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

AUDIT REPORT

OF

IVY TECH COMMUNITY COLLEGE OF INDIANA

INDIANAPOLIS, INDIANA

July 1, 2010 to June 30, 2011

FILED
03/21/2012

TABLE OF CONTENTS

SCHEDULE OF COLLEGE OFFICIALS

Office	Official	Term
President	Thomas J. Snyder	07-01-10 to 06-30-12
Vice President/Treasurer	Robert C. Holmes	01-01-10 to 06-30-12
Chairman of the Board of Trustees	Kaye H. Whitehead	08-01-08 to 08-12-10
	Lee J. Marchant	08-13-10 to 08-11-11
	Anne K. Shane	08-12-11 to 08-11-12

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 222-2513
Fax: (317) 222-4711
Web Site: www.in.gov/sboa

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, 2011, and have issued our report thereon dated October 13, 2011. 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
State Board of Accounts

October 13, 2011

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

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

Compliance

We have audited the compliance of Ivy Tech Community College of Indiana (College) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2011. 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, Ivy Tech Community College of Indiana complied, in all material respects with the compliance requirements referred to above that that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

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

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the College as of and for the year ended June 30, 2011, and have issued our report thereon dated October 13, 2011. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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.

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

STATE BOARD OF ACCOUNTS
State Board of Accounts

February 14, 2012

IVY TECH COMMUNITY COLLEGE OF INDIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2011

Federal Grantor Agency/Pass Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Total Federal Awards Expended
U.S. DEPARTMENT OF EDUCATION & DEPARTMENT OF HEALTH & HUMAN SERVICES		
Direct Grant		
Student Financial Aid Cluster		
Federal Supplemental Educational Opportunity Grants	84.007	$ 2,649,660
Federal Family Education Loans	84.032	2,130,304
Federal Work-Study Program	84.033	1,793,279
Federal Pell Grant Program	84.063	245,802,558
Federal Direct Student Loans	84.268	387,861,262
Academic Competitiveness Grants	84.375	1,370,705
ARRA - Scholarships for Disadvantaged Students	93.407	22,793
Scholarships for Disadvantaged Students	93.925	37,896
Total for cluster		641,668,457
U.S. DEPARTMENT OF TRANSPORTATION		
Pass-Through Indianapolis Public Transportation Corporation (IndyGO)		
Federal Transit Cluster		
Federal Transit _ Capital Investment Grants	20.500	4,295,170
Total for cluster		4,295,170
U.S. DEPARTMENT OF LABOR		
Direct Grant		
WIA Pilots, Demonstrations, and Research Projects	17.261	89,772
Direct Grant		
H-1B Job Training Grants	17.268	471,468
Direct Grant		
ARRA - Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors	17.275	1,478,634
Pass-Through Indiana Department of Workforce Development		
WIA Cluster		
WIA Adult Program	17.258	183,030
ARRA - WIA Adult Program	17.258	626,376
WIA Youth Activities	17.259	37,368
WIA Dislocated Workers	17.260	598
ARRA - WIA Dislocated Workers	17.260	157,216
Total for cluster		1,004,589
Pass-Through Indiana Department of Workforce Development		
Community Based Job Training Grants	17.269	18,217
Veterans' Employment Program	17.802	20,793
Total for federal grantor agency		3,083,475
INSTITUTE OF MUSEUM AND LIBRARY SERVICES		
Pass-Through State of Indiana		
Grants to States	45.310	379
Total for federal grantor agency		379
NATIONAL SCIENCE FOUNDATION		
Direct Grant		
Education and Human Resources	47.076	138,039
Pass-Through Purdue University		
Computer and Information Science and Engineering	47.070	4,742
Pass-Through Montgomery County Community College		
Education and Human Resources	47.076	2,256
Pass-Through Purdue University		
Education and Human Resources	47.076	20,032
Total for federal grantor agency		165,068

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, 2011
(Continued)

Federal Grantor Agency/Pass Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Total Federal Awards Expended
U.S. SMALL BUSINESS ADMINISTRATION		
Direct Grant		
SBA Congressional Earmark	59.000	354,942
Pass-Through South Central Indiana Small Business Development Center		
Small Business Development Centers	59.037	344,367
Total for federal grantor agency		699,310
U.S. DEPARTMENT OF ENERGY		
Direct Grant		
ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122	634,997
Pass-Through Indiana Housing and Community Development Authority		
ARRA - Weatherization Assistance for Low-Income Persons	81.042	352,072
Pass-Through Purdue University		
ARRA - Conservation Research and Development	81.086	217,766
Total for federal grantor agency		1,204,835
U.S. DEPARTMENT OF EDUCATION		
Direct Grant		
Trio Cluster		
Student Support Services	84.042A	765,124
Talent Search	84.044A	253,927
Total for cluster		1,019,051
Pass-Through State of Indiana		
State Fiscal Stabilization Fund Cluster		
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394A	2,143,566
Total for cluster		2,143,566
Direct Grant		
Fund for the Improvement of Postsecondary Education	84.116	835,518
Pass-Through Indiana Department of Workforce Development		
Career and Technical Education - Basic Grants to States	84.048	7,212,286
Pass-Through Indiana Department of Education		
Twenty-First Century Community Learning Centers	84.287	140,799
Pass-Through Indiana Commission for Higher Education		
Improving Teacher Quality State Grants	84.367	251,490
Total for federal grantor agency		653,210,477
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Direct Grant		
Nurse Education, Practice and Retention Grants	93.359	643
Pass-Through Indiana Association for the Education of Young Children, Inc		
CCDF Cluster		
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	1,422
Pass-Through Purdue University		
ARRA - Health Information Technology Regional Extension Centers Program	93.718	17,084
Total for federal grantor agency		79,837
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		
Pass-Through Harrisburg University of Science & Technology		
Learn and Serve America - Higher Education	94.005	12,009
Total federal award expended		$ 662,750,559

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

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

Note 1. Scope of Review

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

Note 2. Basis of Presentation

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

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

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

Awards Other Than Student Financial Assistance

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

Student Financial Assistance

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

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

Note 3. Subrecipients

Of the federal expenditures presented in the schedule, the College provided federal awards to subrecipients as follows for the year ended June 30, 2011:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
H-1B Job Training Grants	17.268	$ 37,139
Education and Human Resources	47.076	32,676
ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122	378,736

Note 4. 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, 2011.

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

Section I – Summary of Auditor's Results

Financial Statements:

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

Federal Awards:

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
Various	Student Financial Aid Cluster
Various	Federal Transit Cluster
Various	ARRA - State Fiscal Stabilization Fund Cluster

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

No matters are reportable.

IVY TECH COMMUNITY COLLEGE OF INDIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year ending June 30, 2010

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

Original SBA Audit Report Number: B3859
Auditee Contact Person: Ben Burton
Title of Contact Person: Chief Student Financial Resources Officer
Phone Number (317) 921-4712

Status of Finding:

The College received a Final Determination Letter from the U.S. Department of Education dated May 26, 2011; Audit Control Number (ACN) 05-2010-12628. The Final Determination Letter did not require additional action on the part of the Ivy Tech. As such, this finding is considered to be closed.

50 WEST FALL CREEK PARKWAY NORTH DRIVE
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P. 317-921-4882

Ivy Tech is an accredited, equal opportunity, affirmative action community college.

IVY TECH COMMUNITY COLLEGE OF INDIANA
EXIT CONFERENCE

The contents of this report were discussed on February 14, 2012, with Mark Husk, Assistant Treasurer; Mike Davis, Director of Internal Audit; and Ben Burton, Chief Financial Student Resources Officer. Our audit disclosed no material items that warrant comment at this time.

IvyTech.edu

Ivy Tech Community College of Indiana

2010-2011 FINANCIAL REPORT

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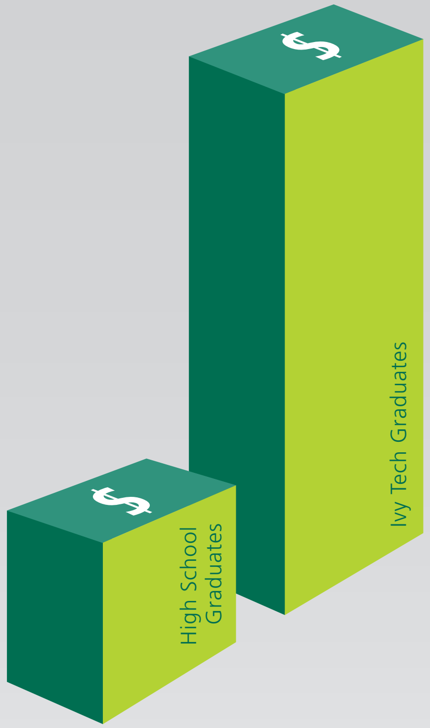
(888-489-5463)
IvyTech.edu



The annual lifetime earnings of Ivy Tech graduates are estimated to be 74% higher than Hoosiers with only a high school diploma.

15.1%

annual rate of return to Indiana taxpayers from the State's investment in educating Ivy Tech graduates.

30

DEGREE-GRANTING LOCATIONS

AVG. CLASS SIZE: 22 STUDENTS

22

103%

ENROLLMENT GROWTH SINCE 2000

37%

The earnings of today's Ivy Tech graduates will be 37% higher than the average of Hoosiers already in the workforce who have some college education or an associate degree.

STANDARD & POOR'S = AA- STABLE OUTLOOK

FITCH RATINGS = AA STABLE OUTLOOK

BECAME INDIANA'S COMMUNITY COLLEGE IN **2005**

10,000,000

INDIANA PARENTS SAVED MORE THAN **$10 MILLION** IN TUITION COSTS THROUGH IVY TECH'S DUAL CREDIT PROGRAM.

FOUNDED IN **1963**

1ST DEGREE AWARDED **1975**

1ST TRANSFER AGREEMENT **1987**

THE LARGEST COLLEGE IN INDIANA

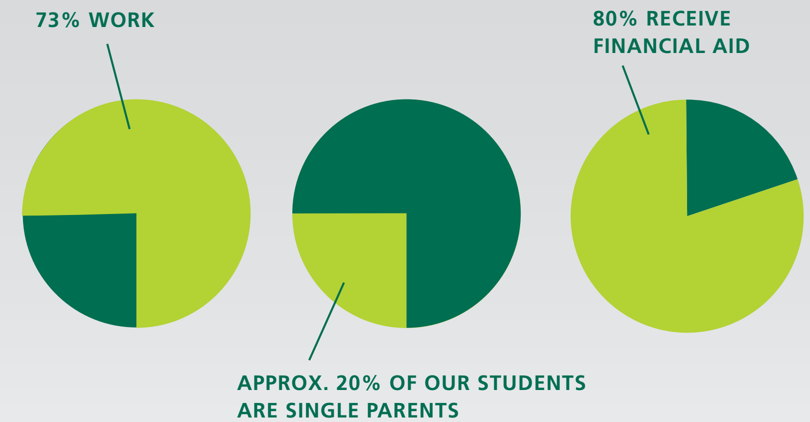
LARGEST COMMUNITY COLLEGE IN THE NATION

LARGEST ONLINE EDUCATION PROVIDER IN THE STATE: **30,000** STUDENTS

200,000

STUDENTS STATEWIDE (CREDIT AND NON-CREDIT)

OUR STUDENTS



1/4 THE COST OF OTHER INDIANA COLLEGES AND UNIVERSITIES

1/6 THE COST WHEN ROOM AND BOARD ARE INCLUDED

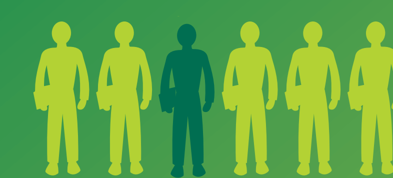
25% OF STUDENTS TRANSFER TO A 4-YEAR COLLEGE

1,000,000 HOURS OF WORKFORCE TRAINING

INDIANA'S LARGEST WORKFORCE TRAINING PROVIDER

23.1%

Annual rate of return on the investments in money and foregone earnings made by 2004-05 Ivy Tech graduates is estimated to be 23.1%—approximately five times higher than the yield of a personal savings account.



APPROX. **1/6** OF ALL INDIANA ADULTS HAVE TAKEN A CLASS AT IVY TECH

$5.09

For every dollar the State of Indiana invests in Ivy Tech, the actual economic impact is $5.09—over five times the investment.

11.7

THE PAYBACK PERIOD FOR AN IVY TECH GRADUATE'S EDUCATIONAL INVESTMENT IS 3.1 YEARS. THE BENEFIT/COST RATIO OF THAT INVESTMENT IS 11.7.

Ivy Tech contributes over $700 million to Indiana's economy annually as its direct expenditures boost additional business and consumer spending.

700,000,000

Ivy Tech Community College of Indiana

2010-11 FINANCIAL REPORT

Dear Friends of Ivy Tech:

On behalf of the Trustees of Ivy Tech Community College, I am pleased to present the College's 2010-11 Financial Report.

As evidenced by this document, 2010-11 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. The College's tremendous growth has been fueled by its affordability, transferable credits, supportive learning environment, and nimble response to workforce needs. Ivy Tech has been able to accommodate the growth with funding from state appropriations combined with cost savings and efficiencies.

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

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

We are fortunate for our recent successes, and we're eager to do even more in the future. 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

President
Thomas J. Snyder

Chairman
Mr. Lee J. Marchant,
Bloomington, Indiana

Vice Chairman
Mrs. Anne K. Shane,
Indianapolis, Indiana

Secretary
Mr. V. Bruce Walkup,
Sullivan, Indiana

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Columbus, Indiana

Ms. Kaye H. Whitehead
Muncie, Indiana

Board listing as of June 30, 2011.

October 13, 2011

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, 2011.

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 2010-11 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
Vice President for Finance/Treasurer

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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 (College), a component unit of the State of Indiana, as of and for the years ended June 30, 2011 and 2010. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the component unit of the College as discussed in Note 1, which represents 100% of the assets and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report thereon has been furnished to us and our opinion, insofar as it relates to this unit, is based upon the report of the other 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 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, 2011 and 2010, 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 October 13, 2011, 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.

Our audits were conducted for the purpose of forming opinions on the financial statements taken as a whole. The Introductory Section, Schedules of Annual Bond Requirements for Outstanding Debts, Schedule of Operating Leases, Student Financial Aid Expenditures and Student Enrollment Trend Information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Introductory Section, Schedules of Annual Bond Requirements for Outstanding Debts, Schedule of Operating Leases, Student Financial Aid Expenditures and Student Enrollment Trend Information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS
State Board of Accounts

October 13, 2011

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, 2011, along with comparative data for the year ending June 30, 2010. 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

Ivy Tech Community College of Indiana'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." While Ivy Tech focuses its attention on this mission, there is an ongoing recognition that a public institution must use care and sound judgment in financing that mission. The College strives to serve the people and business of Indiana while providing faithful stewardship of the student fees, state appropriations, and other funds entrusted to it.

The financial statements contained in this Annual Report show that the College's financial position continues to be strong. In 2010-11 net assets increased by $64.9 million. This continues a trend of solid financial performance over the past several years. Since 2003-04, net assets have nearly doubled, growing from $213.7 million to $426.9 million. Unrestricted net assets also grew significantly, increasing $47.7 million during 2010-11. In the last two years unrestricted net assets have grown from $121.1 million at the end of 2008-09 to $217.8 million at the close of 2010-11. This has allowed the College to fully fund internally designated funds to offset liabilities for accrued sick leave, vacation, and Other Post-Employment Benefits (OPEB).

Total operating revenues for 2010-11 were $222.9 million, an increase of $20.4 million or 10.1%. Much of this increase was a result of the College's growing enrollment. While final figures are not yet in, both credit headcount and full-time equivalent (FTE) enrollment set new records. This led to a $25.0 million increase in gross student fees and a $9.2 million increase in net fees.

Non-operating revenues grew significantly again in 2010-11. The major component of the growth was the increase in financial aid. Governmental Grants and Contracts – Federal increased from $206.4 million in 2009-10 to $252.0 million in 2010-11, an increase of $45.5 million or 22.1%. Governmental Grants and Contracts – State also increased, growing from $23.9 million in 2009-10 to $30.1 million in 2010-11. Also notable was the $1.4 million federal appropriation, which is mainly an interest subsidy, provided by the United States government for the Build America Bonds issued by the College during 2009-10 and the Qualified Energy Conservation Promissory Note issued in 2010-11. The other critical component of this category, State Appropriations, totaled $194.6 million in 2010-11 as compared to $190.6 million in 2009-10. This follows a reduction of $9.9 million in operating funds previously appropriated for 2010-11. This measure was announced in December 2009 by the Commission for Higher Education. Despite this appropriation rescission, total state appropriations grew by $4.0 million in 2010-11. The College is grateful for this state support in difficult economic times. Finally, investment income totaled $3.9 million. While this is a decrease resulting from falling interest rates, cash and investments again grew significantly.

Operating expenses totaled $629.6 million in 2010-11, an increase of $72.0 million or 12.9% over 2009-10. During the past year, the College continued an aggressive cost-savings program. In 2010-11, the following measures were implemented:

1. Energy savings measures funded with a Qualified Energy Conservation Promissory Note where interest costs are subsidized by the federal government. It should be noted that the College was the first Indiana entity to utilize this financing mechanism.

2. Further equipment purchasing consolidation.

3. Health insurance plan changes and implementation of working spouse and dependent eligibility confirmation.

4. Information Technology consolidation and partnerships with Indiana University and the State of Indiana.

These changes follow previous measures to outsource college bookstores, move to self-insurance for employee health care, and use of Build America Bonds. These measures have been important steps in reducing operating costs and reallocating additional funding for instructional and student services support.

The $72.0 million increase in total operating costs was principally driven by increased scholarship and fellowship costs. Other increases resulted from continued enrollment growth. The largest single component of operating expenses, salaries and wages grew by $23.8 million or 11.4%.

In the capital area, during 2010-11, the College began offering classes in new academic buildings in Elkhart and Sellersburg. In addition, work continued on new academic facilities in Warsaw and Indianapolis. The completion of these projects will reduce overcrowding and significantly improve academic space in these communities. Finally, it is important to note that upon the recommendation of the Commission for Higher Education and the State Budget Committee, the Governor approved the release of bonding authority to renovate the Fisher Building in Muncie ($4.8 million), and to complete the fourth and fifth floors of the Indianapolis Fall Creek Expansion project ($6.8 million). This project also includes the addition of a connector running from the new facility across Illinois street to the existing North Meridian Center. The College expects to Finance these projects during 2011-12.

CONDENSED STATEMENT OF NET ASSETS

June 30	2011	2010	Percent Change
Current assets	$236,097,261	$261,792,699	-9.8
Noncurrent assets	594,244,902	515,704,661	15.2
Total assets	830,342,163	777,497,360	6.8
Current liabilities	86,735,011	87,956,998	-1.4
Noncurrent liabilities	316,675,076	327,530,146	-3.3
Total liabilities	403,410,087	415,487,144	-2.9
Net assets			
Invested in capital assets, net of related debt	193,772,560	174,008,684	11.4
Restricted	15,365,420	17,893,508	-14.1
Unrestricted	217,794,096	170,108,024	28.0
Total net assets	**$426,932,076**	**$362,010,216**	**17.9**

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, 2011.

Cash with Fiscal Agent is a new category this year. The balance is attributable to the debt principal payment made in fiscal year 2010-11 and not due until July 1, 2011. This amount was previously shown as a prepaid expense. It was decided this new category more accurately describes the balance. The bond payment amount for fiscal year 2010 was reclassified from prepaid assets to cash with fiscal agent for comparison purposes.

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 64.6% and short-term investments decreased 32.8% from June 30, 2010. The total combined investments in these two categories increased due to several factors, including substantially increasing College cash reserves, and a large increase in student enrollment. The changes in investment maturities were primarily a result of two factors. First, the College sought greater liquidity to respond to potential State budget reductions and to take advantage of future expectation of higher interest rates. Secondly, as the year wore on and interest rates trended lower, some banks offered higher interest rates on money market account and certificates of deposit with maturities less than 90 days than they did on investments with maturity dates of 91-365 days.

Accounts receivable are related, but not limited to, student and contract tuition and fees, grants, and financial aid. Accounting standards typically require the establishment of an allowance for doubtful accounts in the Statement of Net Assets to reflect receivables that are likely to be uncollectible. The College policy is that all accounts receivable greater than one-year old are to be written-off unless payments are being made currently. The net accounts receivable decreased from the previous year by 2.6%.

The current portion of the deposits with trustee is $18.9 million, which is a 67.3% decrease from the previous year, due to construction progressing and the completion of the Sellersburg and Elkhart projects. It is anticipated that 100% of the total current deposits with trustee will be spent in fiscal year 2011-12. The deposits with trustee are mainly attributable to the Series M and N construction projects for the Indianapolis and Warsaw campuses.

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 2010-11. As stated above, the bond payment amount for fiscal year 2010 was reclassified from prepaid assets to cash with fiscal agent for comparison purposes.

Overall current assets decreased by $25.7 million which was mainly due to decreases in the deposit with trustee and cash with fiscal agent categories.

Noncurrent Assets

Long-term investments increased by $28.5 million or 51.8% from the previous year. This increase was a result of higher student fee revenues associated with enrollment growth, and

OUTSTANDING DEBT AT YEAR END

	6/30/2011	6/30/2010	Increase (Decrease)	Percent Change
Leases, notes, and bonds payable:				
Revenue bonds payable:				
Series G student fee bonds	21,515,000	24,490,000	(2,975,000)	-12.1%
Series H student fee bonds	32,940,000	35,485,000	(2,545,000)	-7.2%
Series I student fee bonds	31,835,000	33,575,000	(1,740,000)	-5.2%
Series J student fee bonds	9,245,000	9,245,000	-	0.0%
Series K student fee bonds	52,530,000	54,700,000	(2,170,000)	-4.0%
Series L student fee bonds	55,425,000	59,070,000	(3,645,000)	-6.2%
Series M student fee bonds	14,220,000	16,195,000	(1,975,000)	-12.2%
Series N student fee bonds	70,290,000	70,290,000	-	0.0%
Total bonds payable	288,000,000	303,050,000	(15,050,000)	-5.0%
Premium on bonds -H,I,J,K,L&M	6,494,683	7,133,717	(639,034)	-9.0%
Lease Obligations	19,353,872	13,375,468	5,978,404	44.7%
Notes Payable	8,924,000	6,245,000	2,679,000	42.9%
Total leases, notes, and bonds payable	**$322,772,555**	**$329,804,185**	**($7,031,630)**	**-2.1%**

increasing the College's cash reserves, including establishing a rainy day fund and fully funding liabilities for post employment benefits and vacation and sick leave accruals. As interest rates trended downward, the College sought opportunities to lock in rates at relatively favorable levels while still maintaining adequate liquidity.

Noncurrent accounts receivable represents future income related to the lease of the rights to operate the College's bookstore. Deposit with Trustee decreased by $15.0 million as it is anticipated that 100% of the current deposit with trustee amount will be spent in fiscal year 2011-12. Capital assets increased by $65.1 million, which includes land, buildings, infrastructure, equipment, deferred losses on debt refunding, and construction work in progress. The increase was mainly due to the capitalization of the Elkhart and Sellersburg projects. Noncurrent assets increased by $78.5 million or a 15.2% increase from the previous year, mainly attributable to the increase in capital assets and long-term investments.

LIABILITIES

Current Liabilities

Current liabilities will be paid in one year or less from the date of the Statement of Net Assets. Accounts payable and accrued liabilities decreased by $9.2 million due mainly to the recognition of an additional six months of interest related to the creation of an interest payable in the previous year. Compensated absences ($9.9 million), the amounts due to employees for earned but unpaid vacation and accrued sick leave payout, increased by $1.8 million as compared to the previous year. This is attributable to hiring additional staff and a small pay raise in fiscal year 2010-11. Deposits held in custody for others are monies held by the College for payroll withholdings ($4.6 million), and student clubs ($1.4 million). Deferred revenue represents monies received in the current year for services, tuition and fees, future revenue related to the lease of the College bookstores, or goods to be provided by the College in a future period. Deferred Revenue decreased by $1.0 million mainly due to a small decrease in summer term enrollment. The Current portion of debt obligation is the portion of the College's long-term debt which is payable within the next fiscal year. This category increased by $7.6 million. This is mainly due to the anticipation of a bank loan in the amount of $5.7 million for our Lafayette campus being paid off from bond proceeds in 2011-12. Overall, current liabilities decreased by $1.2 million.

Noncurrent Liabilities

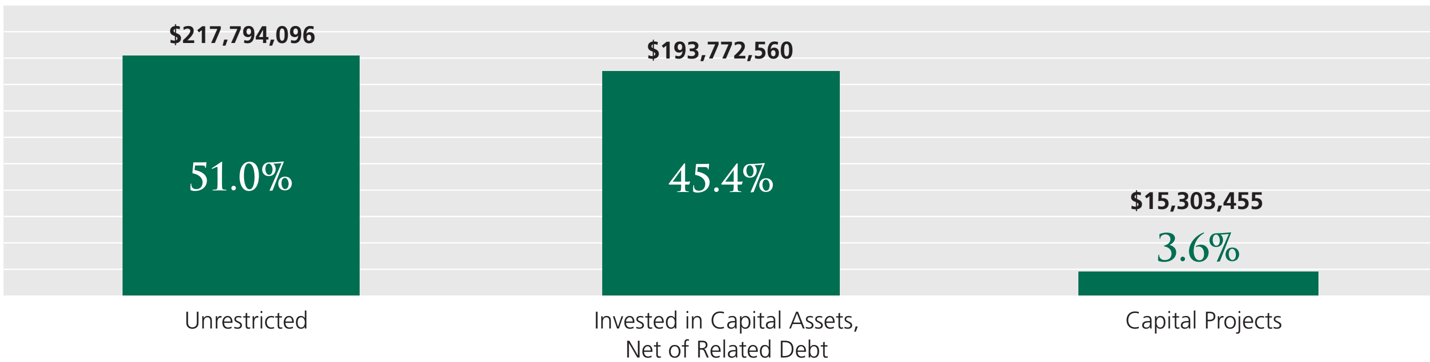
Noncurrent liabilities will be paid one year or later from the date of the Statement of Net Assets. The College's noncurrent liabilities include compensated absences, notes and bonds payable, and other post employment benefits. Noncurrent liabilities decreased by $10.9 million mainly due to a decrease in long-term debt and other obligations.

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 11.4% over the prior year. This was mainly due to the Indianapolis and Warsaw projects nearing completion. The restricted "capital projects" classification decreased by 14.2% from the prior year. This was mainly due to capitalizing the Sellersburg and Elkhart projects. Unrestricted Net Assets increased by 28.0%. This is due to the enrollment increases experienced by the College and increasing unrestricted reserves. Overall net assets increased in fiscal year 2010-11 by $64.9 million or 17.9%. The net assets are comprised of Unrestricted of 51%, Invested in Capital Assets of 45.4%, and Capital Projects of 3.6%.

2011 ANALYSIS OF NET ASSETS



Internally Designated Reserves of Unrestricted Funds

The College ended the fiscal year with an unrestricted net asset balance of $217.8 million, an increase of $47.7 million, or 28.0% as compared to the prior fiscal year. The following provides additional information concerning the allocation of the unrestricted net assets.

Description	FY 2011 Amount	FY 2010 Amount
Self-Insurance	$7,373,988	$4,826,298
Bookstore Commissions	32,991,412	29,221,539
Economic Development Revolving Loan	5,487,000	5,287,000
Student Accounts Receivable	15,508,645	15,452,696
Insurance Stabilization	3,774,614	3,306,494
Parking Lot Repair and Replacement	4,669,192	3,659,647
Compensated Absences Reserve	15,727,365	13,549,865
Other Post Employment Benefits	13,468,150	9,690,659
Payroll Reserve	3,628,048	2,305,715
Enterprise Software Enhancements	2,598,752	1,690,317
Unclaimed Property	1,945,993	1,417,370
Student Loan Fund	73,852	71,662
Institutional R&R Reserve	1,234,680	-
Unrestricted Regional Scholarships	-	250,000
Operating Budget	109,312,405	79,378,762
Total	**$217,794,096**	**$170,108,024**

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 $7,373,988 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 the 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.

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

The compensated absences reserve was established to offset the College's compensated absences liability. The total amount of unrestricted monies set aside is $228,155 more than the total liability of $15,499,210. This benefit is discussed in more detail in the Notes to the Financial Statements, section XI.

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, 2011.

As a result of this estimate, the College reported an OPEB liability in the amount of $13.2 million as of June 30, 2011. The amount of unrestricted net assets set aside is $296,867 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 enhancement reserve has been established to assist the College in maintaining and enhancing the enterprise-wide software programs.

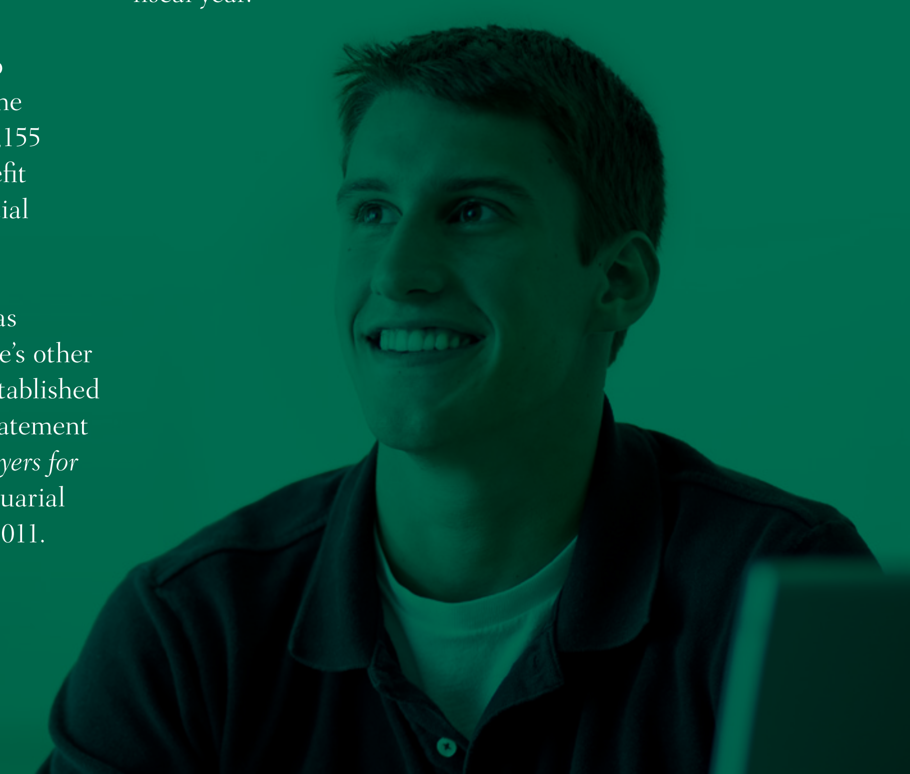
State law allows the College to maintain unclaimed property. The unclaimed properties are checks that have not been cashed and are greater than two-years old. The payees may claim these checks upon the filing of a claim and proof of identity.

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

The College has an unrestricted reserve for potential R&R projects within the College.

In 2009-10 the College designated a portion of unrestricted net assets to be used for student scholarships at the Indianapolis campus. In 2010-11 this was classified as deferred revenue.

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

	6/30/2011	6/30/2010	Increase (Decrease)	Percent Change
Construction Work In Progress	$40,761,029	$24,619,641	$16,141,388	65.6%
Land, Improvements, and Infrastructure	37,888,862	35,579,619	2,309,243	6.5%
Buildings	405,933,223	358,338,370	47,594,853	13.3%
Furniture, fixtures, and equipment	21,222,255	22,470,721	(1,248,466)	-5.6%
Library materials	939,627	649,764	289,863	44.6%
Totals	**$506,744,996**	**$441,658,115**	**$65,086,881**	**14.7%**

During fiscal year 2010-11 net capital assets increased by $65.1 million or 14.7%. The major changes were from the capitalization of the Sellersburg project of $19.9 million and the Elkhart project of $17.3 million.

Construction Work in Progress shows an increase of $16.1 with a majority of the increase attributed to the ongoing construction of the Indianapolis Fall Creek Expansion project and the Warsaw project.

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

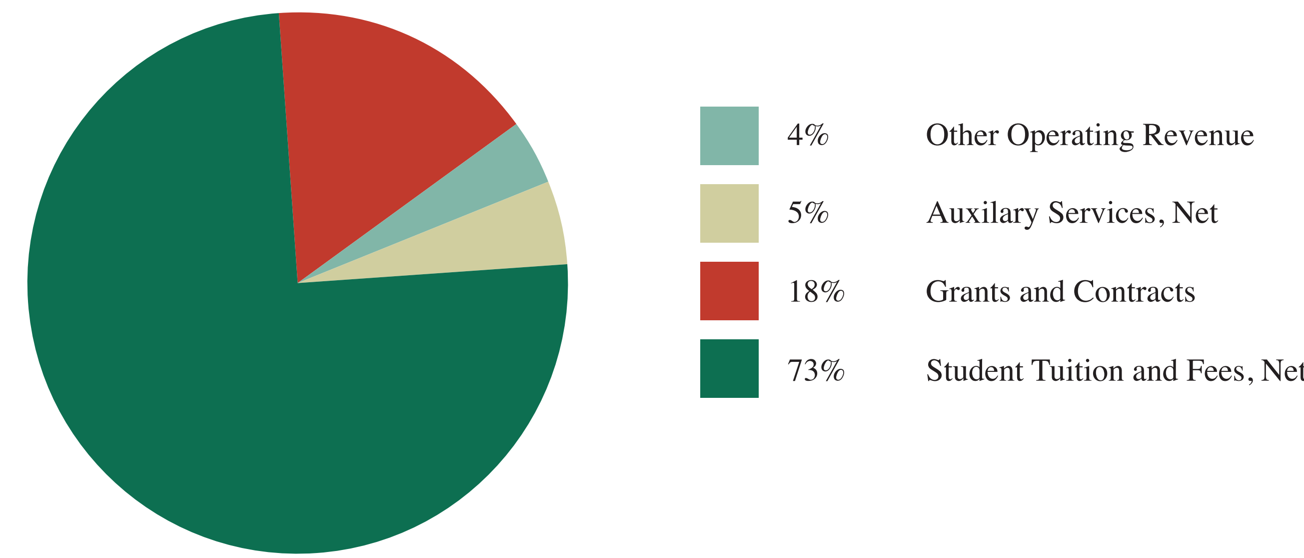
CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Year Ended June 30	2011	2010	Percent Change
Operating revenue			
Tuition and fees, net	$161,365,655	$152,182,997	6.0%
Grants and contracts	40,690,764	31,610,147	28.7%
Auxiliary services, net	11,323,288	11,129,160	1.7%
Other	9,486,091	7,499,527	26.5%
Total operating revenue	222,865,798	202,421,831	10.1%
Operating expense	629,568,019	557,564,742	12.9%
Operating income (loss)	(406,702,221)	(355,142,911)	14.5%
Nonoperating revenue (expense)			
State/Federal appropriations	196,025,156	191,341,193	2.4%
Governmental Grants and Contracts	282,078,518	230,324,664	22.5%
Other nonoperating revenue (expense)	(8,784,551)	(13,626,481)	-35.5%
Net nonoperating revenue	469,319,123	408,039,376	15.0%
Income before other revenue, expenses, gains, or losses	62,616,902	52,896,465	18.4%
Capital appropriations/Gifts	2,304,958	6,789,131	-66.0%
Total increase in net assets	64,921,860	59,685,596	8.8%
Net assets			
Net assets - beginning of year	362,010,216	302,324,620	19.7%
Net assets - end of year	**$426,932,076**	**$362,010,216**	**17.9%**

Revenues

Operating Revenues

Total operating revenues for fiscal year 2010-11 were $222.9 million, representing a 10.1% 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 6.0% increase over 2009-10 due to an estimated full-time equivalent enrollment increase of 5.6%, 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 28.7% from 2009-10. Federal sources increased 45.5%, state sources increased 24.9% and private sources increased 30.3%. The increase in State funding is primarily due to the College receiving a large Department of Corrections grant. The increase in the federal grants was mainly attributable to ARRA grants from the Department of Energy and the Department of Labor. Nongovernmental grants increased due to an increase in expenditures on the Multi-Modal facility which is funded with federal flow-through funds from IndyGo. A multitude of other grants and contracts accounted for further fluctuation in private sources.

Auxiliary Enterprises

Auxiliary enterprises are intended to be self-supporting and supplement the operations of the College. The total auxiliary enterprise revenue was $11.3 million. The primary revenue source is the commission on book sales. This category increased by 1.7% in 2010-11.

Nonoperating Revenue and Expense

The State of Indiana provides appropriations based on a biennial budget for higher education. The College recognized $194.6 million of State Appropriations for fiscal year 2010-11. This is an increase of 2.1% from the previous year. The federal appropriations totaling $1.4 million is mainly the interest subsidy for Build America Bonds and the Qualified Energy Conservation Promissory Note. Investment income, which is the earnings from pooled cash and plant investments, remained stable. Interest expense on capital asset-related debt is the interest paid on bond debt and interim financing and decreased due to the recognition of an additional six months of interest related to the creation of an interest payable in the previous year. Student government support is the College's designated amount to support student government.

Other Revenues, Expenses, Gains, or Losses

Capital Gifts, Grants and Appropriations decreased by $4.5 million. This was mainly due to a reduction in capital gifts in 2010-11.

Statement of Cash Flows

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

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

CONDENSED STATEMENT OF CASH FLOWS

Year Ended June 30	2011	2010
Cash provided (used) by:		
Operating activities	$(383,645,585)	$(314,570,239)
Noncapital financing activities	477,009,039	418,763,699
Capital and related financing activities	(48,340,893)	(45,232,298)
Investing activities	(4,372,934)	(46,553,630)
Net increase (decrease) in cash	40,649,627	12,407,532
Cash and cash equivalents, beginning of the year	62,891,607	50,484,075
Cash and cash equivalents, end of the year	**$103,541,234**	**$62,891,607**

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 64.6% this fiscal year. Changes in investment maturities were primarily a result of two factors. The main factor leading to the increase in the cash and cash equivalents was that the College sought greater liquidity to respond to potential State budget reductions and the second factor was to take advantage of an expectation of future higher interest rates. In addition, some banks offered higher interest rates on cash and cash equivalents then they offered on investments of 91-365 days.

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

Factors Impacting Future Periods

2010-11 was a year of fits and starts economically both nationally and in Indiana. Economic activity grew, but unemployment remained stubbornly high. For the State of Indiana, after two years of substantial declines in general fund revenues, 2010-11 revenues grew by $1.088 billion or 8.9%. Despite this increase, total general fund revenues are still below 2006-07 and 2007-08 levels. The State's Revenue Forecast Committee does not expect revenues to reach FY2008 levels until 2012-13.

The combination of spending cuts and strong revenue growth, especially in May and June allowed the state to end 2010-11 with a combined balance of $1.182 billion. This result is almost one billion dollars better than the 2010-11 projection made at the close of 2009-10.

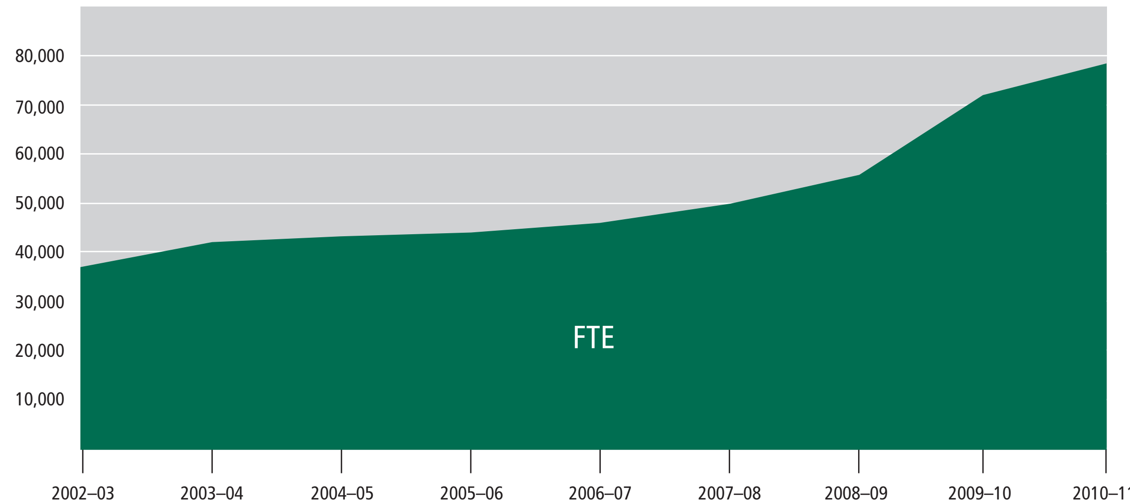
As Indiana's community college system, Ivy Tech's finances are linked in many ways to the state. In both 2009-10 and 2010-11, the College was forced to make cuts as the State reduced or rescinded appropriations. Despite this, the College's total net assets and unrestricted net assets increased. For the upcoming 2011-12 fiscal year, Ivy Tech received an operating appropriation increase of $20.4 million or 12.3%. This increase was a result of the College's success on the series of performance measures used by the State to determine budgetary funding levels. While funding per full-time equivalent student for Ivy Tech is still significantly below other Indiana public colleges and universities, this increase will allow the College to address many academic, student services, and administrative needs.

2010-11 was another year of record enrollment for Ivy Tech Community College. While the final count is not yet in, preliminary year-end reports from the College's Institutional Research department show a total annualized headcount of 174,806, with total full-time equivalent enrollment of 76,697. These are estimated increases of 5.0% and 5.6% respectively. This makes the fifteenth consecutive year of full-time equivalent enrollment growth. The enrollment increase led to a gross student fee revenue increase of $25.0 million (10.7%) despite only a modest increase in tuition. Enrollment growth has slowed, spring term was essentially flat, and preliminary reports for the 2011 fall semester show a small decline.

The College's enrollment growth has led to increased space requirements. During 2010-11, Ivy Tech opened new academic facilities in Elkhart, Muncie, Indianapolis, and Sellersburg. In addition, the College added a major leased facility in Avon. In the next year, the College expects to begin offering classes in new facilities in Warsaw and Indianapolis. While the College still operates in some substandard facilities, significant progress has been made. Progress will continue in upcoming years, as smaller projects in Indianapolis and Muncie have been recommended by the Commission for Higher Education and the State Budget Committee and approved by the Governor. Other projects authorized by the General Assembly but not yet released include facilities in Anderson, Bloomington, Gary, and Phase III 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 a diverse student body from a variety of socio-economic and ethnic backgrounds. Based on fall 2010 statistics, a majority of students are older and attend part-time. Many are forced to juggle class work with family and job responsibilities. They come to Ivy Tech with a variety of educational goals ranging from a single class or workforce certification all the way to an associate's degree with an expectation of transferring into a bachelor's degree program. 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 faculty and staff are dedicated to "Changing Lives" and "Making Indiana Great."

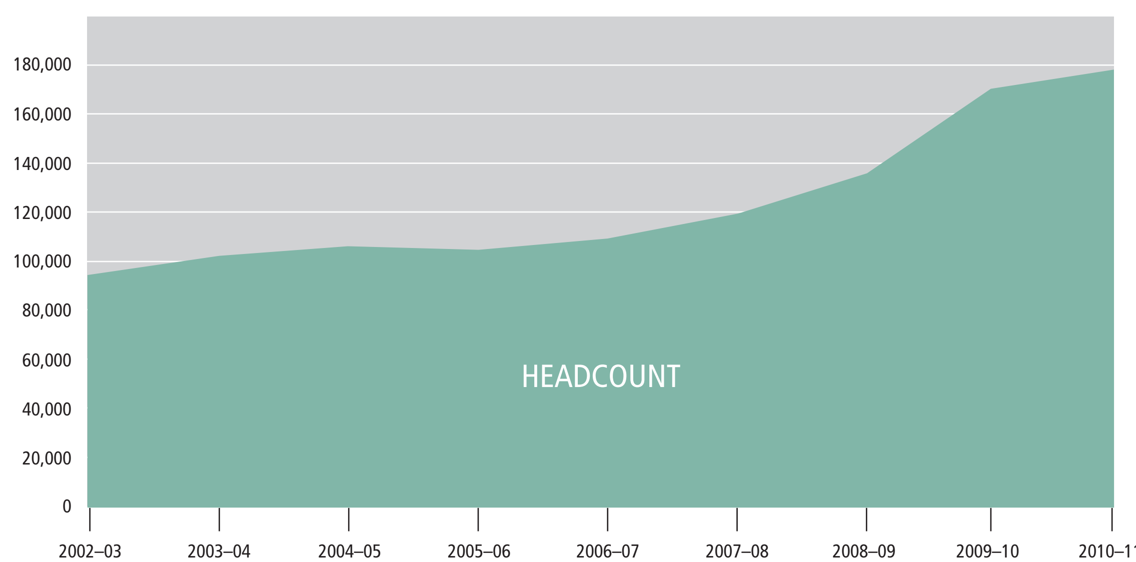
ANNUALIZED STUDENT ENROLLMENT TREND



Since 2002-2003 FTE Enrollment has grown by 105.3%.

Note: the annualized FTE number for the 2010-11 fiscal year is an estimate as of the publishing of these financial statements.

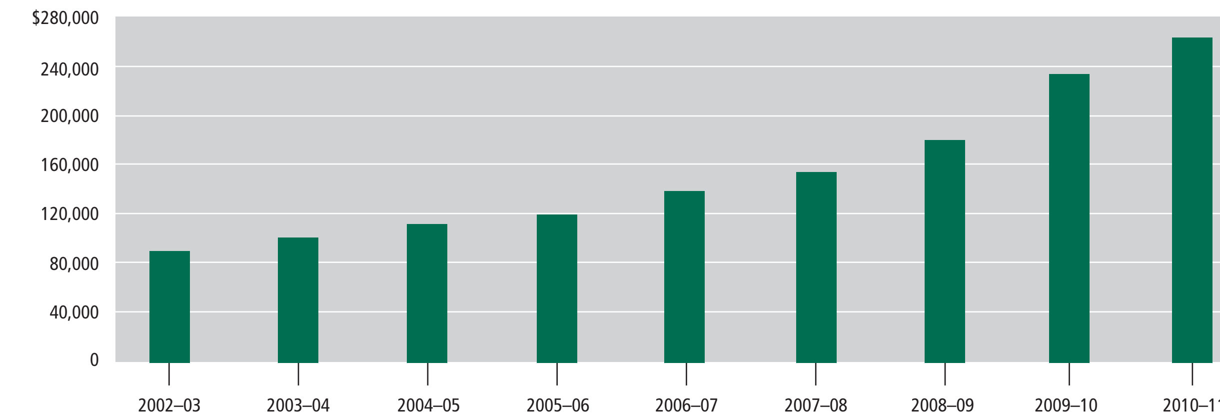
ANNUALIZED STUDENT ENROLLMENT TREND



Since 2002-2003 Unduplicated Headcount Enrollment has grown by 81.3%

Note: the annualized Headcount number for the 2010-11 fiscal year is an estimate as of the publishing of these financial statements.

GROSS STUDENT FEE REVENUE



Gross Student Fee Revenue has increased 188% since 2002-2003.

Authorized Facilities

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

IVY TECH COMMUNITY COLLEGE

STATEMENT OF NET ASSETS

JUNE 30, 2011 WITH COMPARATIVE FIGURES AT JUNE 30, 2010

ASSETS	FY 2011	FY 2010
Current Assets		
Cash and Cash Equivalents	$103,541,234	$62,891,607
Cash With Fiscal Agent	17,123,567	22,346,346
Short Term Investments	42,000,000	62,500,000
Accounts Receivable	66,864,291	68,391,555
Allowance for Doubtful Accounts	(12,503,227)	(12,578,329)
Deposit with Trustee	18,862,942	57,709,525
Prepaid Expenses	208,454	531,995
Total Current Assets	**236,097,261**	**261,792,699**
Noncurrent Assets		
Long-Term Investments	83,499,906	55,022,184
Deposit With Trustee	-	15,024,362
Accounts Receivable	4,000,000	4,000,000
Capital Assets, Net	506,744,996	441,658,115
Total Noncurrent Assets	**594,244,902**	**515,704,661**
TOTAL ASSETS	**830,342,163**	**777,497,360**
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Liabilities	21,036,933	30,207,611
Compensated Absences	9,908,923	8,092,138
Deposits Held in Custody for Others	6,038,070	6,432,331
Deferred Revenue	24,892,035	25,922,478
Current Portion of Debt Obligation	24,859,050	17,302,440
Total Current Liabilities	**86,735,011**	**87,956,998**
Noncurrent Liabilities		
Compensated Absences	5,590,287	5,599,248
Long Term Debt and other Obligations	297,913,506	312,501,746
Other Post Employment Benefits	13,171,283	9,429,152
Total Noncurrent Liabilities	**316,675,076**	**327,530,146**
TOTAL LIABILITIES	**403,410,087**	**415,487,144**
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	193,772,560	174,008,684
Restricted:		
Expendable		
Capital Projects	15,303,455	17,832,529
Endowment	61,965	60,979
Unrestricted	217,794,096	170,108,024
TOTAL NET ASSETS	**$426,932,076**	**$362,010,216**

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

IVY TECH FOUNDATION, INC.

CONSOLIDATED STATEMENTS FINANCIAL POSITION

JUNE 30, 2011 AND 2010

ASSETS	FY 2011	FY 2010
Cash and equivalents	$1,889,845	$7,052,001
Investments	24,743,615	18,071,282
Pledges receivable	5,864,474	6,813,052
Prepaid expenses and other assets	149,633	128,315
Property and equipment	33,663,743	17,857,388
Assets restricted for renovation of property	14,967,078	
Assets restricted for permanent endowment	21,410,916	20,649,941
Agency funds-Intersection Connection	752,474	-
TOTAL ASSETS	**103,441,778**	**70,571,979**
LIABILITIES		
Accounts payable and accrued expenses	913,991	536,498
Accounts payable-related party	75,489	1,320,316
Agency funds-Intersection Connection	752,474	
Line of credit	4,533,407	1,235,680
Notes payable	7,501,777	5,425,757
Annuity payable	129,212	120,192
Total Liabilities	13,906,350	8,638,443
NET ASSETS		
Unrestricted	11,492,171	8,695,747
Restricted:		
Temporary restricted	56,632,341	32,587,848
Permanently restricted	21,410,916	20,649,941
Total Restricted	78,043,257	53,237,789
Total Net Assets	89,535,428	61,933,536
TOTAL LIABILITIES AND NET ASSETS	**$103,441,778**	**$70,571,979**

See accompanying notes.

IVY TECH COMMUNITY COLLEGE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2011 WITH COMPARATIVE FIGURES AT JUNE 30, 2010

REVENUES	FY 2011	FY 2010
Operating Revenues		
Student Tuition and Fees	$258,441,581	$233,418,637
Scholarship Allowances	(97,075,926)	(81,235,640)
Net Student Tuition and Fees	161,365,655	152,182,997
Federal Grants and Contracts	4,879,854	3,353,773
State and Local Grants and Contracts	23,367,017	18,709,310
Nongovernmental Grants and Contracts	12,443,893	9,547,064
Sales and Services of Educational Departments	2,002,872	1,585,121
Auxiliary Enterprises	11,323,288	11,129,160
Other Operating Revenues	7,483,219	5,914,405
TOTAL OPERATING REVENUES	**222,865,798**	**202,421,830**
EXPENSES		
Operating Expenses		
Salaries and Wages	232,620,786	208,794,451
Benefits	66,623,173	61,989,291
Scholarships and Fellowships	188,756,081	152,397,011
Utilities	8,867,095	8,104,186
Supplies and Other Services	109,396,889	103,639,714
Depreciation	22,888,357	22,224,450
Amortization of Deferred Loss on Refunding	415,638	415,638
TOTAL OPERATING EXPENSES	**629,568,019**	**557,564,741**
Operating Loss	(406,702,221)	(355,142,911)
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	194,578,831	190,601,598
Federal Appropriations	1,446,325	739,595
Investment Income	3,938,379	4,035,506
Interest on Capital Asset-Related Debt	(11,671,479)	(16,809,941)
Governmental Grants and Contracts-Federal	251,943,930	206,420,954
Governmental Grants and Contracts-State	30,134,588	23,903,710
Student Government Support	(1,051,451)	(852,046)
NET NONOPERATING REVENUES	**469,319,123**	**408,039,376**
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	62,616,902	52,896,465
Capital Gifts and Grants	1,304,958	5,789,131
Capital Appropriations	1,000,000	1,000,000
Total Other Revenues	2,304,958	6,789,131
INCREASE IN NET ASSETS	**64,921,860**	**59,685,596**
Net Assets - Beginning of Year	362,010,216	302,324,620
NET ASSETS – END OF YEAR	**$426,932,076**	**$362,010,216**

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

IVY TECH FOUNDATION, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

FY 2011: REVENUE, GAINS AND SUPPORT	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Contributions:				
Cash and pledges	$ 225,777	$ 2,523,333	$ 294,273	$ 3,043,383
Non-cash		4,645,737		4,645,737
Grant revenue	0	25,164,199	0	25,164,199
Total Contributions	225,777	32,333,269	294,273	32,853,319
Investment income	2,880,546	1,863,506		4,744,052
Vending income	689,761			689,761
Special events income, net of expenses of $380,176 in 2011 and $149,772 in 2010		284,385	41,611	325,996
Royalties	112,618	9,968		122,586
Real estate rental income	1,706,055	32,263		1,738,318
Realized gain on sale of property and equipment	25,853			25,853
Uncollectible pledges		(59,000)	(6,696)	(65,696)
Miscellaneous revenue	12,146	26,055	0	38,201
	5,652,756	34,490,446	329,188	40,472,390
Net assets released from restrictions	10,024,166	(10,024,166)		
Reclassification of donor intent	(10,000)	(421,787)	431,787	0
Total Revenue, Gains and Support	15,666,922	24,044,493	760,975	40,472,390
EXPENSES				
Financial aid to students	2,059,570			2,059,570
Building improvements, supplies and equipment	5,449,431			5,449,431
Faculty and staff development	86,677			86,677
Employee recognition	56,338			56,338
Special programs	942,810			942,810
Community outreach/promotional expense	923,743			923,743
Donations to Ivy Tech Community College	252,787			252,787
Donated property to Ivy Tech Community College	279,594			279,594
In-kind expense	345,700			345,700
Annuity obligations	6,883			6,883
Real estate rental expenses	1,825,011			1,825,011
Other real estate expenses	98,350			98,350
Total College Assistance Program Expenses	12,326,894			12,326,894
Administrative expenses	456,315			456,315
Fundraising expenses	87,289			87,289
Total Expenses	12,870,498			12,870,498
INCREASE IN NET ASSETS	**2,796,424**	**24,044,493**	**760,975**	**27,601,892**
Net Assets - Beginning of Year	8,695,747	32,587,848	20,649,941	61,933,536
NET ASSETS – END OF YEAR	**$11,492,171**	**$56,632,341**	**$21,410,916**	**$89,535,428**

Continued on next page

IVY TECH FOUNDATION, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010 (CONTINUED)

FY 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		6,775,632		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 $380,176 in 2011 and $149,772 in 2010		276,435	45,420	321,855
Royalties	66,532	1,823		68,355
Real estate rental income	1,384,741	29,465		1,414,206
Realized gain on sale of property and equipment	23,187			23,187
Uncollectible pledges				
Miscellaneous revenue	9,625	8,800		18,425
	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		(967,488)	967,488	
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
Building improvements, 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	1,269,307			1,269,307
Other real estate expenses	19,748			19,748
Total College Assistance Program Expenses	14,382,026			14,382,026
Administrative expenses	455,879			455,879
Fundraising expenses	50,678			50,678
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
NET ASSETS – 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, 2011 WITH COMPARATIVE FIGURES AT JUNE 30, 2010

CASH FLOWS FROM (FOR) OPERATING ACTIVITIES	FY 2011	FY 2010
Tuition and Fees	$ 163,119,508	$158,466,960
Gifts, Grants, and Contracts	36,059,506	31,452,765
Auxiliary Enterprises	11,321,851	11,163,374
Sales and Services of Educational Departments	2,002,872	1,585,121
Payments to Suppliers	(122,847,661)	(107,198,236)
Payments to or on Behalf of Employees	(292,028,799)	(262,677,605)
Payments to Students	(188,756,081)	(152,397,012)
Other Receipts (Payments)	7,483,219	5,034,394
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**(383,645,585)**	**(314,570,239)**
CASH FLOWS FROM (FOR) NONCAPITAL FINANCING ACTIVITIES		
Federal and State Scholarships and Grants	282,078,518	230,705,926
State Appropriations	194,578,831	190,601,598
Receipts from Stafford/Direct Federal Loan Proceeds	400,983,160	382,981,837
Payments from Stafford/Direct Federal Loan Proceeds to Students/Financial Institutions	(400,260,792)	(385,525,062)
Other Nonoperating receipts (Payments)	(370,678)	
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	**477,009,039**	**418,763,699**
CASH FLOW FROM (FOR) CAPITAL & RELATED FINANCING ACTIVITIES		
Capital Appropriations	2,446,325	1,739,595
Deposit With Trustee	57,506,750	(52,624,376)
Proceeds from Issuance of Capital Debt	3,260,000	89,862,731
Purchase of Capital Assets	(78,776,812)	(52,263,386)
Principal Paid on Capital-Related Debt	(18,835,957)	(19,339,247)
Interest Paid on Capital-Related Debt	(13,941,199)	(12,607,615)
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	**(48,340,893)**	**(45,232,298)**
CASH FLOW FROM (FOR) INVESTING ACTIVITIES		
Purchase of Investments	(154,000,000)	(174,000,000)
Proceeds from Sales and Maturities of Investments	146,022,184	125,381,794
Income on Investments	3,604,882	2,064,576
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	**(4,372,934)**	**(46,553,630)**
Net Increase in Cash	40,649,627	12,407,532
Cash and Cash Equivalents – Beginning of Year	62,891,607	50,484,075
Cash and Cash Equivalents – End of Year	**103,541,234**	**62,891,607**
RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Net Operating Income (Loss)	(406,702,221)	(355,142,911)
Adjustments to reconcile net operating expenses		
Depreciation	22,888,357	22,224,450
Amortization	415,638	415,638
Allowance for Doubtful Accounts	(75,102)	8,521,378
Changes in Assets and Liabilities:		
Accounts Receivable	(1,774,950)	(7,161,131)
Prepaid Expense	214,974	(59,002)
Accounts Payable and Accrued Liabilities	610,338	11,727,494
Compensated Absences	1,807,824	983,113
Deferred Revenue	(1,030,443)	3,920,732
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**$(383,645,585)**	**$(314,570,239)**

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, 2011 AND 2010

	FY 2011	FY 2010
OPERATING ACTIVITIES		
Increase in net assets	$27,601,892	$8,024,483
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	1,061,831	607,582
Gain on sales of property and equipment	(25,853)	(23,187)
Net realized and unrealized gain on investments	(3,665,348)	(2,378,220)
In-kind contribution of property	(4,300,037)	(4,579,311)
Contribution of property to Ivy Tech Community College	279,594	2,202,555
(Increase) decrease in certain operating assets:		
Pledges receivable	948,578	(2,291,236)
Prepaid expenses and other assets	(21,318)	(42,959)
Increase in certain operating liabilities:		
Accounts payable and accrued expenses	377,493	324,153
Contributions restricted for long-term purposes	(23,229,188)	(354,326)
Net Cash Provided (Used) by Operating Activities	(972,356)	1,489,534
INVESTING ACTIVITIES		
Purchases of property and equipment	(10,423,790)	(1,090,011)
Proceeds from sales of property and equipment	110,000	110,000
Purchases of investments	(23,013,983)	(12,749,356)
Sales and maturities of investments	18,292,746	6,006,913
Increase in cash restricted for renovation of property	(13,967,232)	
Net Cash Used by Investing Activities	(29,002,259)	(7,722,454)
FINANCING ACTIVITIES		
Net borrowings on line of credit	3,297,727	136,917
Repayments on notes payable	(432,080)	(261,225)
Net change in accounts payable-related party	(1,244,827)	(181,707)
Net change in annuities payable	9,020	(7,562)
Proceeds from contributions restricted for long-term purposes:		
Investment in permanently restricted endowment	282,619	1,312,490
Investment in property	22,900,000	
Net Cash Provided by Financing Activities	24,812,459	998,913
NET DECREASE IN CASH AND EQUIVALENTS	(5,162,156)	(5,234,007)
CASH AND EQUIVALENTS		
Beginning of Year	7,052,001	12,286,008
End of Year	**$1,889,845**	**$7,052,001**
SUPPLEMENTAL DISCLOSURES		
Interest paid	$370,340	$326,331
Noncash investing and financing activities:		
In-kind contribution of property	4,300,037	4,579,311
Contribution of property to Ivy Tech Community College	279,594	2,202,555
Note payable proceeds used to purchase property	2,508,100	

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

IVY TECH COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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 $12.3 million to assist the College during fiscal year 2010-11. 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 $6.3 million and $6.8 million for fiscal years 2010-11 and 2009-10, 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. Cash with Fiscal Agent

The balance is attributable to the debt principal payment made in fiscal year 2010-11 and not due until July 1, 2011. This amount was previously shown as a prepaid expense. It was decided this new category more accurately describes the balance. The bond payment amount for fiscal year 2010 was reclassified from prepaid assets to cash with fiscal agent for comparison purposes.

II. Accrual of Loss Contingency

The College has three active matters in litigation; one in county Superior Court and two in United States District Court. The college currently has three matters with the Equal Employment Opportunity Commission and two matters with the Indiana Civil Rights 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 54 provides the minimum future annual payments for those leases, which were in effect on June 30, 2011.

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

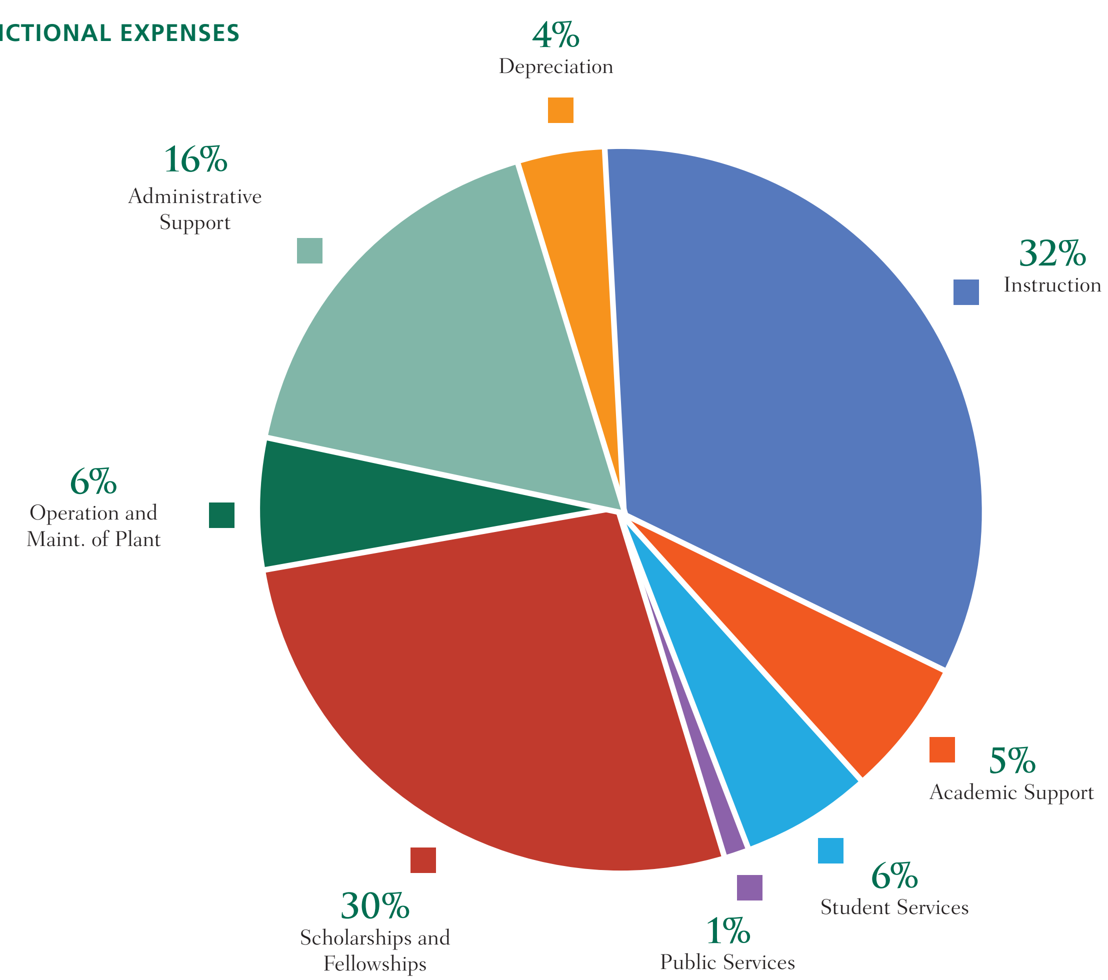
IV. Operating Expenses

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

EXPENSES BY FUNCTION	2010-11	2009-10
Instruction	$204,363,613	$185,769,218
Public service	5,105,205	4,603,370
Academic support	34,707,656	32,401,281
Student services	35,825,662	31,160,085
Administrative support	98,964,155	93,848,385
Operation and maintenance of plant	39,870,926	36,685,548
Scholarships and fellowships	187,426,806	150,457,767
Depreciation and Amortization	23,303,996	22,639,088
Total	$629,568,019	$557,564,742

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.

2011 FUNCTIONAL EXPENSES



V. 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 (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, 2011.

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, 2011 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		$164,500,000	$94,000,000	$50,500,000	$20,000,000
Investment:					
US Government Agencies					
Securities	N/A	12,999,906	-	-	12,999,906
Money Market	N/A	58,701,800	58,701,800	-	
TOTAL		$236,201,706	$152,701,800	$50,500,000	$ 32,999,906

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 (20%) of the College's total investment portfolio at the time of investment, the amount invested must not be more than fifty percent (50%) of the combined capital, surplus, and undivided profits of that bank, as determined from its last published report of condition, Commercial Paper may not exceed fifty (50%) of total investments, no more than one million ($1,000,000) or ten percent (10%) of the College's total investment, whichever is less, may be invested in any one company at one time, and no more than twenty-five percent (25%) of the total Commercial Paper portfolio may be invested in a single industry.

The financial institutions that hold five (5%) or more of the College's investments at June 30, 2011 are listed below:

INSTITUTIONS	COST	PERCENT OF TOTAL INVESTED
1st Source	$ 39,000,000	17%
PNC Bank	33,298,418	14%
Fifth Third Bank	24,000,000	10%
Lake City Bank	23,000,000	10%
US Bank	19,000,000	8%
First Financial	19,000,000	8%
Huntington Bank	16,000,000	7%
Federated Investors	11,460,120	5%
JP Morgan	10,679,696	5%

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).

VI. Line Of Credit

The College has a line of credit in the amount of $3,000,000 with an Indiana financial institution. The College can draw against this agreement to meet certain working capital provisions. As of June 30, 2011, the College had not drawn against this line of credit.

VII. Post-Employment Benefits

All employees who retire between the age of 55 and up to but not including 65 with ten years of benefits-eligible service with the College or at the age of 65 or later with five years of benefits-eligible service with the College may continue participation in College group medical 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 2010-11, expenditures of $497,233 were recognized for 62 employees who participated in the post-retirement health and dental care program.

To enable employees to have paid time off as needed, College policy provides for the accrual of sick leave and vacation time for benefits-eligible employees. The College will pay to each eligible full-time employee a benefit at retirement equal to 50% of the employee's unused sick leave accrual up to 100 days. An employee is eligible for this benefit if he is at least 55 years old and his age plus years of service equal 75 or more at retirement. There is no maximum age limit. Accrued benefit for sick leave is $5.4 million.

Annual OPEB Cost and Net OPEB Obligation

The College's annual other post-employment 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, 2010 TO JUNE 30, 2011

Annual required contribution	$4,177,597
Interest on net OPEB obligation	471,458
Adjustment to annual required contribution	409,691
Annual OPEB cost	4,239,364
Contributions made	497,233
Increase (decrease) in net OPEB obligation	3,742,131
Net OPEB obligation, beginning of year	9,429,152
Net OPEB obligation, end of year	$13,171,283

The College's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the two preceding years were as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06-30-09	3,523,496	12.1%	6,303,526
06-30-10	3,667,075	14.9%	9,429,152
06-30-11	4,239,364	11.9%	13,171,283

Funded Status and Funding Progress

As of June 30, 2011, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was $33,775,655, and the actuarial value of assets was $0.00 resulting in an unfunded actuarial accrued liability (UAAL) of $33,775,655.

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

Schedule of Funding Progress	July 1, 2010	July 1, 2009	July 1, 2008
1. Actuarial Value of Assets	$0	$ 0	$0
2. Accrued Liability	33,775,655	29,102,681	28,158,243
3. Unfunded Accrued Liability (UAL) (2. – 1.)	33,775,655	29,102,681	28,158,243
4. Funded Ratio (1. / 2.)	0.0%	0.0%	0.0%
5. Covered Payroll	N/A	N/A	N/A
6. UAL as a Percentage of Covered Payroll (3. / 5.)	N/A	N/A	N/A

Actuarial Methods and Assumption

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

In the June 30, 2011 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, 2011 was 27 years.

VIII. Self Insurance

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

At June 30, the unpaid claim liability for the dental plan was actuarially estimated at $409,300. In addition, the unpaid claim liability for the medical plan was $4,663,600. The medical plan unpaid claim liability is an estimate based upon Anthem's experience with standard claim payment lag time and a projected number of claims in lag. Additionally, the unpaid liability includes $510 thousand of medical and $39 thousand of dental expense incurred in June and not paid until July.

A reserve (the excess of employer share over claims paid) was recognized in the amount of $7.4 million.

IX. Retirement Plans

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

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, 2011, Ivy Tech Community College paid $15.9 million to TIAA/CREF,representing $105.8 million in total salaries.

On June 30, 2011, there were 1,830 employees participating in this retirement program. Further information may be obtained from TIAA/CREF by contacting them at 730 3rd Avenue, New York, NY 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, 2011, Ivy Tech Community College paid $2.0 million to AUL, representing $13.3 million in total salaries. On June 30, 2011, there were 215 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.

On June 30, 2011, there were 1,830 employees participating in this retirement program. Further information may be obtained from TIAA/CREF by contacting them at 730 3rd Avenue, New York, NY 10017-3206.

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, 2011, 923 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 $840 thousand to individual employee annuity accounts in the Indiana Public Employees' Retirement Fund (PERF) for the year ended June 30, 2011.

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 Indiana Public Employees Retirement System (INPRS), One North Capitol, Suite 001, Indianapolis, IN 46204, or by calling (317) 232-3882.

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 2011 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, $840 thousand, is not included in the following information.

IVY TECH COMMUNITY COLLEGE
PERF

Annual Required Contribution	$1,593,393	Increase (Decrease) in Net Pension Obligation	$(6,680)
Interest on Net Pension Obligation	(95,619)	Net Pension Obligation, Beginning of Year	(1,318,886)
Adjustment to Annual Required Contribution	108,966	Net Pension Obligation, End of Year	**$(1,325,566)**
Annual Pension Cost-Employers Share Only	1,606,740		
Contributions Made – Employers Share Only	**$1,613,420**		

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

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

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/08	1,188,723	99%	(1,214,453)
06/30/09	1,407,214	99%	(1,318,886)
06/30/10	1,606,740	99%	(1,325,566)

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 %
07/01/08	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%)
06/30/10	9,878,877	14,667,884	(4,789,007)	67.4%	19,033,235	(25.2%)

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.

X. Capital Assets

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

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Land	$ 27,485,257	$ 247,301	$ -	$ 27,732,558
Construction work in progress	24,619,641	61,053,042	44,911,654	40,761,029
Land improvements and infrastructure	16,171,861	3,215,438	-	19,387,299
Buildings	477,645,431	63,293,143	674,222	540,264,352
Furniture, fixtures, and equipment	69,545,937	5,285,131	798,135	74,032,933
Library materials	2,364,858	493,610	-	2,858,468
Total	617,832,985	133,587,665	46,384,011	705,036,639
Less accumulated depreciation:				
Land improvements and infrastructure	8,077,500	1,153,495	-	9,230,995
Buildings	119,307,062	15,084,286	60,219	134,331,129
Furniture, fixtures, and equipment	47,075,216	6,446,827	711,365	52,810,678
Library materials	1,715,092	203,749	-	1,918,841
Total accumulated depreciation	176,174,870	22,888,357	771,584	198,291,643
Capital assets, net	**$ 441,658,115**	**$ 110,699,308**	**$ 45,612,427**	**$ 506,744,996**

Construction Work In Progress

The following table presents the construction projects in process as of June 30, 2011.

Fall Creek Expansion	24,574,323
Agriculture Storage Building	166,673
Anderson Planning	340,352
A&E Planning/Expansion	323,142
Capitalized Interest – Fall Creek Expansion Series M&N	1,061,576
Warsaw Capital Projects – Series M&N	7,732,983
Capitalized Interest – Warsaw – Series M&N	243,553
First Avenue Plaza	43,910
Fisher Building	5,336
Various Repair & Rehabilitation & Parking Lot Projects	6,269,181
Total Construction Work In Progress	**$ 40,761,029**

XI. Long Term Liabilities

PRIMARY INSTITUTION

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Leases, notes, and bonds payable:					
Lease Obligations	$13,375,468	$7,238,361	$1,259,957	$19,353,872	$1,470,803
Notes Payable – Interim					
Financing/Mortgage	6,245,000	3,260,000	581,000	8,924,000	5,734,213
Revenue bonds payable:					
Series G student fee bonds	24,490,000	-	2,975,000	21,515,000	3,120,000
Bond Yield 1.93% - 4.93%					
Series H student fee bonds	35,485,000	-	2,545,000	32,940,000	2,660,000
Bond Yield 1.32% - 3.96%					
Series I student fee bonds	33,575,000	-	1,740,000	31,835,000	1,820,000
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	54,700,000	-	2,170,000	52,530,000	2,270,000
Bond Yield 3.76% - 4.74%					
Series L student fee bonds	59,070,000	-	3,645,000	55,425,000	3,755,000
Bond Yield 2.0% - 4.85%					
Series M student fee bonds	16,195,000	-	1,975,000	14,220,000	3,390,000
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	303,050,000	-	15,050,000	288,000,000	17,015,000
Premium on Bonds-Series H, I, J,K,L,M	7,133,717	-	639,034	6,494,683	639,034
Total leases, notes, & bonds payable	329,804,185	10,498,361	17,529,991	322,772,555	24,859,050
Other liabilities:					
Compensated absences	13,691,386	11,581,682	9,773,858	15,499,210	9,908,923
Other post employment benefits	9,429,152	3,742,131	-	13,171,283	-
Total other liabilities	23,120,538	15,323,813	9,773,858	28,670,493	9,908,923
Total long-term liabilities	**$352,924,723**	**$25,822,174**	**$27,303,849**	**$351,443,048**	**$34,767,973**

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, 2010 an interim financing agreement totaling $6,205,000 was outstanding. During 2010-11, the College made principal payments totaling $561,000 on the Lafayette Phase III loan. The June 30, 2011 principal balance was $5,644,000.

In addition, during 2010-11, the College initiated a "qualified energy savings project" as defined in the Indiana code. The project was financed with a Qualified Energy Conservation Promissory Note totaling $3,260,000. The first payment is due July 10, 2011.

Project	Balance June 30, 2010	Principal Paid 2010-11	New Debt 2010-11	Balance June 30, 2011
Lafayette	$ 6,205,000	$561,000	$ -	$ 5,644,000
Qualified Energy Savings Project	-	-	3,260,000	3,260,000
Totals	**$6,205,000**	**$561,000**	**$3,260,000**	**$8,904,000**

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.

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

IVY TECH COMMUNITY COLLEGE

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
2012	5,644,000	125,814	5,769,814	
Totals	**$5,644,000**	**$125,814**	**$5,769,814**	

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

IVY TECH COMMUNITY COLLEGE

QUALIFIED ENERGY CONSERVATION NOTE

$3,260,000 ORIGINAL LOAN AMOUNT

Year Ending June 30	Principal	Interest	Total	Federal Interest Credit	Net Total	Outstanding Principal Balance
2012	203,002	219,088	422,090	151,378	270,712	3,056,998
2013	276,266	145,824	422,090	101,652	320,438	2,780,732
2014	290,292	131,798	422,090	91,874	330,216	2,490,440
2015	304,591	117,498	422,089	81,907	340,182	2,185,849
2016	319,595	102,495	422,090	71,447	350,643	1,866,254
2017-2021	1,866,254	260,602	2,126,856	181,662	1,945,194	-
Totals	**3,260,000**	**977,305**	**4,237,305**	**679,920**	**3,557,385**	

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 were not included in the College's financial statements. The defeased bonds were callable at any time after July 1, 2010 and all bonds were redeemed in 2010-11. Therefore, the amount of defeased bonds as of June 30, 2011 was zero.

C. Premium On Bonds

The June 30, 2010 Premium on Bonds of $7.1 million is the remaining balance from the sale of Series H, I, J, K, L & M Student Fee Bonds. The ending balance of $6.5 million as of June 30, 2011 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, 2011 is $9.9 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 Management Discussion & Analysis section.

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
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
2017-2021	88,600,000.00	39,909,389.86	128,509,389.86	(5,599,766.30)	122,909,623.56	112,020,000.00
2022-2026	75,820,000.00	20,042,913.01	95,862,913.01	(3,520,334.30)	92,342,578.71	36,200,000.00
2027-2030	36,200,000.00	2,922,005.45	39,122,005.45	(833,048.50)	38,288,956.95	0.00
Totals	**$288,000,000.00**	**$122,449,198.92**	**$410,449,198.92**	**($16,565,879.10)**	**$393,883,319.82**	

XII. Property Subject To Capital Leases

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

IVY TECH
COMMUNITY COLLEGE

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
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	**$24,490,000.00**	**$4,532,302.50**	**$29,022,302.50**	

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
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	**$35,485,000.00**	**$10,722,337.50**	**$46,207,337.50**	

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
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	**$33,575,000.00**	**$12,670,450.00**	**$46,245.450.00**	

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
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**	**$5,839,375.00**	**$15,084,375.00**	

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
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	**$54,700,000.00**	**$25,326,538.75**	**$80,026,538.75**	

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
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	**$59,070,000.00**	**$24,751,415.80**	**$83,821,415.80**	

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
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	**16,195,000.00**	**1,466,735.83**	**17,661,735.83**	

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
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
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	**$303,050,000.00**	**$136,579,893.49**	**$439,629,893.49**	**($17,944,758.34)**	**$421,685,135.15**	

(1) Advanced Refunding Series G Bonds Principal Debt of $21,515,000.00
Series H Bonds Principal Debt of $32,940,000.00
Series I Bonds Principal Debt of $31,835,000.00
Series J Bonds Principal Debt of $9,245,000.00
Series K Bonds Principal Debt of $52,530,000.00
Series L Bonds Principal Debt of $55,425,000.00
Series M Bonds Principal Debt of $14,220,000.00
Series N Bonds Principal Debt of $70,290,000.00

IVY TECH COMMUNITY COLLEGE

SCHEDULE OF FUTURE MINIMUM PAYMENTS ON OPERATING LEASES

JUNE 30, 2011

	2011-2012	2012-2013	2013-2014	2014-2015	2016 & Beyond
Facilities	$4,488,439	$3,302,929	$1,455,106	$1,455,106	$ 6,306,860
Office furniture and Equipment	45,735	30,553	5,403	-	-
Total	**$4,534,174**	**$3,333,482**	**$1,460,509**	**$1,455,106**	**$6,306,860**

SCHEDULE OF STUDENT FINANCIAL AID EXPENDITURES FOR YEAR ENDED JUNE 30, 2011

WITH COMPARATIVE FIGURES AT JUNE 30, 2010

	Current Unrestricted	Current Restricted	June 30, 2011 Total	June 30, 2010 Total
Workstudy (1)	$ 3,650	$1,796,929	$1,800,579	$1,896,095
Scholarship/Fellowship(2)	-	248,743,303	248,743,303	203,632,014
Grants (3)	-	31,853,704	31,855,607	25,465,457
Fee Remissions	6,968,516	-	6,968,516	6,209,148
Administrative Allowance (4)	603,838	-	603,838	547,362
Total Financial Aid Expenses	**$7,576,004**	**$282,393,936**	**$289,971,843**	**$237,750,076**

(1) The $3,650 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 $248,743,303 includes $245,802,558 of Pell Grants as compared to $200,865,242 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 $82,831 Federal Work-Study, $398,620 Pell, and $122,387 Federal Supplemental Educational Opportunity Grant (FSEOG).

IVY TECH COMMUNITY COLLEGE

FIVE YEAR TREND IN STUDENT ENROLLMENT

ACTUAL

	2006-07	2007-08	2008-09	2009-10	2010-11*
Credit Student - Full Time	35,804	40,033	42,138	46,627	58,887
Part Time	75,339	80,414	93,561	119,928	115,919
Total	**111,143**	**120,447**	**135,699**	**166,555**	**174,806**
FTE	45,857	49,752	55,738	72,628	76,697
Non-Credit Students	20,630	23,918	23,654	21,234	23,875

*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.