unpaid liability includes $952,000 of medical and $49,000 of dental expense incurred in June and not paid until July.

A reserve (the excess of employer share over claims paid) was recognized in the amount of $8.2 million.

IX. Retirement Plans

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

The College sponsors a defined contribution plan under section 403(b) of the Internal Revenue Code for full-time faculty and administrative staff, and participates in the State of Indiana's defined-benefit pension plan under section 401(a) of the Internal Revenue Code for full-time support employees. The College also sponsors a defined contribution plan under section 457(b) of the Internal Revenue Code in which all employees are eligible to participate.

The College provided retirement plan coverage to 2,968 and 3,101 active employees as of June 30, 2011, and June 30, 2012, respectively.

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

Full-time faculty and administrative staff are eligible to participate in a defined contribution retirement plan sponsored by the College. The College contributes a fixed percentage of compensation on behalf of each eligible employee to the plan. The participation date for eligible employees is determined by their personnel position classification.

Employees may elect to allocate contributions to their retirement plan account between several funding options offered by Teachers Insurance and Annuity Association ("TIAA") and College Retirement Equities Fund ("CREF") or American United Life Insurance Company ("AUL"). The allocation may be designated in whole or prescribed ratios to a fixed-dollar fund or to a diversified common stock fund(s).

During the fiscal year ending June 30, 2012, the College remitted $16.98 million to TIAA/CREF and $2.2 million to AUL, representing $127.95 million in total salaries. On June 30, 2012, there were 2,141 employees participating in this retirement plan.

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

B. Public Employees' Retirement Fund

The College contributes to the Public Employees' Retirement Fund (PERF), a multiple employer defined benefit pension plan sponsored by the State of Indiana, on behalf of full-time, non-exempt employees. State statutes (IC 5-10.2 and 5-10.3) govern most requirements of PERF and give the College authority to contribute to PERF. The retirement benefit under PERF consists of an annual pension funded by employer contributions plus a separate annuity benefit funded by the member's annuity savings account. The College has always funded in full the contributions required by PERF each year. The College's funding policy and annual pension cost for PERF, excluding the College's contributions to the separate annuity savings accounts, are provided below. The College's contribution to PERF in the fiscal year ending June 30, 2012, was $1.9 million. In addition, the annuity savings account is funded by members' contributions set by the State statute at 3% of compensation. Ivy Tech has elected to make these contributions on behalf of eligible members. The College contributed $953,000 to individual annuity savings accounts in PERF for the fiscal year ending June 30, 2012. On June 30, 2012, 960 employees were members of PERF.

IVY TECH COMMUNITY COLLEGE

PERF

Annual Required Contribution	$1,938,982	Increase (Decrease) in Net Pension Obligation	$63,820
Interest on Net Pension Obligation	(92,790)	Net Pension Obligation, Beginning of Year	(1,325,567)
Adjustment to Annual Required Contribution	106,823	Net Pension Obligation, End of Year	**$(1,261,747)**
Annual Pension Cost-Employers Share Only	1,953,015		
Contributions Made – Employers Share Only	**$1,889,195**		

College Contributions: 11.6%	Asset Valuation Method: 4 Yr Smoothed Market Value-20% Corridor
Total College Contributions Includes a 3% Member Share	Investment Rate of Return: 7%
Plan Members: 3%	Projected Future Salary Increases: Total 4% (incl. 3% wage inflation)
Actuarial Valuation Date: 06/30/10	
Actuarial Cost Method: Entry Age	
Amortization Method: Level Dollar	
Amortization Period 30 years	
Cost-of-Living Adjustments: 1%	

IVY TECH COMMUNITY COLLEGE

THREE-YEAR TREND INFORMATION (PERF)

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/09	1,407,214	99%	(1,318,886)
06/30/10	1,606,740	99%	(1,325,566)
06/30/11	1,953,015	97%	(1,261,747)

IVY TECH COMMUNITY COLLEGE

SCHEDULES OF FUNDING PROCESS PUBLIC EMPLOYEES RETIREMENT FUND

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Excess of Assets Over (Unfunded) AAL	Funded Ratio	Covered Payroll	Excess (Unfunded) AAL %
07/01/09	19,354,491	22,287,374	(2,932,883)	86.8%	24,417,643	(12.00%)
06/30/10	9,878,877	14,667,884	(4,789,007)	67.4%	19,033,235	(25.2%)
06/30/11	14,986,988	26,543,044	(11,556,056)	56.5%	28,466,234	(40.6%)

C. Ivy Tech Community College of Indiana 457(B) Deferred Compensation Plan

All employees of the College are eligible to voluntarily defer their own salary to a defined contribution plan under section 457(b) of the Internal Revenue Code.

D. Federal Social Security Act

All employees (except work-study students attending classes on a full-time basis) are members of and are covered upon employment by the Old Age and Survivors Insurance and Medical Insurance Provisions of the Federal Social Security Act.

X. Capital Assets

Property, buildings, and equipment are stated at cost on the date of acquisition or at fair market value at the time of donation. Assets used by the College which are subject to capital lease obligations are recorded at the net present value of the minimum lease payments of the asset at inception of the lease. The College has adopted the provisions of Statement of Financial Accounting Standards No. 93, which requires the recording of depreciation on long-lived tangible assets.

Capital asset activity for the year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Land	$ 27,732,558	$ 651,855	$ -	$ 28,384,413
Construction work in progress	40,761,029	34,385,394	68,236,344	6,910,079
Land improvements and infrastructure	19,387,299	2,333,835	4,447	21,716,687
Buildings	540,264,352	77,151,369	961,154	616,454,567
Furniture, fixtures, and equipment	74,032,933	6,513,442	3,184,494	77,361,881
Library materials	2,858,468	360,485	6,100	3,212,853
Total	705,036,639	121,396,380	72,392,539	754,040,480
Less accumulated depreciation:				
Land improvements and infrastructure	9,230,995	1,347,604	1,556	10,577,043
Buildings	134,331,129	16,964,081	218,915	151,076,295
Furniture, fixtures, and equipment	52,810,678	6,719,625	3,034,332	56,495,971
Library materials	1,918,841	357,015	6,100	2,269,756
Total accumulated depreciation	198,291,643	25,388,325	3,260,903	220,419,065
Capital assets, net	**$ 506,744,996**	**$ 96,008,055**	**$ 69,131,636**	**$ 533,621,415**

Construction Work In Progress

The following table presents the construction projects in process as of June 30, 2012.

Capitalized Interest - Muncie Series P	254,835
Anderson Planning	340,352
A&E Planning/Expansion - Bloomington	323,142
Automotive Remod. Tech Center I - Kokomo	11,309
Anderson Sim Lab – St. Vincent	93,799
Nursing Pavilion – Ogle Capital Campaign - Sellersburg	31,457
Land Inprov. Projects Capital Campaign - Sellersburg	16,029
Fishers Building Buildout – Muncie Series P	629,161
Various Repair & Rehabilitation & Parking Lot Projects	5,209,995
Total Construction Work In Progress	**$ 6,910,079**

XI. Long Term Liabilities

PRIMARY INSTITUTION

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Leases, notes, and bonds payable:					
Lease Obligations	$19,353,872	$7,261,542	$2,076,199	$24,539,215	$1,736,026
Notes Payable – Interim					
Financing/Mortgage	8,924,000		5,867,002	3,056,998	276,266
Revenue bonds payable:					
Series G student fee bonds	21,515,000	-	3,120,000	18,395,000	18,395,000
Bond Yield 1.93% - 4.93%					
Series H student fee bonds	32,940,000	-	2,660,000	30,280,000	2,795,000
Bond Yield 1.32% - 3.96%					
Series I student fee bonds	31,835,000	-	19,155,000	12,680,000	1,885,000
Bond Yield 2.3% - 4.55%					
Series J student fee bonds	9,245,000	-	-	9,245,000	-
Bond Yield 4.25% - 4.47%					
Series K student fee bonds	52,530,000	-	12,005,000	40,525,000	2,370,000
Bond Yield 3.76% - 4.74%					
Series L student fee bonds	55,425,000	-	3,755,000	51,670,000	3,865,000
Bond Yield 2.0% - 4.85%					
Series M student fee bonds	14,220,000	-	3,390,000	10,830,000	3,490,000
Bond Yield .485% - 1.95%					
Series N student fee bonds	70,290,000	-	-	70,290,000	-
Bond Yield 3.51% - 6.155%					
Series O student fee bonds	-	9,200,000	-	9,200,000	-
Bond Yield 3.25% - 3.55%					
Series P student fee bonds	-	32,415,000	-	32,415,000	905,000
Bond Yield .28% - 4.11%					
Series Q student fee bonds	-	15,190,000	-	15,190,000	710,000
Bond Yield .90%					
Total bonds payable	288,000,000	56,805,000	44,085,000	300,720,000	34,415,000
Premium on Bonds-Series					
H, I, J,K,L,M,P	6,494,683	2,526,712	857,895	8,163,500	852,585
Total leases, notes, & bonds payable	322,772,555	66,593,254	52,886,096	336,479,713	37,279,877
Other liabilities:					
Compensated absences	15,499,210	10,394,722	10,205,912	15,688,020	10,332,912
Other post employment benefits	13,171,283	3,565,692	-	16,736,975	-
Total other liabilities	28,670,493	13,960,414	10,205,912	32,424,995	10,332,912
Total long-term liabilities	**$351,443,048**	**$80,553,668**	**$63,092,008**	**$368,904,708**	**$47,612,789**

A. Notes Payable

In 2010-11, the College initiated a "qualified energy savings project" as defined in the Indiana code. The project was financed with a Qualified Energy Conservation Promissory Note totaling $3,260,000. During 2011-12, the College made principal payments totaling $203,002. The June 30, 2012, principal balance was $3,056,998.

In January 2007, the College entered into an interim financing agreement in the amount of $7,960,000 with a maturity of January 5, 2012, for the refinancing of a major campus expansion and renovation in Lafayette, Indiana. During 2011-12, the College refinanced the remaining principal balance of $5,644,000 as part of the Series P Bond issue.

Project	Balance June 30, 2011	Principal Paid 2011-12	New Debt 2011-12	Balance June 30, 2012
Lafayette	$5,644,000	$5,644,000		$ -
South Bend Note Payable	$20,000	$20,000		$ -
Qualified Energy Savings Project	$3,260,000	$ 203,002	-	$3,056,998
Totals	**$8,924,000**	**$5,867,002**	**$ -**	**$3,056,998**

Qualified Energy Savings Project. In August 2010, the College entered into a Qualified Energy Conservation Note in the amount of $3,260,000 with a maturity of January 10, 2021. Under terms of the loan agreement, the College pays a fixed interest rate of 4.80% per annum for the entire term of the loan. Under this financing mechanism, the College is eligible to receive an interest subsidy equal to 3.346% from the federal government. The College makes principal and interest payments semi-annually.

IVY TECH COMMUNITY COLLEGE
QUALIFIED ENERGY CONSERVATION NOTE
$3,260,000 ORIGINAL LOAN AMOUNT

Year Ending June 30	Principal	Interest	Total	Federal Interest Credit	Net Total	Outstanding Principal Balance
2013	276,266	145,824	422,090	101,652	320,438	2,780,732
2014	290,292	131,798	422,090	91,874	330,216	2,490,440
2015	304,591	117,498	422,089	81,907	340,182	2,185,849
2016	319,595	102,495	422,090	71,447	350,643	1,866,254
2017	335,084	87,006	422,090	60,651	361,439	1,531,170
2018-2021	1,531,170	173,596	1,704,766	121,011	1,583,755	-
Totals	**$3,056,998**	**$758,217**	**$3,815,215**	**$528,542**	**$3,286,673**	

B. Refunded Bond Issues
During the period July 1, 2011, to June 30, 2012, the College issued new Series “O” bonds in the amount of $9,200,000 and new Series “P” bonds in the amount of $32,415,000. Collectively, these new issues were used to partially refund Series “I” and Series “K” bonds in the amount of $16,715,000 and $9,165,000, respectively, as well as to refinance an outstanding loan in the amount of $4,580,000 (Lafayette Phase III) and for the Indianapolis and Muncie Fisher Building construction projects in the amount of $11,155,000.

During the period July 1, 2011, to June 30, 2012, the College issued new Series “Q” bonds in the amount of $15,190,000 to fully refund outstanding Series “G” bonds; however, the outstanding Series “G” bonds were refunded subsequent to June 30, 2012. As a result, both the new Series “Q” bonds and the outstanding Series “G” bonds are considered a liability of the College as of June 30, 2012, and are reported as such.

C. Premium On Bonds
The June 30, 2011 Premium on Bonds of $6.5 million is the remaining balance from the sale of Series H, I, J, K, L & M Student Fee Bonds. The ending balance at June 30, 2012, of $8.2 million includes the remaining balance from Series H, I, J, K, L, M and the sale of Series P Student Fee Bonds. It is being amortized over the remaining life of the related bonds.

D. Compensated Absences
Accrued time for vacation and sick vests to a maximum. The vacation maximum is equal to the amount accrued during the preceding 18 months. Unused vacation time is paid out upon termination regardless of age or years of service. The sick maximum is equal to 1,056 hours. Unused sick is paid out if the employee meets the criteria under the 75 retirement plan and is paid at a rate of one-half the accumulated time up to an accumulated maximum of 800 hours. The computed College current portion of the liability for compensated absences as of June 30, 2012 is $10.3 million. The College has internally designated a portion of its unrestricted funds to substantially offset the entire current and noncurrent liability for compensated absences as identified on page 11 of the Management Discussion & Analysis section.

E. Bond Schedules

IVY TECH COMMUNITY COLLEGE

SCHEDULE OF ANNUAL REQUIREMENTS FOR PRINCIPAL AND INTEREST

ADVANCED REFUNDING SERIES G OF 2002, SERIES H OF 2003, SERIES I AND SERIES J OF 2005, SERIES K OF 2007, SERIES L OF 2009, AND SERIES M AND SERIES N OF 2010, SERIES O, SERIES P AND SERIES Q OF 2012

Year Ending June 30	Principal	Interest	Total	Series N 35% Federal Interest Credit	Total	Outstanding Principal Balance
2013	34,415,000.00	12,774,340.09	$47,189,340.09	($1,327,263.44)	$45,862,076.65	266,305,000.00
2014	18,010,000.00	11,801,615.02	$29,811,615.02	($1,327,263.44)	$28,484,351.58	248,295,000.00
2015	18,170,000.00	11,176,230.02	$29,346,230.02	($1,327,263.44)	$28,018,966.58	230,125,000.00
2016	18,385,000.00	10,502,575.52	$28,887,575.52	($1,303,676.24)	$27,583,899.28	211,740,000.00
2017	19,235,000.00	9,784,087.27	$29,019,087.27	(1,252,199.73)	27,766,887.54	192,505,000.00
2018-2022	88,370,000.00	36,587,262.61	$124,957,262.61	($5,242,066.38)	$119,715,196.23	104,135,000.00
2023-2027	81,520,000.00	16,713,531.14	$98,233,531.14	($3,014,407.33)	$95,219,123.81	22,615,000.00
2028-2032	22,615,000.00	1,738,364.80	$24,353,364.80	($444,475.65)	$23,908,889.15	0.00
Totals	**$300,720,000.00**	**$111,078,006.47**	**$411,798,006.47**	**($15,238,615.65)**	**$396,559,390.82**	

XII. Property Subject To Capital Leases

The College has several lease obligations with Ivy Tech Foundation, Inc. which were determined to meet the requirements necessary to be recognized as capital leases; thus requiring the recognition of long-term debt and capital assets on the College's Statement of Net Assets. Ivy Tech Foundation, Inc. believes these leases are operating leases and that they own the property and therefore reports the assets in their financial statements. Therefore, the Foundation also shows these assets in their Statements of Assets, Liabilities, and Fund Balance, which is incorporated herein. Consequently, the College and the Foundation have reported the same capital assets on their respective financial statements.

THE FOLLOWING INFORMATION IS PRESENTED AS ADDITIONAL DATA AND IS NOT SUBJECT TO THE AUDIT OPINION EXPRESSED BY THE INDIANA STATE BOARD OF ACCOUNTS. THESE REPORTS WERE PREPARED BY THE MANAGEMENT OF IVY TECH COMMUNITY COLLEGE.

IVY TECH COMMUNITY COLLEGE

SCHEDULE OF ANNUAL REQUIREMENT FOR PRINCIPAL AND INTEREST

SERIES G ADVANCE REFUNDING OF SERIES D AND F (FORT WAYNE, BLOOMINGTON, LAFAYETTE PHASE I)

ORIGINAL ISSUE - $46,370,000

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2012	3,120,000.00	950,150.00	4,070,150.00	18,395,000.00
2013	18,395,000.00	436,075.00	18,831,075.00	0.00
Totals	**$21,515,000.00**	**$1,386,225.00**	**$22,901,225.00**	

IVY TECH COMMUNITY COLLEGE

SCHEDULE OF ANNUAL REQUIREMENT FOR PRINCIPAL AND INTEREST

SERIES H RICHMOND PHASE I, EVANSVILLE, VALPARAISO, TERRE HAUTE

ORIGINAL ISSUE - $47,065,000

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2012	2,660,000.00	1,606,850.00	4,266,850.00	30,280,000.00
2013	2,795,000.00	1,472,125.00	4,267,125.00	27,485,000.00
2014	2,940,000.00	1,328,750.00	4,268,750.00	24,545,000.00
2015	3,090,000.00	1,178,000.00	4,268,000.00	21,455,000.00
2016	3,250,000.00	1,019,500.00	4,269,500.00	18,205,000.00
2017	3,415,000.00	852,875.00	4,267,875.00	14,790,000.00
2018	3,590,000.00	677,750.00	4,267,750.00	11,200,000.00
2019	3,780,000.00	488,775.00	4,268,775.00	7,420,000.00
2020	3,985,000.00	284,943.75	4,269,943.75	3,435,000.00
2021	3,435,000.00	90,168.75	3,525,168.75	0.00
Totals	**$32,940,000.00**	**$8,999,737.50**	**$41,939,737.50**	

IVY TECH COMMUNITY COLLEGE

SCHEDULE OF ANNUAL REQUIREMENTS FOR PRINCIPAL AND INTEREST

SERIES I EVANSVILLE, VALPARAISO, MADISON, AND PORTAGE

ORIGINAL ISSUE - $39,650,000

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2012	1,820,000.00	1,327,370.00	3,147,370.00	12,680,000.00
2013	1,885,000.00	518,572.50	2,403,572.50	10,795,000.00
2014	1,965,000.00	441,572.50	2,406,572.50	8,830,000.00
2015	2,055,000.00	350,897.50	2,405,897.50	6,775,000.00
2016	2,160,000.00	245,522.50	2,405,522.50	4,615,000.00
2017	2,260,000.00	144,627.50	2,404,627.50	2,355,000.00
2018	2,355,000.00	48,866.25	2,403,866.25	0.00
Totals	**$14,500,000.00**	**$3,077,428.75**	**$17,577.428.75**	

IVY TECH COMMUNITY COLLEGE

SCHEDULE OF ANNUAL REQUIREMENTS FOR PRINCIPAL AND INTEREST

SERIES J RICHMOND AND MARION

ORIGINAL ISSUE - $9,245,000

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2012	0.00	462,250.00	462,250.00	9,245,000.00
2013	0.00	462,250.00	462,250.00	9,245,000.00
2014	0.00	462,250.00	462,250.00	9,245,000.00
2015	0.00	462,250.00	462,250.00	9,245,000.00
2016	0.00	462,250.00	462,250.00	9,245,000.00
2017	0.00	462,250.00	462,250.00	9,245,000.00
2018	0.00	462,250.00	462,250.00	9,245,000.00
2019	0.00	462,250.00	462,250.00	9,245,000.00
2020	0.00	462,250.00	462,250.00	9,245,000.00
2021	0.00	462,250.00	462,250.00	9,245,000.00
2022	2,780,000.00	392,750.00	3,172,750.00	6,465,000.00
2023	2,925,000.00	250,125.00	3,175,125.00	3,540,000.00
2024	3,075,000.00	100,125.00	3,175,125.00	465,000.00
2025	465,000.00	11,625.00	476,625.00	0.00
Totals	**$9,245,000.00**	**$5,377,125.00**	**$14,622,125.00**	

IVY TECH COMMUNITY COLLEGE
SCHEDULE OF ANNUAL REQUIREMENTS FOR PRINCIPAL AND INTEREST
SERIES K VALPARAISO PHASE II, MARION CONSTRUCTION AND MADISON CONSTRUCTION
ORIGINAL ISSUE - $60,670,000

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2012	2,270,000.00	2,439,027.50	4,709,027.50	40,525,000.00
2013	2,370,000.00	1,912,462.50	4,282,462.50	38,155,000.00
2014	2,480,000.00	1,803,337.50	4,283,337.50	35,675,000.00
2015	2,590,000.00	1,695,737.50	4,285,737.50	33,085,000.00
2016	0.00	1,643,937.50	1,643,937.50	33,085,000.00
2017	2,820,000.00	1,573,437.50	4,393,437.50	30,265,000.00
2018	2,965,000.00	1,428,812.50	4,393,812.50	27,300,000.00
2019	3,115,000.00	1,276,812.50	4,391,812.50	24,185,000.00
2020	3,275,000.00	1,117,062.50	4,392,062.50	20,910,000.00
2021	1,000,000.00	1,010,187.50	2,010,187.50	19,910,000.00
2022	3,600,000.00	900,587.50	4,500,587.50	16,310,000.00
2023	3,780,000.00	721,487.50	4,501,487.50	12,530,000.00
2024	3,970,000.00	530,237.50	4,500,237.50	8,560,000.00
2025	4,170,000.00	329,237.50	4,499,237.50	4,390,000.00
2026	4,390,000.00	112,493.75	4,502,493.75	0.00
Totals	**$42,795,000.00**	**$18,494,858.75**	**$61,289,858.75**	

IVY TECH COMMUNITY COLLEGE
SCHEDULE OF ANNUAL REQUIREMENTS FOR PRINCIPAL AND INTEREST
SERIES L FORT WAYNE, LOGANSPORT AND GREENCASTLE PROJECTS; FAIRBANKS REFINANCING AND SERIES E REFUNDING
ORIGINAL ISSUE - $65,095,000

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2012	3,755,000.00	2,352,168.76	6,107,168.76	51,670,000.00
2013	3,865,000.00	2,237,868.76	6,102,868.76	47,805,000.00
2014	3,110,000.00	2,126,656.26	5,236,656.26	44,695,000.00
2015	2,715,000.00	2,025,906.26	4,740,906.26	41,980,000.00
2016	2,815,000.00	1,922,093.76	4,737,093.76	39,165,000.00
2017	2,935,000.00	1,807,093.76	4,742,093.76	36,230,000.00
2018	3,070,000.00	1,671,643.76	4,741,643.76	33,160,000.00
2019	3,225,000.00	1,514,268.76	4,739,268.76	29,935,000.00
2020	3,375,000.00	1,366,143.76	4,741,143.76	26,560,000.00
2021	3,530,000.00	1,210,393.76	4,740,393.76	23,030,000.00
2022	3,210,000.00	1,041,893.76	4,251,893.76	19,820,000.00
2023	2,915,000.00	888,768.76	3,803,768.76	16,905,000.00
2024	3,065,000.00	739,268.76	3,804,268.76	13,840,000.00
2025	3,215,000.00	590,306.26	3,805,306.26	10,625,000.00
2026	3,370,000.00	435,825.01	3,805,825.01	7,255,000.00
2027	3,540,000.00	267,393.76	3,807,393.76	3,715,000.00
2028	3,715,000.00	90,553.13	3,805,553.13	0.00
Totals	**$55,425,000.00**	**$22,288,247.04**	**$77,713,247.04**	

IVY TECH COMMUNITY COLLEGE

SCHEDULE OF ANNUAL REQUIREMENTS FOR PRINCIPAL AND INTEREST

SERIES M (TAX-EXEMPT) ELKHART, SELLERSBURG, WARSAW AND INDIANAPOLIS PROJECTS

ORIGINAL ISSUE - $18,800,000

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2012	3,390,000.00	405,750.00	3,795,750.00	10,830,000.00
2013	3,490,000.00	302,550.00	3,792,550.00	7,340,000.00
2014	3,605,000.00	188,625.00	3,793,625.00	3,735,000.00
2015	3,735,000.00	63,525.00	3,798,525.00	0.00
Totals	**14,220,000.00**	**960,450.00**	**15,180,450.00**	

IVY TECH COMMUNITY COLLEGE

SCHEDULE OF ANNUAL REQUIREMENTS FOR PRINCIPAL AND INTEREST

SERIES N (TAXABLE BUILD AMERICA - DIRECT PAY OPTION) ELKHART, SELLERSBURG, WARSAW AND INDIANAPOLIS PROJECTS

ORIGINAL ISSUE - $70,290,000

Year Ending June 30	Principal	Interest	Total	35% Federal Interest Credit	Net Total	Outstanding Principal Balance
2012		3,792,181.26	3,792,181.26	(1,327,263.44)	2,464,917.82	70,290,000.00
2013		3,792,181.26	3,792,181.26	(1,327,263.44)	2,464,917.82	70,290,000.00
2014		3,792,181.26	3,792,181.26	(1,327,263.44)	2,464,917.82	70,290,000.00
2015		3,792,181.26	3,792,181.26	(1,327,263.44)	2,464,917.82	70,290,000.00
2016	3,840,000.00	3,724,789.26	7,564,789.26	(1,303,676.24)	6,261,113.02	66,450,000.00
2017	3,935,000.00	3,577,713.51	7,512,713.51	(1,252,199.73)	6,260,513.78	62,515,000.00
2018	4,045,000.00	3,406,713.88	7,451,713.88	(1,192,349.86)	6,259,364.02	58,470,000.00
2019	4,165,000.00	3,216,166.89	7,381,166.89	(1,125,658.41)	6,255,508.48	54,305,000.00
2020	4,300,000.00	3,009,113.27	7,309,113.27	(1,053,189.64)	6,255,923.63	50,005,000.00
2021	4,440,000.00	2,789,624.76	7,229,624.76	(976,368.66)	6,253,256.10	45,565,000.00
2022	4,600,000.00	2,555,713.76	7,155,713.76	(894,499.81)	6,261,213.95	40,965,000.00
2023	4,760,000.00	2,299,831.77	7,059,831.77	(804,941.12)	6,254,890.65	36,205,000.00
2024	4,940,000.00	2,027,504.27	6,967,504.27	(709,626.50)	6,257,877.77	31,265,000.00
2025	5,135,000.00	1,739,513.64	6,874,513.64	(608,829.78)	6,265,683.86	26,130,000.00
2026	5,320,000.00	1,435,534.52	6,755,534.52	(502,437.08)	6,253,097.44	20,810,000.00
2027	5,545,000.00	1,110,208.14	6,655,208.14	(388,572.85)	6,266,635.29	15,265,000.00
2028	5,765,000.00	762,142.89	6,527,142.89	(266,750.01)	6,260,392.88	9,500,000.00
2029	6,000,000.00	400,075.02	6,400,075.02	(140,026.26)	6,260,048.76	3,500,000.00
2030	3,500,000.00	107,712.51	3,607,712.51	(37,699.38)	3,570,013.13	0.00
Totals	**70,290,000.00**	**47,331,083.13**	**117,621,083.13**	**(16,565,879.09)**	**101,055,204.04**	

IVY TECH COMMUNITY COLLEGE

SCHEDULE OF ANNUAL REQUIREMENTS FOR PRINCIPAL AND INTEREST

SERIES O, SERIES I REFUNDING

ORIGINAL ISSUE - $9,200,000

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2012				9,200,000.00
2013		328,715.39	328,715.39	9,200,000.00
2014		314,727.50	314,727.50	9,200,000.00
2015		314,727.50	314,727.50	9,200,000.00
2016		314,727.50	314,727.50	9,200,000.00
2017		314,727.50	314,727.50	9,200,000.00
2018		314,727.50	314,727.50	9,200,000.00
2019		314,727.50	314,727.50	9,200,000.00
2020		314,727.50	314,727.50	9,200,000.00
2021		314,727.50	314,727.50	9,200,000.00
2022		314,727.50	314,727.50	9,200,000.00
2023		314,727.50	314,727.50	9,200,000.00
2024		314,727.50	314,727.50	9,200,000.00
2025	2,250,000.00	278,165.00	2,528,165.00	6,950,000.00
2026	3,415,000.00	183,547.50	3,598,547.50	3,535,000.00
2027	3,535,000.00	62,746.25	3,597,746.25	0.00
Totals	**9,200,000.00**	**4,315,176.64**	**13,515,176.64**	

IVY TECH COMMUNITY COLLEGE

SCHEDULE OF ANNUAL REQUIREMENTS FOR PRINCIPAL AND INTEREST

SERIES P (TAX-EXEMPT), INDIANAPOLIS & MUNCIE PROJECTS, LAFAYETTE REFINANCING AND SERIES I & K REFUNDINGS

ORIGINAL ISSUE - $32,415,000

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2012				32,415,000.00
2013	905,000.00	1,234,450.43	2,139,450.43	31,510,000.00
2014	920,000.00	1,226,650.00	2,146,650.00	30,590,000.00
2015	945,000.00	1,203,275.00	2,148,275.00	29,645,000.00
2016	3,510,000.00	1,106,350.00	4,616,350.00	26,135,000.00
2017	1,015,000.00	1,013,450.00	2,028,450.00	25,120,000.00
2018	1,050,000.00	978,550.00	2,028,550.00	24,070,000.00
2019	3,390,000.00	877,525.00	4,267,525.00	20,680,000.00
2020	3,530,000.00	738,300.00	4,268,300.00	17,150,000.00
2021	5,235,000.00	581,825.00	5,816,825.00	11,915,000.00
2022	540,000.00	477,500.00	1,017,500.00	11,375,000.00
2023	555,000.00	458,375.00	1,013,375.00	10,820,000.00
2024	570,000.00	441,500.00	1,011,500.00	10,250,000.00
2025	965,000.00	417,268.75	1,382,268.75	9,285,000.00
2026	615,000.00	389,287.50	1,004,287.50	8,670,000.00
2027	5,035,000.00	263,700.00	5,298,700.00	3,635,000.00
2028	665,000.00	135,450.00	800,450.00	2,970,000.00
2029	700,000.00	104,737.50	804,737.50	2,270,000.00
2030	725,000.00	75,393.75	800,393.75	1,545,000.00
2031	760,000.00	46,600.00	806,600.00	785,000.00
2032	785,000.00	15,700.00	800,700.00	0.00
Totals	**32,415,000.00**	**11,785,887.93**	**44,200,887.93**	

IVY TECH COMMUNITY COLLEGE

SCHEDULE OF ANNUAL REQUIREMENTS FOR PRINCIPAL AND INTEREST

SERIES Q, SERIES G REFUNDING

ORIGINAL ISSUE - $15,190,000

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2012				15,190,000.00
2013	710,000.00	77,089.25	787,089.25	14,480,000.00
2014	2,990,000.00	116,865.00	3,106,865.00	11,490,000.00
2015	3,040,000.00	89,730.00	3,129,730.00	8,450,000.00
2016	2,810,000.00	63,405.00	2,873,405.00	5,640,000.00
2017	2,855,000.00	37,912.50	2,892,912.50	2,785,000.00
2018	2,785,000.00	12,532.50	2,797,532.50	0.00
Totals	**15,190,000.00**	**397,534.25**	**15,587,534.25**	

IVY TECH COMMUNITY COLLEGE

SCHEDULE OF ANNUAL REQUIREMENT FOR PRINCIPAL AND INTEREST

SERIES E OF 1997, ADVANCED REFUNDING SERIES G OF 2002, SERIES H OF 2003, SERIES I AND SERIES J OF 2005, SERIES K OF 2007, SERIES L OF 2009, SERIES M AND SERIES N OF 2010, AND SERIES O, P AND Q OF 2012.

Year Ending June 30	Principal	Interest	Total	35% Federal Interest Credit	Net Total	Outstanding Principal Balance
2012	17,015,000.00	13,335,747.52	30,350,747.52	(1,327,263.44)	29,023,484.08	300,720,000.00
2013	34,415,000.00	12,774,340.09	47,189,340.09	(1,327,263.44)	45,862,076.65	266,305,000.00
2014	18,010,000.00	11,801,615.02	29,811,615.02	(1,327,263.44)	28,484,351.58	248,295,000.00
2015	18,170,000.00	11,176,230.02	29,346,230.02	(1,327,263.44)	28,018,966.58	230,125,000.00
2016	18,385,000.00	10,502,575.52	28,887,575.52	(1,303,676.24)	27,583,899.28	211,740,000.00
2017	19,235,000.00	9,784,087.27	29,019,087.27	(1,252,199.73)	27,766,887.54	192,505,000.00
2018	19,860,000.00	9,001,846.39	28,861,846.39	(1,192,349.86)	27,669,496.53	172,645,000.00
2019	17,675,000.00	8,150,525.65	25,825,525.65	(1,125,658.41)	24,699,867.24	154,970,000.00
2020	18,465,000.00	7,292,540.78	25,757,540.78	(1,053,189.64)	24,704,351.14	136,505,000.00
2021	17,640,000.00	6,459,177.27	24,099,177.27	(976,368.66)	23,122,808.61	118,865,000.00
2022	14,730,000.00	5,683,172.52	20,413,172.52	(894,499.81)	19,518,672.71	104,135,000.00
2023	14,935,000.00	4,933,315.53	19,868,315.53	(804,941.12)	19,063,374.41	89,200,000.00
2024	15,620,000.00	4,153,363.03	19,773,363.03	(709,626.50)	19,063,736.53	73,580,000.00
2025	16,200,000.00	3,366,116.15	19,566,116.15	(608,829.78)	18,957,286.37	57,380,000.00
2026	17,110,000.00	2,556,688.28	19,666,688.28	(502,437.08)	19,164,251.20	40,270,000.00
2027	17,655,000.00	1,704,048.15	19,359,048.15	(388,572.85)	18,970,475.30	22,615,000.00
2028	10,145,000.00	988,146.02	11,133,146.02	(266,750.01)	10,866,396.01	12,470,000.00
2029	6,700,000.00	504,812.52	7,204,812.52	(140,026.26)	7,064,786.26	5,770,000.00
2030	4,225,000.00	183,106.26	4,408,106.26	(37,699.38)	4,370,406.88	1,545,000.00
2031	760,000.00	46,600.00	806,600.00	0.00	806,600.00	785,000.00
2032	785,000.00	15,700.00	800,700.00	0.00	800,700.00	0.00
Totals	**$317,735,000.00**	**$124,413,753.99**	**$442,148,753.99**	**($16,565,879.09)**	**$425,582,874.90**	

(1) Advanced Refunding Series G Bonds Principal Debt of $21,515,000.00
Series H Bonds Principal Debt of $32,940,000
Series I Bonds Principal Debt of $14,500,000
Series J Bonds Principal Debt of $9,245,000
Series K Bonds Principal Debt of $42,795,000
Series L Bonds Principal Debt of $55,425,000
Series M Bonds Principal Debt of $14,220,000
Series N Bonds Principal Debt of $70,290,000
Series O Bonds Principal Debt of $9,200,00.00
Series P Bonds Principal Debt of $32,415,000.00
Series Q Bonds Principal Debt of $15,190,000.00

IVY TECH COMMUNITY COLLEGE

SCHEDULE OF FUTURE MINIMUM PAYMENTS ON OPERATING LEASES

JUNE 30, 2012

	2012-2013	2013-2014	2014-2015	2015-2016	2017 & Beyond
Facilities	$4,354,272	$3,850,935	$1,888,798	$1,579,295	$ 6,307,964
Office furniture and Equipment	18,619	17,744	-	-	-
Total	**$4,372,891**	**$3,868,679**	**$1,888,798**	**$1,579,295**	**$ 6,307,964**

SCHEDULE OF STUDENT FINANCIAL AID EXPENDITURES FOR YEAR ENDED JUNE 30, 2012

WITH COMPARATIVE FIGURES AT JUNE 30, 2011

	Current Unrestricted	Current Restricted	June 30, 2012 Total	June 30, 2011 Total
Workstudy (1)	$ 5,858	$1,810,591	$1,816,449	$1,800,579
Scholarship/Fellowship(2)	-	243,692,083	243,692,083	248,743,303
Grants (3)	-	37,410,975	37,410,975	31,855,607
Fee Remissions	6,814,417	-	6,814,417	6,968,516
Administrative Allowance (4)	661,899	-	661,899	603,838
Total Financial Aid Expenses	**$7,482,174**	**$282,913,649**	**$290,395,823**	**$289,971,843**

(1) The $5,858 is the institutional share of the State College Workstudy Programs. The Federal Workstudy Program is now paid 100% by Federal funds.

(2) The amount of $243,692,083 includes $240,238,046 of Pell Grants as compared to $245,802,552 for the prior year. The College has no choice in determining the recipients for the Pell Grant Program.

(3) The college is no longer required to provide a 25% share of the SEOG match.

(4) Administrative allowance is made up of $81,242 Federal Work-Study, $415,941 Pell, and $164,716 Federal Supplemental Educational Opportunity Grant (FSEOG).

IVY TECH COMMUNITY COLLEGE

FIVE YEAR TREND IN STUDENT ENROLLMENT

ACTUAL

	2007-08	2008-09	2009-10	2010-11	2011-12*
Credit Student - Full Time	40,033	42,138	46,627	47,775	44,335
Part Time	80,414	93,561	119,928	127,031	130,978
Total	**120,447**	**135,699**	**166,555**	**174,806**	**175,313**
FTE	49,752	55,738	72,628	76,905	74,245
Non-Credit Students	23,918	23,654	21,234	23,875	24,474

*Estimated

CREDIT STUDENTS

The above information reports students on an "unduplicated" basis for Full Time, Part Time, and the Total categories. FTE reports these students on a "full-time equivalent" basis. For purposes of student count, the above full time data includes individuals who enrolled in 12 or more credit hours for a single term; or 24 or more credit hours for two or more terms.

NON-CREDIT STUDENTS

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