B38589

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, 2009 to June 30, 2010

FILED
03/28/2011

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SCHEDULE OF COLLEGE OFFICIALS

Office	Official	Term
President	Thomas J. Snyder	07-01-09 to 06-30-11
Vice President of Finance/Treasurer	Robert C. Holmes	07-01-09 to 06-30-11
Chairman of the Board of Trustees	Kaye H. Whitehead	08-01-08 to 08-12-10
	Lee J. Marchant	08-12-10 to 08-12-12

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, INDIANAPOLIS, INDIANA

We have audited the financial statements of Ivy Tech Community College (College) as of and for the year ended June 30, 2010, and have issued our report thereon dated November 10, 2010. 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.

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

Compliance and Other Matters

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

November 10, 2010

State Board of Accounts

STATE OF INDIANA
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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 IVY TECH COMMUNITY COLLEGE, INDIANAPOLIS, INDIANA

Compliance

We have audited the compliance of Ivy Tech Community College (College) with the types of compliance requirements described in the U.S. Office of Management and 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, 2010. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2010-1.

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 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.

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. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questions costs as item 2010-1. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

<u>Schedule of Expenditures of Federal Awards</u>

We have audited the basic financial statements of the College as of and for the year ended June 30, 2010, and have issued our report thereon dated November 10, 2010. Our audit was performed for the purpose of forming an opinion on the basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole

The College's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. We did not audit the College's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the of Ivy Tech Community College 's Board of Trustees, 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

March 3, 2011

IVY TECH COMMUNITY COLLEGE OF INDIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2010

Federal Grantor Agency/Pass Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Total Federal Awards Expended
U.S. DEPARTMENT OF EDUCATION		
Direct Grant		
Student Financial Aid Cluster		
Federal Supplemental Educational Opportunity Grants	84.007	$ 2,617,683
Federal Family Education Loans	84.032	323,644,219
Federal Work-Study Program	84.033	1,893,511
Federal Pell Grant Program	84.063	200,865,242
Federal Direct Student Loans	84.268	5,586,484
Academic Competitiveness Grants	84.375	1,012,793
Total for cluster		535,619,932
U.S. DEPARTMENT OF LABOR		
Direct Grant		
WIA Pilots, Demonstrations, and Research Projects	17.261	276,056
Direct Grant		
H-1B Job Training Grants	17.268	784,642
Direct Grant		
ARRA - Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors	17.275	66,887
Pass-Through Indiana Department of Workforce Development		
WIA Cluster		
WIA Adult Program	17.258	495,118
ARRA - WIA Adult Program	17.258	667,921
WIA Youth Activities	17.259	763,418
WIA Dislocated Workers	17.260	461,736
ARRA - WIA Dislocated Workers	17.260	121,823
Total for cluster		2,510,016
Pass-Through Indiana Department of Workforce Development		
H-1B Job Training Grants	17.268	921,895
Veterans' Employment Program	17.802	20,805
Total for program		942,700
Total for federal grantor agency		4,580,301
NATIONAL SCIENCE FOUNDATION		
Direct Grant		
Education and Human Resources	47.076	73,568
Pass-Through University of Massachusetts Boston		
Computer and Information Science and Engineering	47.070	2,240
Pass-Through Montgomery County Community College		
Education and Human Resources	47.076	1,095
Total for federal grantor agency		76,903
U.S. SMALL BUSINESS ADMINISTRATION		
Direct Grant		
SBA Congressional Earmark	59.000	44,598
Pass-Through South Central Indiana Small Business Development Center		
Small Business Development Centers	59.037	124,433
Total for federal grantor agency		169,031

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, 2010
(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		
Pass-Through Indiana Housing and Community Development Authority		
ARRA - Weatherization Assistance for Low-Income Persons	81.042	1,473,531
Pass-Through Purdue University		
ARRA - Conservation Research and Development	81.086	24,175
Total for federal grantor agency		1,497,706
U.S. DEPARTMENT OF EDUCATION		
Direct Grant		
Trio Cluster		
Student Support Services	84.042A	259,786
Talent Search	84.044A	257,900
Total for cluster		517,686
Direct Grant		
Fund for the Improvement of Postsecondary Education	84.116	368,938
Direct Grant		
Fund for the Improvement of Education	84.215	52,943
Pass-Through Indiana Commission for Higher Education		
Career and Technical Education - Basic Grants to States	84.048	7,344,409
Improving Teacher Quality State Grants	84.367	162,706
Total for program		7,507,115
Total for federal grantor agency		8,446,682
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Direct Grant		
Nurse Education, Practice and Retention Grants	93.359	345,962
Direct Grant		
ARRA Scholarships for Health Professions Students from Disadv Backgrounds	93.407	24,347
Direct Grant		
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	53,798
Pass-Through Indiana Association for the Education of Young Children, Inc		
Child Care Mandatory and Matching Funds of the Child Care Development Fund	93.596	4,805
Total for federal grantor agency		428,912
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		
Pass-Through North Carolina Campus Compact		
Program Development and Innovation Grants	94.007	252
Total federal award expended		$ 550,819,719

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Ivy Tech Community College of Indiana and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The purpose of the schedule is to present a summary of those activities of the College for the year ended June 30, 2010, which have been financed by the U.S. Government (federal awards). For purposes of the schedule, federal awards include all federal assistance and procurement relationships entered into directly between the College and the federal government, and sub-awards from agencies of the State of Indiana, and other entities, made under federal sponsored agreements. Because the schedule presents only a selective portion of the activities of the College, it is not intended to and does not present the financial position of the College. For reporting purposes, federal awards have been classified into two types:

1. Student Financial Aid
2. Other Federal Programs

The accounting principles followed by the College in each of these areas used in preparing the accompanying schedule area as follows:

Student Financial Aid – Deductions (expenditures) are recognized on the accrual basis for awards made to students and allowable administrative expenses of running such programs.

Other Federal Programs – Deductions (expenditures) for direct costs are recognized as incurred using the accrual method of accounting and cost accounting principles contained in the 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 college activities (indirect costs), which are allocated to federal awards under negotiated formulas commonly referred to as indirect cost rates.

Indirect costs and related revenues applicable to these cost recoveries are classified as unrestricted expenditures and revenues in the General Purpose Financial Statements. In the accompanying schedule, restricted grants and contracts and other agreements are recognized when funds are expended.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the primary government provided federal awards to subrecipients as follows for the year ended June 30, 2010:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
H-1B Job Training Grants	17.268	$ 187,177
Education and Human Resources	47.076	48,179
Career and Technical Education – Basic Grants to States	84.048	16,092
Totals		$ 251,448

Note 3. Federal Direct Loan Program

The Schedule of Expenditures of Federal Awards includes Federal Direct Student Loans which were not made by the College but were received by its students. The College is responsible only for the performance of certain administrative duties with respect to these loans.

The number of guaranteed loans and the total amount processed for each Direct Loan Program for the year ended June 30, 2010, were as follows:

Program Title	Number Students	Loans Amounts
Direct Loan Program (Subsidized)	45,922	$ 139,909,489
Direct Loan Program (Unsubsidized)	42,325	168,263,937
Direct Parents Loans for Undergraduate Students	205	1,083,764
Totals	88,452	$ 309,257,190

In prior years, the amount of loans received by students was not included as federal expenditures in the Schedule of Expenditures of Federal Awards, as allowed by OMB Circular A-133.

Note 4. Federal Family Education Loan Program

The Schedule of Expenditures of Federal Awards includes Federal Family Education Loans which were not made by the College but were received by its students.

The number of guaranteed loans and the total amount processed for each Family Education Program for the year ended June 30, 2010 were as follows:

Program Title	Number Students	Loans Amounts
Stafford Student Loan Program (Subsidized)	4,889	$ 10,665,629
Stafford Student Loan Program (Unsubsidized)	4,296	8,702,834
Parents Loans for Undergraduate Students (PLUS)	8	25,196
Totals	9,193	$ 19,393,659

In prior years, the amount of loans received by students was not included as federal expenditures in the Schedule of Expenditures of Federal Awards, as allowed by OMB Circular A-133.

Note 5. Other Considerations

There were no federal awards of noncash assistance, no federal loans outstanding, and no amount of insurance in effect for federal programs for the year ending June 30, 2010.

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 that are not considered to be material weaknesses?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	yes
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 Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
Various	Student Financial Aid Cluster
84.048	Career and Technical Education - Basic Grants to States

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

FINDING 2010-1, TIMELINESS OF RETURN OF TITLE IV FUNDS

Federal Agency: U.S. Department of Education
Federal Program: Student Financial Aid Cluster
CFDA Number: Various
Pass-through Entity: N/A
Federal Award Number: N/A

A sampling of students that withdrew from classes in the first 60% of the fall and spring semesters revealed that Ivy Tech failed to timely remit the amount of title IV funds for which the institution was responsible. Title IV funds for 19 of the 69 students sampled (or 28%) were returned an average of 15.68 days late with an average of $779 to be returned by the College.

34 CFR 668.22 (j)(1) states in part: "An institution must return the amount of title IV funds for which it is responsible under paragraph (g) of this section as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew as defined in paragraph (1)(3) of this section."

Not calculating the title IV, HEA grant overpayment timely can lead to an ineligible student receiving aid.

We recommend that the College perform timely calculations of overpayments in order to prevent further occurrences in the delay of returning title IV funds.

Ivy Tech Community College
Summary Schedule of Prior Audit Findings

FINDING NO. 2009-1 Donated Capital Assets
Original SBA Audit Report Number: B35924
Audit Contact Person: Ben Burton
Title of Contact Person: Chief Financial Student Resources Officer
Phone Number: (317) 921-4712

Status of Finding:
As of this time, the College has not received direction from the designated oversight agency.

FINDING NO. 2009-2 Final Determination Letter
Original SBA Audit Report Number: B35924
Audit Contact Person: Ben Burton
Title of Contact Person: Chief Financial Student Resources Officer
Phone Number: (317) 921-4712

Status of Finding:
As of this time, the College has not received direction from the designated oversight agency.

FINDING NO. 2009-3 PLUS Loan Disbursement
Original SBA Audit Report Number: B35924
Audit Contact Person: Ben Burton
Title of Contact Person: Chief Financial Student Resources Officer
Phone Number: (317) 921-4712

Status of Finding:
The College received a Final Determination Letter (FDL) dated September 10, 2010 from the Department of Education (ED) for the year ending June 30, 2009; Audit Control Number (ACN):05-2009-01719. In accordance with the aforementioned FDL all required corrective action has been taken by the College; thus consistent with OMB Circular A-133 section .315 (b), this finding is considered closed.

FINDING NO. 2009-4 Timeliness of Return of Title IV Funds (Fall)

Original SBA Audit Report Number: B35924
Audit Contact Person: Ben Burton
Title of Contact Person: Chief Financial Student Resources Officer
Phone Number: (317) 921-4712

Status of Finding:
The College received a Final Determination Letter (FDL) dated September 10, 2010 from the Department of Education (ED) for the year ending June 30, 2009; Audit Control Number (ACN):05-2009-01719. In accordance with the aforementioned FDL all required corrective action has been taken by the College; thus consistent with OMB Circular A-133 section .315 (b), this finding is considered closed.

FINDING NO. 2009-5 Timeliness of Return of Title IV Funds (Spring)
Original SBA Audit Report Number: B35924
Audit Contact Person: Ben Burton
Title of Contact Person: Chief Financial Student Resources Officer
Phone Number: (317) 921-4712

Status of Finding:
The College received a Final Determination Letter (FDL) dated September 10, 2010 from the Department of Education (ED) for the year ending June 30, 2009; Audit Control Number (ACN):05-2009-01719. In accordance with the aforementioned FDL all required corrective action has been taken by the College; thus consistent with OMB Circular A-133 section .315 (b), this finding is considered closed.

FINDING NO. 2009-6 Total Number of Days Utilized in Return of Title IV Funds
Original SBA Audit Report Number: B35924
Audit Contact Person: Ben Burton
Title of Contact Person: Chief Financial Student Resources Officer
Phone Number: (317) 921-4712

Status of Finding:
The College received a Final Determination Letter (FDL) dated September 10, 2010 from the Department of Education (ED) for the year ending June 30, 2009; Audit Control Number (ACN):05-2009-01719. In accordance with the aforementioned FDL all required corrective action has been taken by the College; thus consistent with OMB Circular A-133 section .315 (b), this finding is considered closed.

FINDING NO. 2009-7 Overawards
Original SBA Audit Report Number: B35924
Audit Contact Person: Ben Burton
Title of Contact Person: Chief Financial Student Resources Officer
Phone Number: (317) 921-4712

Status of Finding:
The College received a Final Determination Letter (FDL) dated September 10, 2010 from the Department of Education (ED) for the year ending June 30, 2009; Audit Control Number (ACN):05-2009-01719. In accordance with the aforementioned FDL all required corrective action has been taken by the College; thus consistent with OMB Circular A-133 section .315 (b), this finding is considered closed.

FINDING NO. 2009-8 Academic Competitiveness Grant Awards
Original SBA Audit Report Number: B35924
Audit Contact Person: Ben Burton
Title of Contact Person: Chief Financial Student Resources Officer
Phone Number: (317) 921-4712

Status of Finding:
The College received a Final Determination Letter (FDL) dated September 10, 2010 from the Department of Education (ED) for the year ending June 30, 2009; Audit Control Number (ACN):05-2009-01719. In accordance with the aforementioned FDL all required corrective action has been taken by the College; thus consistent with OMB Circular A-133 section .315 (b), this finding is considered closed.

IVY TECH
COMMUNITY COLLEGE

Ivy Tech Community College of Indiana Response to:
Schedule of Findings and Questioned Costs

FINDING 2010-1, TIMELINESS OF RETURN OF TITLE IV FUNDS

Federal Agency: U.S. Department of Education
Federal Program: Student Financial Aid Cluster
CFDA Number: Various
Pass-through Entity: N/A
Federal Award Number: N/A

A sampling of students that withdrew from classes in the first 60% of the fall and spring semesters revealed that Ivy Tech failed to timely remit the amount of title IV funds for which the institution was responsible. Title IV funds for 19 of the 69 (or 28%) students sampled were returned an average of 15.68 days late with an average of $779 to be returned by the College.

34 CFR 668.22 (j)(1) states in part: "An institution must return the amount of title IV funds for which it is responsible under paragraph (g) of this section as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew as defined in paragraph (1)(3) of this section."

Not calculating the title IV, HEA grant overpayment timely can lead to an ineligible student receiving aid.

We recommend that the College perform timely calculations of overpayments in order to prevent further occurrences in the delay of returning title IV funds.

College Response:

The College concurs that not all R2T4 refunds were processed within the regulatory defined timeframe however, it is important to note this audit period represents the first three semesters of our R2T4 consolidation process. In order to ensure both the accuracy and timeliness of calculations, the College centralized the processing from all fourteen campuses into one location. Although not all calculations were performed timely, the auditor did not find any instances where calculations were incorrect. It should also be noted that the auditor did not find any late calculations for the summer term. A preliminary review of calculations for the latest term did not reveal any late calculations. Although it has taken the College a few terms to modify the process, the centralization initiative is starting to demonstrate our goal; accurate and timely calculations.

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IVY TECH COMMUNITY COLLEGE OF INDIANA
EXIT CONFERENCE

The contents of this report were discussed on March 3, 2011, with Robert C. Holmes, Vice President of Finance/Treasurer; Ben Burton, Chief Financial Student Resources Officer; Mark Husk, Assistant Treasurer; Mike Davis, Executive Director of Internal Audit; and David Findley, Chairman of the Audit Committee.

Ivy Tech Community College of Indiana

2009-10 FINANCIAL REPORT

Supplementary Schedules

Dear Friends of Ivy Tech:

On behalf of the Trustees of Ivy Tech Community College, I am pleased to present the College's 2009-2010 Financial Report.

As evidenced by this document, 2009-10 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.

About 200,000 students annually choose Ivy Tech as their gateway to higher education or path to immediate career advancement. Enrollment this fall has continued to set records, fueled by Ivy Tech's 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. 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

November 12, 2010

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, 2010.

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 2009-10 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,

Robert C Holmes

Robert C. Holmes
Vice President for Finance/Treasurer

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of Ivy Tech Community College, a component unit of the State of Indiana, as of and for the years ended June 30, 2010 and 2009. 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. The financial statements of this component unit were audited by another auditor 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 auditor.

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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over reporting. Accordingly, we express no such opinion. 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, as of June 30, 2010 and 2009, and the 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 November 10, 2010, on our consideration of Ivy Tech Community 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.

The Management's Discussion and Analysis (MD&A) is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

STATE BOARD OF ACCOUNTS

State Board of Accounts

November 10, 2010

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 ended June 30, 2010, along with comparative data for the year ending June 30, 2009. 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 nonoperating. The authoritative financial reporting model classifies State appropriations and gifts as nonoperating 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

This Annual Financial Report for the 2009-10 fiscal year reflects Ivy Tech Community College of Indiana's commitment to serving Hoosier families and businesses while providing faithful stewardship of public funds. The College's mission is "to prepare Indiana residents to learn, live, and work in a diverse and globally competitive environment by delivering professional, technical, transfer, and lifelong education. Through its affordable, open-access education and training programs, the College enhances the development of Indiana's citizens and communities and strengthens its economy." This ambitious mission is reflected in the College's new strategic plan, Accelerating Greatness 2013. At the center of Accelerating Greatness 2013 are four strategies that guide our resource allocation and decision-making process:

1. Ensuring that students achieve their educational goals;
2. Ensuring that Indiana citizens, workforce, and businesses are globally competitive;
3. Ensuring optimal quality and efficiencies statewide;
4. Ensuring an adequate and sustainable resource base.

While the College focuses its attention on this important work, there is an on-going recognition that a public institution must use care and sound judgment in financing that mission.

As the 2009-10 fiscal year closes, the College's financial position continues to be strong. Net assets increased by a total of $59.7 million. This continues a trend that began several years ago. Since 2003-04, net assets have grown from $213.7 million to $362.0 million, an increase of 69.4%. Unrestricted net assets also grew significantly from $121.1 million at the end of 2008-09 to $170.1 million at the close of 2009-10 (a 40.5% increase).

Total Operating Revenues for 2009-10 were $202.4 million, an increase of $31.5 million or 18.5%. Much of this increase was a result of the College's growing enrollment. While final figures are not yet in at the time of this writing, both total credit headcount enrollment and full time equivalent (FTE) enrollment set new records. This led to a $52.8 million increase in gross student fees and a $22.0 million increase in net fees.

Non-operating revenues grew significantly from $301.5 million in 2008-09 to $408.0 million in 2009-10, primarily as a result of growth in financial aid related to the College's increasing enrollment. Governmental Grants and Contracts – Federal increased from $106.5 million in 2008-09 to $206.4 million in 2009-10 an increase of $99.9 million or 93.8%. Governmental Grants and Contracts – State also increased, growing from $16.4 million in 2008-09 to $23.9 million in 2009-10. Also notable, was the $0.7 million federal appropriation which is an interest subsidy provided by the federal government for the Build America Bonds issued by the College during 2009-10. The other critical component of this category, State Appropriations, totaled $190.6 million in 2009-10 as compared to $182.9 million in 2008-09. This increase is primarily a result of growth in Fee Replacement (debt service costs reimbursed by the State related to new academic buildings). The College is grateful for this state support in difficult economic times. The funding for debt service costs related to new academic facilities is particularly critical for a rapidly growing institution. Finally, while investment income dropped by $1.1 million in 2009-10, this was a result of falling interest rates. Cash and investments again grew significantly.

Operating expenses were $557.6 million for 2009-10, an increase of $106.9 million (23.7%) over 2008-09. During the past year, the College has taken a number of measures to reduce expenses, increase non-tuition revenues, and reallocate resources to priority areas:

1. Freezing all faculty and staff salaries;
2. Equipment purchasing consolidation;
3. Use of Build America Bonds where interest costs are subsidized by the federal government;
4. Plan changes for both health insurance and property and casualty insurance.

These changes come on top of previous moves to outsource college bookstores and to move to self insurance for healthcare costs. Many of these steps were major contributors in minimizing operating expense increases. The $106.9 million increase was principally driven by increased scholarships and fellowship costs. The remainder of the operating expense increase was primarily related to serving the College's more than 30% increase in FTE students. The largest single component of operating expenses, Salaries and Wages, grew by $14.7 million (7.6%).

In the capital area, during 2009, the College began offering classes in new academic buildings in Fort Wayne, Logansport, and Greencastle. In addition, following approval by the State Budget Committee and Governor, construction began on new academic buildings in Elkhart, Sellersburg, Warsaw, and Indianapolis. The completion of these projects will reduce overcrowding and significantly improve academic space in these communities. The Series M and N bonds that are financing the construction in Elkhart, Sellersburg, Warsaw, and Indianapolis were sold in 2009-10. In conjunction with this bond issue, Standard and Poor's and Fitch Ratings reaffirmed the College's "AA-" bond ratings with a stable outlook. Later in the year, Fitch Ratings announced a recalibration of certain United States public finance credit ratings that resulted in an upward adjustment for Ivy Tech Community College to "AA" with a stable outlook.

CONDENSED STATEMENT OF NET ASSETS

June 30	2010	2009	Percent Change
Current assets	$261,792,699	$160,074,246	63.5
Noncurrent assets	515,704,661	463,518,011	11.3
Total assets	777,497,360	623,592,257	24.7
Current liabilities	87,956,998	67,205,300	30.9
Noncurrent liabilities	327,530,146	254,062,337	28.9
Total liabilities	415,487,144	321,267,637	29.3
Net assets			
Invested in capital assets, net of related debt	174,008,684	158,280,684	9.9
Restricted	17,893,508	22,951,550	-22.0
Unrestricted	170,108,024	121,092,386	40.5
Total net assets	**$362,010,216**	**$302,324,620**	**19.7**

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, 2010. 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 increased 24.6% from 2008-09 and short-term investments increased 290.6%. The cash and cash equivalents and short-term investments increased due to several factors, including substantially increasing our cash reserves, and a large increase in student enrollment. The majority of the new cash received was invested in short-term instruments because of the low interest rate environment.

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 changed its method of estimating the allowance for doubtful accounts in fiscal year ending June 30, 2010. The College performed an analysis of the amounts actually written-off for any accounts receivable greater than one-year old. This analysis was, in the College's opinion, a better estimate of the amounts that would not be collected than the method previously utilized. Additionally, all accounts receivable that are greater than one-year old are to be written-off unless payments are being made currently. In previous years the accounts could be maintained until the receivable was outstanding for two years. Due to the above noted changes, net accounts receivable increased by only 4.9%.

The current portion of the deposits with trustee is $57.7 million, which is a 160.6% increase from the previous year, due to the sale of bonds for new construction. It is anticipated that approximately 80% of the total deposits with trustee will be spent in fiscal year 2010-11. The deposits with trustee are mainly attributable to the Series M and N construction projects for the Elkhart, Sellersburg, Indianapolis and Warsaw campuses. The remaining balance is attributed to Series K Valparaiso Phase II, Marion Phase II as well as Series L Fort Wayne, Logansport and Greencastle.

Prepaid expenses are payments made in the current or a previous fiscal year, and for which we have not realized the full value of through fiscal year 2009-10. The prepaid balance at June 30, 2010 includes, among other items, payments of debt principal and interest totaling $22.9 million. Overall current assets increased by $101.7 million which was due mainly to an increase in short term investments and deposit with trustee.

Noncurrent Assets

Long-term investments increased by $2.1 million from the previous year. Noncurrent accounts receivable represents future income related to the lease of the rights to operate the College's bookstore. Deposit with Trustee increased by $15.0 million, which is related to the Series M and N bonds for our Indianapolis and Warsaw campuses. Capital assets increased by $35.0 million, which includes land, buildings, infrastructure, equipment, deferred losses on debt refunding, and construction work in progress. Noncurrent assets increased by $52.2 million or an 11.3% increase from the previous year.

OUTSTANDING DEBT AT YEAR END

	6/30/2010	6/30/2009	Increase (Decrease)	Percent Change
Leases, notes, and bonds payable:				
Revenue bonds payable:				
Series G student fee bonds	24,490,000	27,335,000	(2,845,000)	10.4%
Series H student fee bonds	35,485,000	37,935,000	(2,450,000)	-6.5%
Series I student fee bonds	33,575,000	35,230,000	(1,655,000)	-4.7%
Series J student fee bonds	9,245,000	9,245,000	-	0.0%
Series K student fee bonds	54,700,000	56,775,000	(2,075,000)	-3.7%
Series L student fee bonds	59,070,000	62,595,000	(3,525,000)	-5.6%
Series M student fee bonds	16,195,000	-	16,195,000	100.0%
Series N student fee bonds	70,290,000	-	70,290,000	100.0%
Total bonds payable	303,050,000	229,115,000	73,935,000	32.3%
Premium on bonds -H,I,J,K,L&,M	7,133,717	7,000,017	133,700	1.9%
Lease Obligations	13,375,468	14,047,518	(672,050)	-4.8%
Notes Payable	6,245,000	6,806,000	(561,000)	-8.2%
Total leases, notes, and bonds payable	**$329,804,185**	**$256,968,535**	**$72,835,650**	**28.3%**

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 $13.6 million due mainly to interest payable, wages payable and an increase in the reserve requirement for the College's self-insurance program. Compensated absences ($8.1 million) are the amounts due to employees for earned but unpaid vacation/special holidays and accrued sick leave payout. Deposits held in custody for others are monies held by the College for payroll withholdings ($4.9 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 increased by $3.9 million mainly due to the increased 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 $2.9 million due to an addition of bonding debt related to series M and N. Overall, current liabilities increased by 30.9%. This was primarily due to the increases in accounts payable and accrued liabilities, deferred revenue and the current portion of debt obligation.

Noncurrent Liabilities

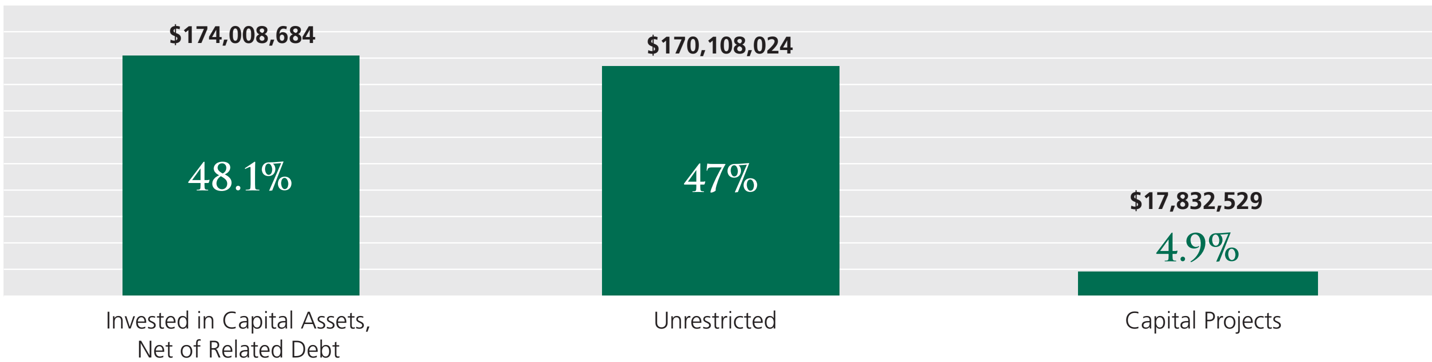
Noncurrent liabilities will be paid one year or later from the date of the Statement of Net Assets. The College's noncurrent liabilities include compensated absences, notes and bonds payable, and other post employment benefits. Noncurrent liabilities increased by $73.5 million mainly due to an increase ($70.0 million) in long-term debt and other obligations and an increase in Other Post Employment Benefits ($3.1 million). The increase in long-term debt and other obligations was primarily due to the issuance of the Series M & N bonds.

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 9.9% over the prior year. This was due to the Series M & N construction projects beginning in fiscal year 2009-10. The restricted "capital projects" classification decreased by 22.1% from the prior year. This was due to capitalizing Series L during the fiscal year. Unrestricted Net Assets increased by 40.5%. This is due to the very large enrollment increases experienced by the College and increasing unrestricted reserves. Overall net assets increased in fiscal year 2009-10 by $59.7 million or 19.7%. The net assets are comprised of Invested in Capital Assets of 48.1%, Unrestricted of 47%, and Capital Projects of 4.9%.

2010 ANALYSIS OF NET ASSETS



Internally Designated Reserves of Unrestricted Funds

The College ended the fiscal year with an unrestricted net asset balance of $170.1 million, an increase of $49.0 million, or 40.5% as compared to the prior fiscal year. The following provides additional information concerning the allocation of the unrestricted net assets.

Description	FY 2010 Amount	FY 2009 Amount
Self-Insurance	$4,826,298	$3,834,695
Bookstores	29,221,539	23,462,218
Economic Development Revolving Loan	5,287,000	5,280,000
Student Accounts Receivable	15,452,696	12,535,859
Insurance Stabilization	3,306,494	3,234,830
Debt Service Cash Flow Reserve	-	6,373,841
Parking Lot Repair and Replacement	3,659,647	3,342,437
Compensated Absences Reserve	13,549,865	9,094,865
Other Post Employment Benefits	9,690,659	6,370,659
Payroll Reserve	2,305,715	1,762,091
Enterprise Software Replacement	1,690,317	494,337
Lawrenceburg Financial Aid	-	14,684
Unclaimed Property	1,417,370	1,284,609
Student Loan Fund	71,662	66,458
Unrestricted Regional Scholarships	250,000	-
Operating Budget	79,378,762	43,940,803
Total	**$170,108,024**	**$121,092,386**

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 $4,826,298 represents the excess of employer contribution over claims expense.

The College previously operated bookstores at twelve of its fourteen regional campuses. Effective June 30, 2008, all College bookstores have been leased to Follett Higher Education Group, Inc. Any outstanding bookstore activity has been reported in 2009-10 operating funds.

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.

Debt Service Cash Flow Reserve was used to partially offset the bond debt service payments made until they are reimbursed by the State of Indiana.

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 covers the vast majority of the total liability of $13,691,386. This benefit is discussed in more detail in the Notes to the Financial Statements, section X.

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, 2010. As a result of this estimate, the College reported an OPEB liability in the amount of $9.4 million as of June 30, 2010. Additionally, the amount of unrestricted net assets set aside is $261,507 more than the corresponding liability.

The College pays hourly employees bi-weekly. Therefore, every eleven years the College pays employees twenty-seven times in one year instead of the normal twenty-six. This payroll reserve is to pay for the additional payroll.

The enterprise software replacement 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 designated a portion of unrestricted net assets to be used for student scholarships at the Indianapolis campus.

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

	6/30/2010	6/30/2009	Increase (Decrease)	Percent Change
Construction Work In Progress	$24,619,641	$40,822,961	$(16,203,320)	-39.7%
Land, Improvements, and Infrastructure	35,579,619	30,162,936	5,416,683	18.0%
Buildings	358,338,370	313,485,375	44,852,995	14.3%
Furniture, fixtures, and equipment	22,470,721	21,753,353	717,368	3.3%
Library materials	649,764	411,592	238,172	57.9%
Totals	**$441,658,115**	**$406,636,217**	**$35,021,898**	**8.6%**

During fiscal year 2009-10 net capital assets increased by $35 million or 8.6%. The major changes were from the capitalization of the Fort Wayne project of $26.4 million, the Logansport project of $15.1 million and the Greencastle project of $8.3 million.

The College's credit rating as assigned by Standard and Poor's was AA- with a stable outlook. Fitch ratings assigned a rating of "AA" with a stable outlook.

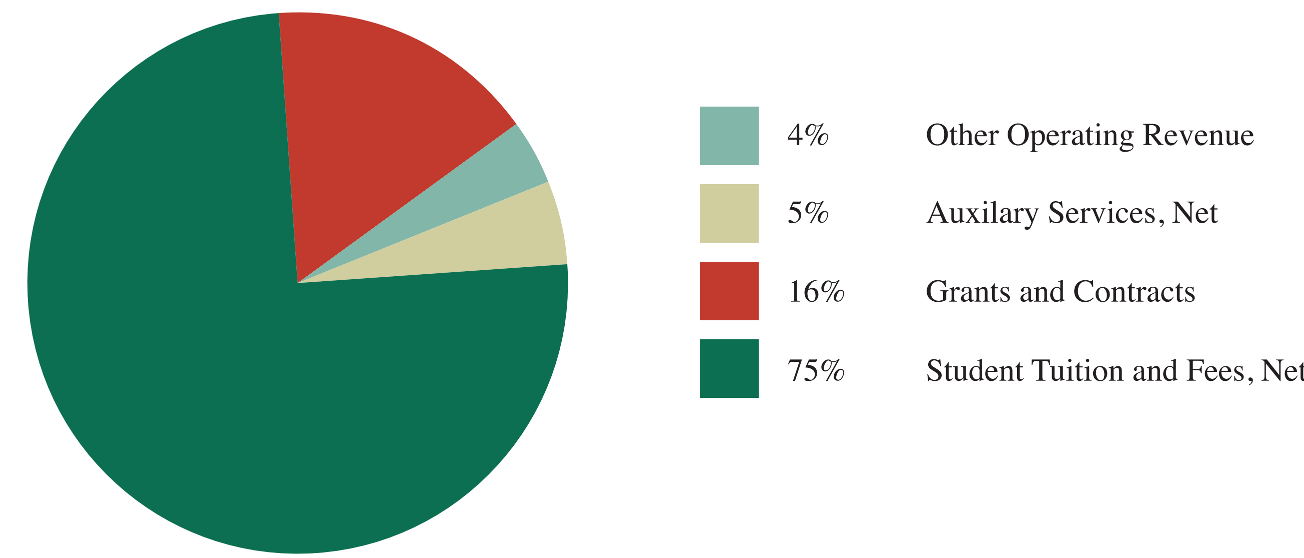
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Year Ended June 30	2010	2009	Percent Change
Operating revenue			
Tuition and fees, net	$152,182,997	$130,156,839	16.9
Grants and contracts	31,610,147	29,123,427	8.5
Auxiliary services, net	11,129,160	7,089,830	57.0
Other	7,499,527	4,508,908	66.3
Total operating revenue	202,421,831	170,879,004	18.5
Operating expense	557,564,742	450,667,922	23.7
Operating income (loss)	(355,142,911)	(279,788,918)	26.9
Nonoperating revenue (expense)			
State/Federal appropriations	191,341,193	182,888,129	4.6
Governmental Grants and Contracts	230,324,664	122,920,656	87.4
Other nonoperating revenue (expense)	(13,626,481)	(4,260,586)	219.8
Net nonoperating revenue	408,039,376	301,548,199	35.3
Income before other revenue, expenses, gains, or losses	52,896,465	21,759,281	143.1
Capital appropriations/Gifts	6,789,131	3,188,722	112.9
Total increase in net assets	59,685,596	24,948,003	139.2
Net assets			
Net assets - beginning of year	302,324,620	277,376,617	9.0
Net assets - end of year	**$362,010,216**	**$302,324,620**	**19.7**

Revenues

Operating Revenues

Total operating revenues for fiscal year 2009-10 were $202 million, representing an 18.5% increase 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 the students and/or third party payers. The vast majority of the scholarship discounts is paid to the College in the form of Federal and State student financial aid. Net student fee revenue shows a 16.9% increase over 2008-09 due to an estimated full-time equivalent enrollment increase of 30.3%, tuition increases of 4.9%, increases in incidental fees, and increases in non-credit instruction.

Grants and Contracts

Grants and contracts include restricted revenues made available by federal, state, local, and nongovernmental grants and contracts. In total, this revenue increased 8.5% from 2008-09. Federal sources increased 1.2%, state sources increased 10.7%, and private sources increased 7.2%. The increase in State funding is primarily due to the College receiving a weatherization grant from the state as well as the transfer of the South Central and Southeast Educational Alliance from Indiana State University to Ivy Tech.

Auxiliary Enterprises

Auxiliary enterprises are intended to be self-supporting and supplement the operations of the College. The total auxiliary enterprise revenue was $11.1 million. The primary revenue source is the commission on book sales. This category increased by 57.0% in 2009-10.

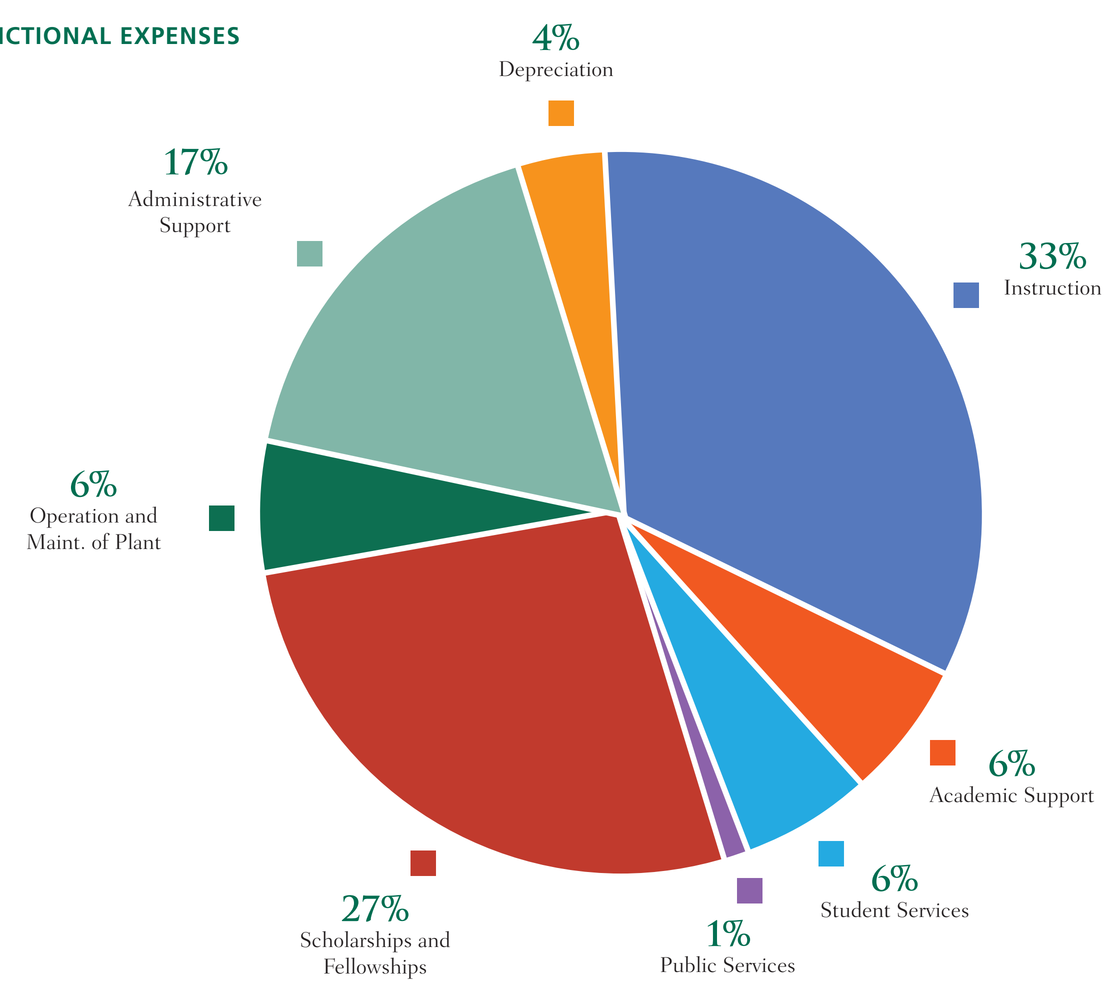
Operating Expenses

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:	2009-10	2008-09
Instruction	$185,769,218	$177,942,885
Public service	4,603,370	3,775,192
Academic support	32,401,281	29,063,386
Student services	31,160,085	27,854,640
Administrative support	93,848,385	94,559,697
Operation and maintenance of plant	36,685,548	25,956,884
Scholarships and fellowships	150,457,767	71,085,109
Depreciation and Amortization	22,639,088	20,430,129
Total	**$557,564,742**	**$450,667,922**

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

2010 FUNCTIONAL EXPENSES



Nonoperating Revenue And Expense

The State of Indiana provides appropriations based on a biennial budget for higher education. The College recognized $190.6 million of State Appropriations for fiscal year 2009-10. This is an increase of 4.2% from the previous year. The federal appropriations totaling $0.7 million are the interest subsidy for Build America Bonds. Investment income, which is the earnings from pooled cash and plant investments, decreased from 2008-09 by $1.1 million. Interest expense on capital asset-related debt is the interest paid on bond debt and interim financing and increased due to the recognition of an additional six months of interest related to the creation of an interest payable. Student government support is the College's designated amount to support student government.

Other Revenues, Expenses, Gains, or Losses

Capital Gifts, Grants and Appropriations increased by $3.6 million, due to receiving donated capital assets.

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 assess:

- 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	2010	2009
Cash provided (used) by:		
Operating activities	$(314,570,239)	$(246,534,098)
Noncapital financing activities	418,763,699	295,375,617
Capital and related financing activities	(45,232,298)	(28,064,681)
Investing activities	(46,553,630)	10,997,113
Net increase (decrease) in cash	12,407,532	31,773,951
Cash and cash equivalents, beginning of the year	50,484,075	18,710,124
Cash and cash equivalents, end of the year	**$62,891,607**	**$50,484,075**

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 increased by 24.6% this fiscal year.

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. Previously the federal and state financial aid proceeds were shown as other nonoperating receipts (payments) within the noncapital financing activities, this line item was renamed to federal and state scholarships and grants to more accurately reflect the activity. This change is reflected on the full statement of cash flows.

Factors Impacting Future Periods

2009-10 provided many financial challenges for individuals, businesses, and public entities. While financial markets stabilized, unemployment remained at double digit levels and State of Indiana general fund revenue dropped for the second consecutive year. The State responded to the revenue shortfall with a combination of spending cuts and use of reserves. Included in the overall state spending reductions was a biennial cut of $150 million plus unspent debt service funds for public higher education institutions. While the Ivy Tech Community College share of this cut was relatively modest in 2009-10, the College's 2010-11 operating appropriation was reduced by $10 million. Despite these cuts, total state appropriations to Ivy Tech grew by $7.7 million during 2009-10. Also it is important to note that all of the College's operating appropriation for 2010-11 consist of state funds and not federal ARRA stimulus funds that are scheduled to end after 2010-11. This will be beneficial as future state budgets are developed.

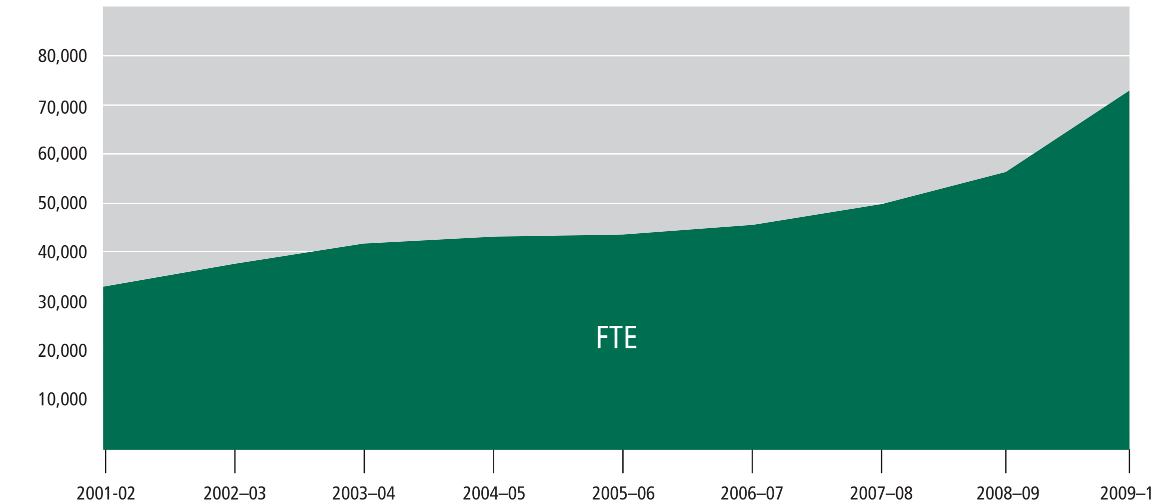
With a difficult economic environment, Hoosiers flocked to Ivy Tech in record numbers. Preliminary year-end reports from the College's Institutional Research department show a total annualized headcount enrollment of 166,555 with a total full time equivalent (FTE) student enrollment of 72,629 – both records. The FTE student total increased by 30.3% over 2008-09, while student headcount grew by 22.7%. This marks the fourteenth consecutive year of FTE enrollment growth. The enrollment increase resulted in a gross student fee revenue increase of $52.8 million (29.2%) despite only a modest increase in tuition rates. Summer 2010 and preliminary reports for the 2010 fall semester show continued growth.

The College's rapid growth has led to increased space requirements. During 2009-10, the College opened new academic facilities in Fort Wayne, Logansport, and Greencastle. New construction has begun in Elkhart, Sellersburg, Warsaw, and Indianapolis. Other projects authorized by the General Assembly but not yet released include an R & R project for Muncie and new academic facilities in Anderson, Bloomington, Gary, and Phase II of the Indianapolis project. The addition of these new facilities will further enhance the College's ability to serve the educational needs of Hoosiers.

Ivy Tech Community College has a long tradition of serving primarily first generation college students. These students come from across the state and have diverse socio-economic and ethnic backgrounds. Many students are older and attend part time as they juggle family, work, and educational responsibilities. They come to Ivy Tech with a variety of educational goals ranging from associate degrees and technical certificates to single classes or workforce certificates. More and more come to Ivy Tech with the intention of later transferring to a four year institution. Each year the College provides local communities across the state with a skilled pool of graduates and others with national workforce certifications. Over 90% of Ivy Tech graduates remain in Indiana, strengthening the state's workforce in nearly every sector of the economy.

In conclusion, Ivy Tech Community College's financial position continues to be strong. The College looks forward to working with the citizens and businesses of Indiana to provide an educated workforce.

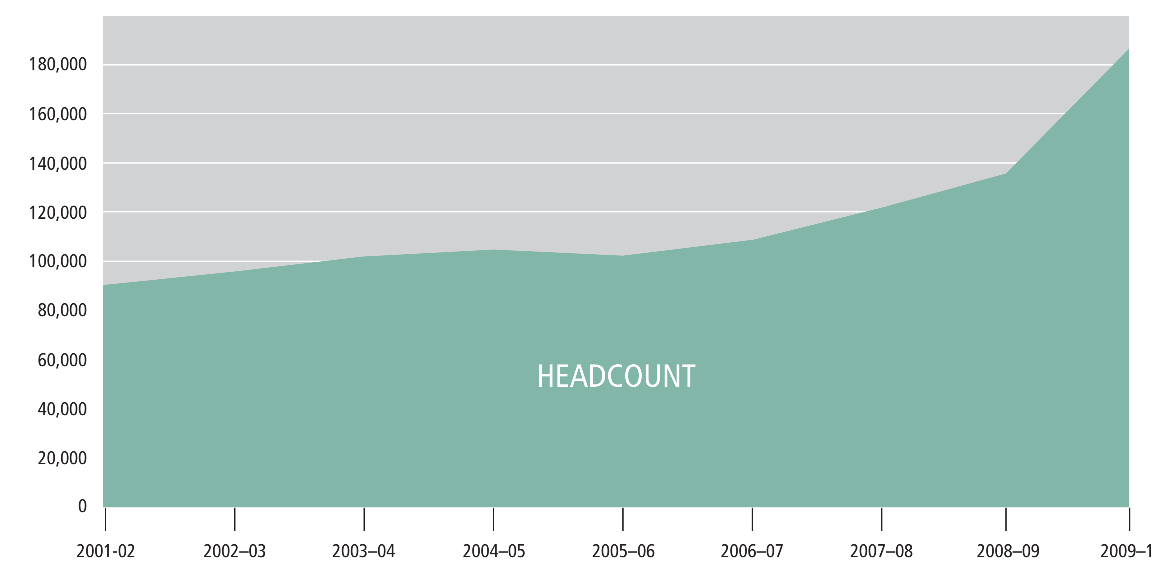
ANNUALIZED STUDENT ENROLLMENT TREND



Since 2001-2002 FTE Enrollment has grown by 117.1%.

Note: the annualized FTE number for the 2009-10 fiscal year is an estimate as of the publishing of these financial statements.

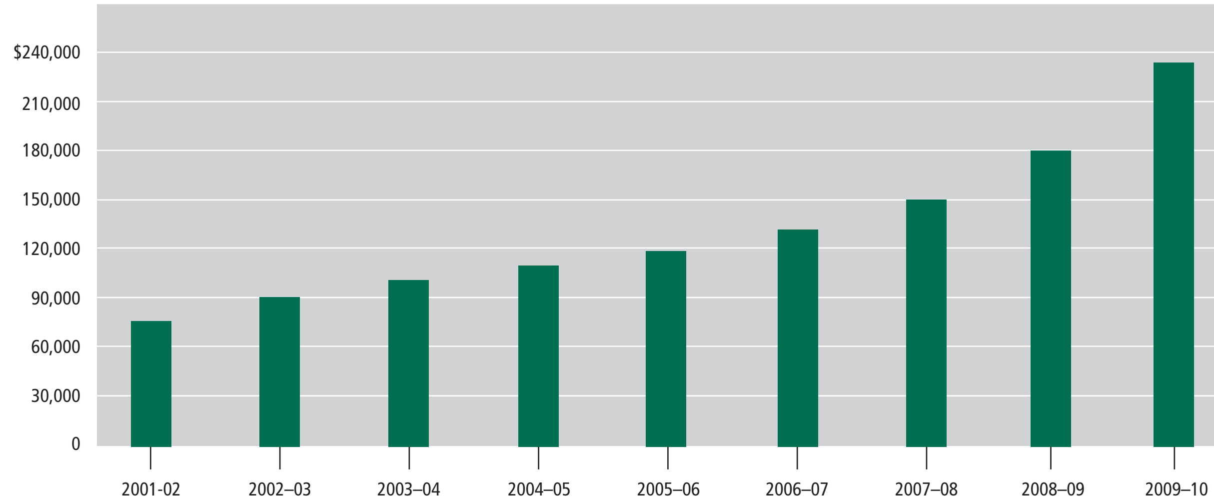
ANNUALIZED STUDENT ENROLLMENT TREND



Since 2001-2002 Unduplicated Headcount Enrollment has grown by 79.6%

Note: the annualized Headcount number for the 2009-10 fiscal year is an estimate as of the publishing of these financial statements.

GROSS STUDENT FEE REVENUE



Gross Student Fee Revenue has increased 206% since 2001-2002.

Authorized Facilities

During the 2009 General Assembly, the College received bonding authority totaling $74.1 million. Projects receiving bonding authority include Warsaw ($10.1 million), Anderson ($20 million), Bloomington ($20 million), Gary ($20 million) and Elkhart supplemental funding ($4 million). During 2009-10, upon the approval of the Commission for Higher Education, the State Budget Committee, and Governor, the College issued the Series M and N bonds that financed the Warsaw academic building and the Elkhart supplemental as well as the Sellersburg, Elkhart, and a portion of the Indianapolis projects authorized by the 2007 General Assembly. The only remaining projects being pursued by the College that were authorized by the 2007 General Assembly but not yet released, include a portion of the Indianapolis project and planning funds for Muncie/ Anderson and Bloomington. Prior to proceeding with any of the remaining 2007 or 2009 authorized projects, the College must receive further authorization from the Commission for Higher Education, the State Budget Committee, and the Governor. Consequently, the timing for the financing and construction of these projects is not known at this time.

IVY TECH COMMUNITY COLLEGE
STATEMENT OF NET ASSETS
JUNE 30, 2010 WITH COMPARATIVE FIGURES AT JUNE 30, 2009

ASSETS	FY 2010	FY 2009
Current Assets		
Cash and Cash Equivalents	$62,891,607	$50,484,075
Short Term Investments	62,500,000	16,000,000
Accounts Receivable	68,391,555	57,246,666
Allowance for Doubtful Accounts	(12,578,329)	(4,056,951)
Deposit with Trustee	57,709,525	22,144,523
Prepaid Expenses	22,878,341	18,255,933
Total Current Assets	**261,792,699**	**160,074,246**
Noncurrent Assets		
Long-Term Investments	55,022,184	52,881,794
Deposit With Trustee	15,024,362	
Accounts Receivable	4,000,000	4,000,000
Capital Assets, Net	441,658,115	406,636,217
Total Noncurrent Assets	**515,704,661**	**463,518,011**
TOTAL ASSETS	**777,497,360**	**623,592,257**
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	30,207,611	16,595,111
Compensated Absences	8,092,138	7,482,224
Deposits Held in Custody for Others	6,432,331	6,690,442
Deferred Revenue	25,922,478	22,001,746
Current Portion of Debt Obligation	17,302,440	14,435,777
Total Current Liabilities	**87,956,998**	**67,205,300**
Noncurrent Liabilities		
Compensated Absences	5,599,248	5,226,050
Long Term Debt and other Obligations	312,501,746	242,532,761
Other Post Employment Benefits	9,429,152	6,303,526
Total Noncurrent Liabilities	**327,530,146**	**254,062,337**
TOTAL LIABILITIES	**415,487,144**	**321,267,637**
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	174,008,684	158,280,684
Restricted:		
Expendable		
Capital Projects	17,832,529	22,891,893
Endowment	60,979	59,657
Unrestricted	170,108,024	121,092,386
TOTAL NET ASSETS	**$362,010,216**	**$302,324,620**

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

IVY TECH FOUNDATION, INC.
CONSOLIDATED STATEMENTS FINANCIAL POSITION
JUNE 30, 2010 AND 2009

ASSETS	2010	Adjusted 2009
Cash and equivalents	$7,052,001	$12,286,008
Investments	38,687,283	29,566,620
Pledges receivable	6,846,992	5,513,920
Prepaid expenses and other assets	128,315	85,356
Tax sale certificates		68,032
Property and equipment	17,857,388	15,016,984
TOTAL ASSETS	**70,571,979**	**62,536,920**
LIABILITIES		
Accounts payable and accrued expenses	536,498	212,345
Accounts payable-related party	1,320,316	1,502,023
Line of credit	1,235,680	1,098,763
Notes payable	5,425,757	5,686,982
Annuity Payment	120,192	127,754
Total Liabilities	8,638,443	8,627,867
NET ASSETS		
Unrestricted	8,695,747	5,457,891
Restricted:		
Temporary restricted	32,587,848	29,123,035
Permanently restricted	20,649,941	19,328,127
Total Restricted	53,237,789	48,451,162
Total Net Assets	61,933,536	53,909,053
TOTAL LIABILITIES AND NET ASSETS	**$70,571,979**	**$62,536,920**

See accompanying notes.

IVY TECH COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE FIGURES AT JUNE 30, 2009

REVENUES	FY 2010	FY 2009
Operating Revenues		
Student Tuition and Fees	$233,418,637	$180,580,246
Scholarship Allowances	(81,235,640)	(50,423,407)
Net Student Tuition and Fees	152,182,997	130,156,839
Federal Grants and Contracts	3,353,773	3,313,569
State and Local Grants and Contracts	18,709,310	16,900,421
Nongovernmental Grants and Contracts	9,547,064	8,909,437
Sales and Services of Educational Departments	1,585,121	91,968
Auxiliary Enterprises	11,129,160	7,089,830
Other Operating Revenues	5,914,405	4,416,940
TOTAL OPERATING REVENUES	**202,421,830**	**170,879,004**
EXPENSES		
Operating Expenses		
Salaries and Wages	208,794,451	194,093,043
Benefits	61,989,291	55,458,922
Scholarships and Fellowships	152,397,011	75,710,112
Utilities	8,104,186	8,162,621
Supplies and Other Services	103,639,714	96,812,819
Depreciation	22,224,450	20,065,288
Amortization of Deferred Loss on Refunding	415,638	365,117
TOTAL OPERATING EXPENSES	**557,564,741**	**450,667,922**
Operating Loss	(355,142,911)	(279,788,918)
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	190,601,598	182,888,129
Federal Appropriations	739,595	
Investment Income	4,035,506	5,164,948
Interest on Capital Asset-Related Debt	(16,809,941)	(8,587,715)
Governmental Grants and Contracts-Federal	206,420,954	106,511,128
Governmental Grants and Contracts-State	23,903,710	16,409,528
Student Government Support	(852,046)	(837,819)
NET NONOPERATING REVENUES	**408,039,376**	**301,548,199**
Income (Loss) Before Other Revenues, Expenses,		
Gains, or Losses	52,896,465	21,759,281
Capital Gifts and Grants	5,789,131	2,188,722
Capital Appropriations	1,000,000	1,000,000
Total Other Revenues	6,789,131	3,188,722
INCREASE IN NET ASSETS	**59,685,596**	**24,948,003**
Net Assets - Beginning of Year	302,324,620	277,376,617
Net Assets - End of Year	**$362,010,216**	**$302,324,620**

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

IVY TECH FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

REVENUE, GAINS AND SUPPORT	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Contributions:				
Cash and pledges	$ 191,793	$ 4,925,977	$ 308,906	$ 5,426,676
Non-cash		5,064,045		5,064,045
Grant revenue	0	6,775,632	0	6,775,632
Total Contributions	191,793	16,765,654	308,906	17,266,353
Investment income	2,999,346	122,957		3,122,303
Vending income	678,382			678,382
Special events income, net of expenses of $149,772		276,435	45,420	321,855
Royalties	66,456	1,823		68,279
Real estate rental income	1,384,741	29,465		1,414,206
Realized gain on sale of property and equipment	23,187			23,187
Miscellaneous revenue	9,701	8,800	0	18,501
	5,353,606	17,205,134	354,326	22,913,066
Net assets released from restrictions	12,772,833	(12,772,833)		
Reclassification of donor intent	0	(967,488)	967,488	0
Total Revenue, Gains and Support	18,126,439	3,464,813	1,321,814	22,913,066
EXPENSES				
Financial aid to students	1,881,392			1,881,392
Instructional supplies and equipment	5,604,625			5,604,625
Faculty and staff development	33,533			33,533
Employee recognition	69,239			69,239
Special programs	2,019,168			2,019,168
Community outreach/promotional expense	601,513			601,513
Donations to Ivy Tech Community College	196,699			196,699
Donated property to Ivy Tech Community College	2,202,555			2,202,555
In-kind expense	478,781			478,781
Annuity obligations	5,466			5,466
Real estate rental expenses	1,283,512			1,283,512
Other real estate expenses	5,850			5,850
Total College Assistance Program Expenses	14,382,333			14,382,333
Administrative expenses	456,131			456,131
Fundraising expenses	50,119			50,119
Total Expenses	14,888,583			14,888,583
INCREASE IN NET ASSETS	3,237,856	3,464,813	1,321,814	8,024,483
NET ASSETS				
Beginning of Year	5,457,891	29,123,035	19,328,127	53,909,053
End of Year	**$8,695,747**	**$32,587,848**	**$20,649,941**	**$61,933,536**

See accompanying notes.

IVY TECH COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010 WITH COMPARATIVE FIGURES AT JUNE 30, 2009

CASH FLOWS FROM (FOR) OPERATING ACTIVITIES	FY 2010	FY 2009
Tuition and Fees	$ 158,466,960	$133,778,696
Gifts, Grants, and Contracts	31,452,765	29,585,201
Auxiliary Enterprises	11,163,374	19,724,710
Sales and Services of Educational Departments	1,585,121	91,967
Payments to Suppliers	(107,198,236)	(103,692,404)
Payments to or on Behalf of Employees	(262,677,605)	(256,907,236)
Payments to Students	(152,397,012)	(71,876,226)
Other Receipts (Payments)	5,034,394	2,761,194
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**(314,570,239)**	**(246,534,098)**
CASH FLOWS FROM (FOR) NONCAPITAL FINANCING ACTIVITIES		
Federal and State Scholarships and Grants	230,705,926	107,689,841
State Appropriations	190,601,598	186,499,003
Receipts from Stafford Loan Proceeds	382,981,837	134,023,976
Payments from Stafford Loan Proceeds to Students/Financial Institutions	(385,525,662)	(132,837,203)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	**418,763,699**	**295,375,617**
CASH FLOW FROM (FOR) CAPITAL & RELATED FINANCING ACTIVITIES		
Capital Appropriations	1,739,595	355,861
Deposit With Trustee	(52,624,376)	(18,567,454)
Proceeds from Issuance of Capital Debt	89,862,731	65,095,000
Purchase of Capital Assets	(52,263,386)	(48,022,164)
Principal Paid on Capital-Related Debt	(19,339,247)	(18,212,900)
Interest Paid on Capital-Related Debt	(12,607,615)	(8,713,024)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	**(45,232,298)**	**(28,064,681)**
CASH FLOW FROM (FOR) INVESTING ACTIVITIES		
Purchase of Investments	(174,000,000)	(68,880,000)
Proceeds from Sales and Maturities of Investments	125,381,794	76,500,000
Income on Investments	2,064,576	3,377,113
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	**(46,553,630)**	**10,997,113**
Net Increase in Cash	12,407,532	31,773,951
Cash and Cash Equivalents – Beginning of Year	50,484,075	18,710,124
Cash and Cash Equivalents – End of Year	**62,891,607**	**50,484,075**
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Net Operating Income (Loss)	(355,142,911)	(279,788,918)
Adjustments to reconcile net operating expenses		
Depreciation	22,224,450	20,065,288
Amortization	415,638	343,493
Allowance for Doubtful Accounts	8.521,378	52,851
Changes in Assets and Liabilities:		
Accounts Receivable	(7,161,131)	2,601,082
Prepaid Expense	(59,002)	(11,519)
Accounts Payable and Accrued Liabilities	11,727,494	(3,626,946)
Compensated Absences	983,113	2,154,003
Deferred Revenue	3,920,732	11,676,568
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**$(314,570,239)**	**$(246,534,098)**

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, 2010

OPERATING ACTIVITIES	
Increase in net assets	$8,024,483
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation	607,582
Gain on sales of property and equipment	(23,187)
Net realized and unrealized gain on investments	(2,378,220)
In-kind contribution of property	(4,579,311)
Contribution of property to Ivy Tech Community College	2,202,555
(Increase) decrease in certain assets:	
Pledges receivable	(1,333,072)
Prepaid expenses and other assets	(42,959)
Increase (decrease) in certain liabilities	
Accounts payable and accrued expenses	324,153
Accounts payable-related party	(181,707)
Annuities payable	(7,562)
Net Cash Provided by Operating Activities	2,612,755
INVESTING ACTIVITIES	
Purchases of property and equipment	(1,090,011)
Proceeds from sales of property and equipment	110,000
Purchases of investments	(12,749,356)
Sales and maturities of investments	6,006,913
Net Cash Used by Investing Activities	(7,722,454)
FINANCING ACTIVITIES	
Net borrowings on line of credit	136,917
Payments on notes payable	(261,225)
Net Cash Used by Financing Activities	(124,308)
NET DECREASE IN CASH AND EQUIVALENTS	(5,234,007)
CASH AND EQUIVALENTS	
Beginning of Year	12,286,008
End of Year	$7,052,001
SUPPLEMENTAL DISCLOSURES	
Interest paid	$ 326,331
Noncash investing activities:	
In-kind contribution of property	4,579,311
Contribution of property to Ivy Tech Community College	2,202,555

See accompanying notes.

IVY TECH COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS

June 30, 2010

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 $14.4 million to assist the College during fiscal year 2009-10. 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. On July 1, 2009 the Foundation changed its basis of accounting from the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles, to accounting principles generally accepted in the United States. The Foundation's management and Board of Directors approved the change to accounting principles generally accepted in the United States to provide an improved representation of the available resources of the Foundation and to use the presentation preferred within the industry among entities with exempt purposes similar to the Foundation. The most significant impact of the change was the inclusion of pledge receivables, which increased total assets by $6.8 million and $5.5 million for fiscal years 2009-10 and 2008-09, respectively. Additionally, investments are now reflected at fair market value instead of cost and accounts payable are reflected as a liability. 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. Prepaid Assets

Prepaid Assets are paid when due and the remaining value is reported as prepaid and consists of the following.

1. Bond principal and interest payments	$ 22,346,346
2. Advance payments to health insurance providers	$ 349,595
3. Other	$ 182,400
Total	$ 22,878,341

E. Change in Accounting Estimate – Allowance for Doubtful Accounts

The College changed the method of estimating the allowance for doubtful accounts in fiscal year ending June 30, 2010. The College performed an analysis of the amounts actually written-off for any accounts receivables greater than one-year old. This analysis was, in the College's opinion, a better estimate of the amounts that would not be collected than the method previously utilized. Additionally, all accounts receivables that are greater than one-year old are to be written-off unless payments are being made currently. In previous years the accounts could be maintained until the receivable was outstanding for two years.

II. Accrual of Loss Contingency

The College has no active matters in litigation at this time. The college currently has three matters with the Equal Employment Opportunity Commission. In the opinion of management, an unfavorable outcome in these matters will not have a material adverse affect 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 46 provides the minimum future annual payments for those leases, which were in effect on June 30, 2010.

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. Investments

Investment policies, as set forth by the State Board of Trustees, authorize Certificates of Deposits to be established not longer than five years. The bank must be insured by Public Deposit Insurance Fund (PDIF) or Federal Deposit Insured Fund (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 percent (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, 2010.

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, 2010 consist of the following:

			INVESTMENT MATURITIES (YEARS)		
INVESTMENT TYPE	RATING	FAIR MARKET VALUE	LESS THAN 1	1-2	MORE THAN 2
Deposits:	N/A				
Certificate of Deposits		$146,000,000	$96,000,000	$18,000,000	$32,000,000
Investment:					
US Government Agencies					
Securities	N/A	5,022,184			5,022,184
Money Market	N/A	35,669,064	35,669,064		
TOTAL		$186,691,248	$131,669,064	$18,000,000	$37,022,184

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 Deposits, US Government Treasury Bills, Notes, Bonds, and Agency 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 percent (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 percent (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 percent (5%) or more of the College's investments at June 30, 2010 are listed below:

INSTITUTIONS	COST	PERCENT OF TOTAL INVESTED
PNC	$29,021,026	15.55%
First Financial Bankcorp	23,000,000	12.32%
Lake City Bank	21,000,000	11.25%
Fifth Third Bank	18,000,000	9.64%
MI Corp	17,000,000	9.11%
Huntington	12,009,060	6.43%
US Bank	10,000,000	5.36%
Federated Investors	9,883,112	5.29%
JP Morgan Chase	9,882,546	5.29%
Dreyfus Corporation	9,882,380	5.29%

D. Foreign Currency Risk

The College does not hold foreign currency.

E. Custodial Credit Risk

The College Certificates of Deposits are all insured by Public Deposit Insurance Fund (PDIF) or Federal Deposit Insurance Fund (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).

V. 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, 2010, the College had not drawn against this line of credit.

VI. 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 benefits. The entire cost of the post-employment benefits is the responsibility of the retiree and the College has no funding or costs incurred.

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, may elect to remain in the College group medical and dental programs. Those 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 2009-10, expenditures of $541,449 were recognized for 68 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 $4.6 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, 2009 TO JUNE 30, 2010

Annual required contribution	$3,625,783
Interest on net OPEB obligation	315,176
Adjustment to annual required contribution	273,884
Annual OPEB cost	3,667,075
Contributions made	541,449
Increase (decrease) in net OPEB obligation	3,125,626
Net OPEB obligation, beginning of year	6,303,526
Net OPEB obligation, end of year	$9,429,152

The College's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the two preceding years were as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06-30-08	3,568,508	10.1%	3,207,434
06-30-09	3,523,496	12.1%	6,303,526
06-30-10	3,667,075	14.9%	9,429,152

Funded Status and Funding Progress

As of June 30, 2010, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was $29,102,681, and the actuarial value of assets was $0.00 resulting in an unfunded actuarial accrued liability (UAAL) of $29,102,681.

Schedule of Funding Progress	July 1, 2009	July 1, 2008	July 1, 2007
1. Actuarial Value of Assets	$ 0	$ 0	$ 0
2. Accrued Liability	29,102,681	28,158,243	28,693,409
3. Unfunded Accrued Liability (UAL) (2. – 1.)	29,102,681	28,158,243	28,693,409
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 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.

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, 2010 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, 2010 was 28 years.

VII. 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 $376,400. In addition, the unpaid claim liability for the medical plan was $4,288,300. 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.

A reserve (the excess of employer share over claims paid) was recognized in the amount of $4.8 million.

VIII. 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.

A. Teachers Insurance Annuity Association/College Retirement Equities Fund

Full-time faculty, professional, and administrative staff are eligible for participation in a retirement program with Teachers Insurance Annuity Association (TIAA) and College Retirement Equities Fund (CREF), defined contributions plan. This program is fully funded by the College.

The participation date for eligible employees is determined by their personnel position classification. Members of TIAA and CREF may elect to allocate contributions to their account under several options. The allocation may be designated in whole or prescribed ratios to the fixed-dollar fund (TIAA) or to a diversified common stock fund(s) (CREF). During the fiscal year ended June 30, 2010, Ivy Tech Community College paid $14.9 million to TIAA/CREF, representing $99.4 million in total salaries.

On June 30, 2010, there were 1,730 employees participating in this retirement program. Further information may be obtained from TIAA/CREF by contacting them at 730 3rd Avenue, New York, New York 10017-3206.

B. American United Life Retirement Option

In fiscal year 2002 the Ivy Tech State Board of Trustees approved the addition of new options to the College's retirement plan offerings. The adoption of these options creates a greater opportunity for employees to diversify their investments. The new retirement plan, American United Life Insurance Company (AUL), was added as an alternate direct vendor to receive College contributions to the Defined Contribution Retirement Annuity (RA) plan for eligible faculty and administrative employees. The Plan became effective on October 1, 2002; employees must choose between TIAA/CREF and AUL. During fiscal year ended June 30, 2010, Ivy Tech Community College paid $1.7 million to AUL, representing $11.1 million in total salaries. On June 30, 2010, there were 177 employees participating in this retirement program. Further information may be obtained from AUL by contacting them at One American Square, P.O. Box 368, Indianapolis, IN 46206-0368.

C. Public Employees' Retirement Fund

1. Plan Description

Ivy Tech Community College contributes to the Public Employees' Retirement Fund (PERF), a defined benefit pension plan for certain employees of the State of Indiana. Full-time non-exempt employees are eligible to participate in the defined benefit plan. On June 30, 2010, 854 employees of Ivy Tech Community College were members of this retirement plan. State statutes (IC 5-10.2 and 5-10.3) govern most requirements of the system and give Ivy Tech authority to contribute to the plan.

The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions set by state statute at three percent of compensation, plus the interest credited to the member's account. Ivy Tech Community College has elected to make the contributions on behalf of the eligible members. The College contributed $752 thousand to individual employee annuity accounts in the Indiana Public Employees' Retirement Fund (PERF) for the year ended June 30, 2010.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by writing the Public Employees Retirement Fund, Harrison Building, Room 800, 143 West Market Street, Indianapolis, IN 46204, or by calling (317) 233-4162.

2. Funding Policy and Annual Pension Cost

The Board of Trustees of PERF establishes the contribution requirements of plan members. Ivy Tech Community College's annual pension cost for the 2010 fiscal year and related information, as provided by the actuary is presented in this note. The amount of retirement costs associated with the employee share, $752 thousand, is not included in the following information.

IVY TECH COMMUNITY COLLEGE
PERF

Annual Required Contribution	$1,394,925	Increase (Decrease) in Net Pension Obligation	$(104,433)
Interest on Net Pension Obligation	(88,048)	Net Pension Obligation, Beginning of Year	(1,214,453)
Adjustment to Annual Required Contribution	100,337	Net Pension Obligation, End of Year	$ (1,318,886)
Annual Pension Cost-Employers Share Only	1,407,214		
Contributions Made – Employers Share Only	$ 1,511,647		

College Contributions: 9.5%	Asset Valuation Method: Smoothed Market Value Basis
Total College Contributions Includes a 3% Member Share	Investment Rate of Return: 7.25%
Plan Members: 3.00%	Projected Future Salary Increases: Total 4%
Actuarial Valuation Date: 07/01/08	
Actuarial Cost Method: Normal Cost	
Amortization Method: Level Dollar, Closed	
Amortization Period (from date): 30 years from 07/01/97	
Cost-of-Living Adjustments: 1.5%	

IVY TECH COMMUNITY COLLEGE
THREE-YEAR TREND INFORMATION (PERF)

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/07	1,136,742	98%	(1,010,770)
06/30/08	1,188,723	99%	(1,214,453)
06/30/09	1,407,214	99%	(1,318,886)

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 %
07/01/07	21,057,068	20,708,476	(348,592)	101.7%	19,898,143	(0.00%)
07/01/08	22,274,898	22,675,033	(400,135)	98.2%	21,460,382	(1.90%)
07/01/09	19,354,491	22,287,374	(2,932,883)	86.8%	24,417,643	(12.00%)

D. Federal Social Security Act

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

IX. 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, 2010 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Land	$ 25,526,273	$ 1,958,984	$	$ 27,485,257
Construction work in progress	40,822,961	43,051,576	59,254,896	24,619,641
Land improvements and infrastructure	12,046,976	4,522,402	397,517	16,171,861
Buildings	418,493,856	61,213,164	2,061,589	477,645,431
Furniture, fixtures, and equipment	66,926,174	7,176,756	4,556,993	69,545,937
Library materials	2,216,818	364,690	216,650	2,364,858
Total	566,033,058	118,287,572	66,487,645	617,832,985
Less accumulated depreciation:				
Land improvements and infrastructure	7,410,313	818,691	151,504	8,077,500
Buildings	105,008,481	15,226,374	927,793	119,307,062
Furniture, fixtures, and equipment	45,172,821	6,350,158	4,447,763	47,075,216
Library materials	1,805,226	126,518	216,652	1,715,092
Total accumulated depreciation	159,396,841	22,521,741	5,743,712	176,174,870
Capital assets, net	**$ 406,636,217**	**$ 95,765,831**	**$ 60,743,933**	**$ 441,658,115**

Construction Work In Progress

The following table presents the construction projects in process as of June 30, 2010.

Fall Creek Expansion	7,139,995
Greencastle Series L	11,090
Agriculture Storage Building	107,340
Anderson Planning	336,317
Multi Modal Federal	2,303,920
Multi Modal Local	469,932
A&E Planning/Expansion	323,142
Valparaiso – Region 01 Phase II	475,650
Capitalized Interest – Fall Creek Expansion	6,508
Warsaw Capital Projects – Series M	541,966
Capitalized Interest – Warsaw – Series M	1,886
Elkhart – Series M	648,567
Capitalized Interest – Elkhart – Series M	2,131
Sellersburg – Series M	9,572,693
Capitalized Interest – Sellersburg – Series M	5,340
Various Repair & Rehabilitation & Parking Lot Projects	2,673,164
Total Construction Work In Progress	**$ 24,619,641**

X. Long Term Liabilities

PRIMARY INSTITUTION

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Leases, notes, and bonds payable:					
Lease Obligations	$14,047,518	$ 471,197	$1,143,247	$13,375,468	$1,029,749
Notes Payable	6,806,000	-	561,000	6,245,000	581,000
Revenue bonds payable:					
Series G student fee bonds	27,335,000	-	2,845,000	24,490,000	2,975,000
Bond Yield 1.93% - 4.93%					
Series H student fee bonds	37,935,000	-	2,450,000	35,485,000	2,545,000
Bond Yield 1.32% - 3.96%					
Series I student fee bonds	35,230,000	-	1,655,000	33,575,000	1,740,000
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	56,775,000	-	2,075,000	54,700,000	2,170,000
Bond Yield 3.76% - 4.74%					
Series L student fee bonds	62,595,000	-	3,525,000	59,070,000	3,645,000
Bond Yield 2.0% - 4.85%					
Series M student fee bonds	-	18,800,000	2,605,000	16,195,000	1,975,000
Bond Yield .485% - 1.95%					
Series N student fee bonds	-	70,290,000	-	70,290,000	-
Bond Yield 3.51% - 6.155%					
Total bonds payable	229,115,000	89,090,000	15,155,000	303,050,000	15,050,000
Premium on Bonds-Series H, I, J,K,L,M	7,000,017	775,391	641,691	7,133,717	641,691
Total leases, notes, & bonds payable	256,968,535	90,336,588	17,500,938	329,804,185	17,302,440
Other liabilities:					
Compensated absences	12,708,273	8,905,403	7,922,290	13,691,386	8,092,138
Other post employment benefits	6,303,526	3,125,626	-	9,429,152	-
Total other liabilities	19,011,799	12,031,029	7,922,290	23,120,538	8,092,138
Total long-term liabilities	**$275,980,334**	**$102,367,617**	**$$25,423,228**	**$352,924,723**	**$25,394,578**

A. Notes Payable

The College has issued interim financing notes as a means of providing funds for acquisition and/or construction of facilities as more fully described below. On July 1, 2009 an interim financing agreement totaling $6,746,000 was outstanding. During 2009-10, the College made principal payments totaling $541,000 on the Lafayette Phase III loan. The June 30, 2010 principal balance was $6,205,000.

Location	Balance June 30, 2009	Principal Paid 2009-10	New Debt 2009-10	Balance June 30, 2010
Lafayette	$6,746,000	$541,000	$ -	$6,205,000
Totals	**$6,746,000**	**$541,000**	**$ -**	**$ 6,205,000**

Lafayette Phase III. 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. Upon maturity the loan will be refinanced by the issuance of permanent financing or additional junior lien financing or repaid from student fees. Under the terms of the loan agreement, the College pays a fixed interest rate of 3.75% per annum for the entire term of the loan. The interest expense is paid semi-annually. The College will make principal payments annually according to the following schedule.

IVY TECH COMMUNITY COLLEGE

SCHEDULE OF ANNUAL REQUIREMENTS FOR PRINCIPAL AND INTEREST

LAFAYETTE PHASE III INTERIM FINANCING AGREEMENT

$7,960,000 ORIGINAL LOAN AMOUNT

Year Ending June 30	Principal	Interest	Total	Outstanding Principal
2011	561,000	232,688	793,688	5,644,000
2012	5,644,000	125,814	5,769,814	
Totals	**$6,205,000**	**$358,502**	**$6,563,502**	

Upon maturity the loan will be refinanced by the issuance of permanent financing or additional junior lien financing or repaid from student fees.

B. Refunded Bond Issues

In prior years, the College defeased certain serial bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the liability for the defeased bonds are not included in the College's financial statements. At June 30, 2010, $18,715,000 of bonds outstanding is considered defeased.

C. Premium On Bonds

The June 30, 2009 Premium on Bonds of $7.0 million was the remaining balance from the sale of Series H, I, J, K, L Student Fee Bonds. The ending balance at June 30, 2010 of $7.1 million includes the remaining balance from Series H, I, J, K, & L and the sale of Series M 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 seventy-five retirement plan and is paid at a rate of one-half the accumulated time up to an accumulated maximum of eight hundred hours. The computed College current portion of the liability for compensated absences as of June 30, 2010 is $8.1 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 10 of the M D & A.

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

Year Ending June 30	Principal	Interest	Total	Series N 35% Federal Interest Credit	Total	Outstanding Principal Balance
2011	15,050,000.00	14,130,694.57	29,180,694.57	(1,378,879.24)	27,801,815.33	288,000,000.00
2012	17,015,000.00	13,335,747.52	30,350,747.52	(1,327,263.44)	29,023,484.08	270,985,000.00
2013	17,680,000.00	12,649,697.52	30,329,697.52	(1,327,263.44)	29,002,434.08	253,305,000.00
2014	17,535,000.00	11,935,897.52	29,470,897.52	(1,327,263.44)	28,143,634.08	235,770,000.00
2015	17,785,000.00	11,200,935.02	28,985,935.02	(1,327,263.44)	27,658,671.58	217,985,000.00
2016 - 2020	88,465,000.00	44,051,810.61	132,516,810.61	(5,927,073.88)	126,589,736.73	129,520,000.00
2021 - 2025	76,865,000.00	23,926,318.25	100,791,318.25	(3,994,265.87)	96,797,052.38	52,655,000.00
2026 - 2030	52,655,000.00	5,348,792.48	58,003,792.48	(1,335,485.59)	56,668,306.89	0.00
Totals	**$303,050,000.00**	**$136,579,893.49**	**$439,629,893.49**	**($17,944,758.34)**	**$421,685,135.15**	

XI. 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 are 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 (FT. WAYNE, BLOOMINGTON, LAFAYETTE PHASE I)
ORIGINAL ISSUE - $46,370,000

Year Ending June 30	Principal	Interest	Total	Outstanding Principal Balance
2010	2,845,000.00	1,222,481.25	4,067,481.25	24,490,000.00
2011	2,975,000.00	1,095,087.50	4,070,087.50	21,515,000.00
2012	3,120,000.00	950,150.00	4,070,150.00	18,395,000.00
2013	3,275,000.00	790,275.00	4,065,275.00	15,120,000.00
2014	3,435,000.00	631,112.50	4,066,112.50	11,685,000.00
2015	3,600,000.00	471,025.00	4,071,025.00	8,085,000.00
2016	2,605,000.00	327,007.50	2,932,007.50	5,480,000.00
2017	2,730,000.00	200,270.00	2,930,270.00	2,750,000.00
2018	2,750,000.00	67,375.00	2,817,375.00	0.00
Totals	**$27,335,000.00**	**$5,754,783.75**	**$33,089,783.75**	

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
2010	2,450,000.00	1,820,250.00	4,270,250.00	35,485,000.00
2011	2,545,000.00	1,722,600.00	4,267,600.00	32,940,000.00
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	**$37,935,000.00**	**$12,542,587.50**	**$50,477,587.50**	

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
2010	1,655,000.00	1,487,595.00	3,142,595.00	33,575,000.00
2011	1,740,000.00	1,402,720.00	3,142,720.00	31,835,000.00
2012	1,820,000.00	1,327,370.00	3,147,370.00	30,015,000.00
2013	1,885,000.00	1,257,820.00	3,142,820.00	28,130,000.00
2014	1,965,000.00	1,180,820.00	3,145,820.00	26,165,000.00
2015	2,055,000.00	1,090,145.00	3,145,145.00	24,110,000.00
2016	2,160,000.00	984,770.00	3,144,770.00	21,950,000.00
2017	2,260,000.00	883,875.00	3,143,875.00	19,690,000.00
2018	2,355,000.00	788,113.75	3,143,113.75	17,335,000.00
2019	2,455,000.00	691,375.00	3,146,375.00	14,880,000.00
2020	2,555,000.00	592,402.50	3,147,402.50	12,325,000.00
2021	2,660,000.00	486,772.50	3,146,772.50	9,665,000.00
2022	0.00	432,242.50	432,242.50	9,665,000.00
2023	0.00	432,242.50	432,242.50	9,665,000.00
2024	0.00	432,242.50	432,242.50	9,665,000.00
2025	2,760,000.00	371,522.50	3,131,522.50	6,905,000.00
2026	3,375,000.00	235,708.75	3,610,708.75	3,530,000.00
2027	3,530,000.00	80,307.50	3,610,307.50	0.00
Totals	**$35,230,000.00**	**$14,158,045.00**	**$49,388,045.00**	

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
2010	0.00	462,250.00	462,250.00	9,245,000.00
2011	0.00	462,250.00	462,250.00	9,245,000.00
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**	**$6,301,625.00**	**$15,546,625.00**	

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
2010	2,075,000.00	2,634,440.00	4,709,440.00	54,700,000.00
2011	2,170,000.00	2,538,927.50	4,708,927.50	52,530,000.00
2012	2,270,000.00	2,439,027.50	4,709,027.50	50,260,000.00
2013	2,370,000.00	2,334,627.50	4,704,627.50	47,890,000.00
2014	2,480,000.00	2,225,502.50	4,705,502.50	45,410,000.00
2015	2,590,000.00	2,117,902.50	4,707,902.50	42,820,000.00
2016	2,695,000.00	2,012,202.50	4,707,202.50	40,125,000.00
2017	2,820,000.00	1,887,802.50	4,707,802.50	37,305,000.00
2018	2,965,000.00	1,743,177.50	4,708,177.50	34,340,000.00
2019	3,115,000.00	1,591,177.50	4,706,177.50	31,225,000.00
2020	3,275,000.00	1,431,427.50	4,706,427.50	27,950,000.00
2021	3,435,000.00	1,270,982.50	4,705,982.50	24,515,000.00
2022	3,600,000.00	1,107,812.50	4,707,812.50	20,915,000.00
2023	3,780,000.00	928,712.50	4,708,712.50	17,135,000.00
2024	3,970,000.00	737,462.50	4,707,462.50	13,165,000.00
2025	4,170,000.00	536,462.50	4,706,462.50	8,995,000.00
2026	4,390,000.00	319,718.75	4,709,718.75	4,605,000.00
2027	4,605,000.00	103,612.50	4,708,612.50	0.00
Totals	**$56,775,000.00**	**$27,960,978.75**	**$84,735,978.75**	

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
2010	3,525,000.00	2,580,718.76	6,105,718.76	59,070,000.00
2011	3,645,000.00	2,463,168.76	6,108,168.76	55,425,000.00
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	**$62,595,000.00**	**$27,332,134.56**	**$89,927,134.56**	

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
2010	2,605,000.00	25,615.84	2,630,615.84	16,195,000.00
2011	1,975,000.00	506,285.83	2,481,285.83	14,220,000.00
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	**18,800,000.00**	**1,492,351.67**	**20,292,351.67**	

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
2010					0.00	70,290,000.00
2011		3,939,654.98	3,939,654.98	(1,378,879.24)	2,560,775.74	70,290,000.00
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	(502,437.09)	6,253,097.43	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**	**51,270,738.11**	**121,560,738.11**	**(17,944,758.34)**	**103,615,979.77**	

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, AND
SERIES M AND SERIES N OF 2010

Year Ending June 30	Principal	Interest	Total	35% Federal Interest Credit	Net Total	Outstanding Principal Balance
2010	15,155,000.00	10,233,350.85	25,388,350.85	0.00	25,388,350.85	303,050,000.00
2011	15,050,000.00	14,130,694.57	29,180,694.57	(1,378,879.24)	27,801,815.33	288,000,000.00
2012	17,015,000.00	13,335,747.52	30,350,747.52	(1,327,263.44)	29,023,484.08	270,985,000.00
2013	17,680,000.00	12,649,697.52	30,329,697.52	(1,327,263.44)	29,002,434.08	253,305,000.00
2014	17,535,000.00	11,935,897.52	29,470,897.52	(1,327,263.44)	28,143,634.08	235,770,000.00
2015	17,785,000.00	11,200,935.02	28,985,935.02	(1,327,263.44)	27,658,671.58	217,985,000.00
2016	17,365,000.00	10,452,613.02	27,817,613.02	(1,303,676.24)	26,513,936.78	200,620,000.00
2017	18,095,000.00	9,671,879.77	27,766,879.77	(1,252,199.73)	26,514,680.04	182,525,000.00
2018	18,775,000.00	8,817,023.89	27,592,023.89	(1,192,349.86)	26,399,674.03	163,750,000.00
2019	16,740,000.00	7,964,013.15	24,704,013.15	(1,125,658.41)	23,578,354.74	147,010,000.00
2020	17,490,000.00	7,146,280.78	24,636,280.78	(1,053,189.64)	23,583,091.14	129,520,000.00
2021	17,500,000.00	6,310,192.27	23,810,192.27	(976,368.66)	22,833,823.61	112,020,000.00
2022	14,190,000.00	5,530,412.52	19,720,412.52	(894,499.81)	18,825,912.71	97,830,000.00
2023	14,380,000.00	4,799,680.53	19,179,680.53	(804,941.12)	18,374,739.41	83,450,000.00
2024	15,050,000.00	4,036,603.03	19,086,603.03	(709,626.50)	18,376,976.53	68,400,000.00
2025	15,745,000.00	3,249,429.90	18,994,429.90	(608,829.78)	18,385,600.12	52,655,000.00
2026	16,455,000.00	2,426,787.03	18,881,787.03	(502,437.09)	18,379,349.94	36,200,000.00
2027	17,220,000.00	1,561,521.90	18,781,521.90	(388,572.85)	18,392,949.05	18,980,000.00
2028	9,480,000.00	852,696.02	10,332,696.02	(266,750.01)	10,065,946.01	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	**$318,205,000.00**	**$146,813,244.34**	**$465,018,244.34**	**(17,944,758.34)**	**447,073,486.00**	

(1) Advanced Refunding Series G Bonds Principal Debt of $24,490,000.00
Series H Bonds Principal Debt of $35,485,000.00
Series I Bonds Principal Debt of $33,575,000.00
Series J Bonds Principal Debt of $9,245,000.00
Series K Bonds Principal Debt of $54,700,000.00
Series L Bonds Principal Debt of $59,070,000.00
Series M Bonds Principal Debt of $16,195,000.00
Series N Bonds Principal Debt of $70,290,000.00

IVY TECH COMMUNITY COLLEGE

SCHEDULE OF FUTURE MINIMUM PAYMENTS ON OPERATING LEASES

JUNE 30, 2010

	2010-2011	2011-2012	2012-2013	2013-2014	2015 & Beyond
Facilities	$ 4,492,464	$ 3,921,666	$ 1,432,474	$ 1,346,146	$ 7,499,250
Office furniture and Equipment	89,221	50,415	1,901	1,901	-
Total	**$4,581,685**	**$3,972,081**	**$1,434,375**	**$1,348,047**	**$ 7,499,250**

SCHEDULE OF STUDENT FINANCIAL AID EXPENDITURES FOR YEAR ENDED JUNE 30, 2010

WITH COMPARATIVE FIGURES AT JUNE 30, 2009

	Current Unrestricted	Current Restricted	June 30, 2010 Total	June 30, 2009 Total
Workstudy (1)	$ 1,292	$ 1,894,803	$ 1,896,095	$ 1,693,463
Scholarship/Fellowship (2)	-	203,632,014	203,632,014	105,425,604
Grants (3)	-	25,465,457	25,465,457	17,479,539
Fee Remissions	6,209,148	-	6,209,148	4,450,267
Administrative Allowance (4)	547,362	-	547,362	397,570
Total Financial Aid Expenses	**$6,757,802**	**$230,992,274**	**$237,750,076**	**$129,446,443**

(1) The $1,292 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 $203,632,014 includes $200,865,242 of Pell Grants as compared to $102,640,516 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 $85,196 Federal Work-Study, $341,330 Pell, and $120,836 Federal Supplemental Educational Opportunity Grant (FSEOG).

IVY TECH COMMUNITY COLLEGE

FIVE YEAR TREND IN STUDENT ENROLLMENT

ACTUAL

	2005-06	2006-07	2007-08	2008-09	2009-10*
Credit Student					
Full Time	32,988	35,804	40,033	42,138	46,627
Part Time	71,720	75,339	80,414	93,561	119,928
Total	**104,708**	**111,143**	**120,447**	**135,699**	**166,555**
FTE	42,975	45,857	49,752	55,738	72,629
Non-Credit Students	20,275	20,630	23,918	23,654	21,234

*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.