2009 Comprehensive Annual Financial Report

Indianapolis Public Transporation Corporation, State of Indiana. Comprehensive Annual Financial Report for the year ending December 31, 2009. A component unit of the consolidated City of Indianapolis-Marion County Government Reporting Entity.

COMPREHENSIVE ANNUAL
2009 FINANCIAL REPORT

IndyGo SM

Indianapolis Public Transportation Corporation
A Component Unit of the Consolidated
City of Indianapolis – Marion County
Reporting Entity

Michael A. Terry, President & CEO
Wayne Oteham, VP/C.F.O./Controller

COMPREHENSIVE
ANNUAL
FINANCIAL REPORT
INDIANAPOLIS, INDIANA

FOR THE YEAR ENDING
DECEMBER 31, 2009

Through strategic hiring of Professional Coach Operators, IndyGo reduced costs related to overtime in 2009. Several classes of new operators completed IndyGo's intensive nine-week training course.

TABLE OF CONTENTS

SECTION ONE - INTRODUCTORY

SECTION TWO - FINANCIAL

SECTION THREE - STATISTICAL (Unaudited)

SECTION ONE – INTRODUCTORY

In 2009, IndyGo retrofitted two of its coaches with plastic seat bottoms to test the product's stain resistance, maintenance burden and life expectancy compared to the cloth seats IndyGo currently uses.

IndyGo began the process of rebranding its fleet in 2009 by reopening the paint booth and reallocating resources to this program.

June 30, 2010

The Board of Directors
Indianapolis Public Transportation Corporation
Indianapolis, Indiana

We submit to you the Comprehensive Annual Financial Report (CAFR) of the Indianapolis Public Transportation Corporation (IPTC) for the year ended December 31, 2009. IPTC is a component unit of the Consolidated City of Indianapolis -Marion County Reporting Entity.

The IPTC Controller, management team and staff prepared this report. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the Controller and management team of IPTC. The data, as presented, is accurate in all material respects. It is presented in a manner designed to set forth the financial position and results of operations of IPTC. Disclosures necessary to enable the reader to gain the maximum understanding of IPTC's financial affairs are included.

Organization
The Indianapolis Public Transportation Corporation (IPTC) is a Municipal Corporation as defined by the "Urban Mass Transportation Act of 1965," adopted in 1965 by the Indiana General Assembly. In 1973, the company was chartered by City ordinance to provide public transportation for the City of Indianapolis, Marion County, the Town of Speedway and the City of Beech Grove.

A seven member Board of Directors establishes operating policy for IPTC. The Mayor of the City of Indianapolis and the City-County Council of the City of Indianapolis and Marion County, Indiana, appoint the Board, which is bipartisan. The Mayor appoints three members, and the Council appoints four.

The Board of Directors develops policies regarding operations, contracts, safety, financing, organization and structure of the Corporation. To affect these policies, members of the Corporation Board meet regularly in public session. These meetings include presentations by the management staff regarding the operational and financial status of the Corporation.

In January 2009, the IPTC board named Michael Terry as the new president and CEO of IndyGo.

Significant 2009 Accomplishments
IndyGo made significant headway in 2009 to improve operational efficiencies and reduce the environmental impact of transit on the local environment. Thanks in part to the $16.1 million that was awarded to IndyGo through the American Recovery and Reinvestment Act of 2009 (ARRA), IndyGo was able to take care of long-overdue repairs and upgrades to major facility infrastructure systems, including HVAC, lighting and ventilation. The facility upgrades are expected to reduce IndyGo’s overall energy utilization and facility maintenance expense.

In addition, ARRA funds were used to procure 22 new buses in 2009, which will arrive in late 2010 to replace vehicles in the IndyGo fleet that have reached their maximum useful life per FTA replacement guidelines. The new vehicles will improve operational efficiency, reduce maintenance costs and lessen the bus service's impact on the environment.

Other operational efficiencies include:

- **Reduction in Overtime and Absenteeism**: Through strategic hiring of Professional Coach operators and better scheduling of work flows in the maintenance department, overtime and absenteeism has dramatically reduced.
- **Improved Vehicle Maintenance Processes**: Maintenance implemented a preventative approach and root cause analysis in order to avoid costs of maintaining an aging fleet while enhancing service reliability.

Among IndyGo's 2009 efforts to reduce the environmental impact of its service are:

- **Launched IndyGo Green Campaign**: This initiative reinforces the opportunity for individuals and business to "Go Green" by using and promoting public transportation, and it provides a platform for IndyGo to communicate its efforts to enhance the sustainability of its own operations.
- **Systemized Waste Recycling**: An environmental waste-disposal firm was contracted in 2009 to remove IndyGo's facility waste products including oil, antifreeze, light bulbs, and cleaning solvents.
- **Purchased Replacement Vehicles**: IndyGo purchased six Ford Hybrid Escapes for Transportation Supervisors and more efficient Open Door paratransit vehicles.

IndyGo's efforts to improve customer service in 2009 include:

- **Leveraged Technology**: IndyGo installed a Computer Aided Dispatch/Automatic Vehicle Location (CAD/AVL) system to the entire IndyGo fleet in 2009 and can now access real-time satellite-based Global Positioning System (GPS) information to manage Fixed Route, Open Door and support vehicles.
- **Improved Stop Amenities**: With grant funds, IndyGo added 16 shelters and 12 benches at transit stops and installed new sidewalks and curb cuts for wheelchair access. IndyGo also installed solar lighting in many of its shelters and bus stops.
- **Conducted On Board Survey**: With the Indianapolis Metropolitan Planning Organization (MPO), IndyGo fielded an on-board passenger survey in the Fall of 2009 to collect data on passenger travel patterns and demographics. This information is used for a variety of reporting and planning purposes, including the Comprehensive Operational Analysis (COA).
- **College S-Pass**: IndyGo developed a 31-Day S-Pass in 2009. This pass is sold directly to accredited colleges and universities in Indianapolis for half the cost of a regular 31-day pass. The general S-Pass generated a total of 222,871 rides in 2009.

Financial Oversight

IPTC management is responsible for establishing and maintaining internal controls designed to ensure assets are protected from loss, theft or misuse and to ensure adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal controls are designed to provide reasonable, but not absolute assurance, that these objectives are met. The concept of reasonable assurance recognizes: (1)

the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The Board of Directors adopts a budget in August of each year for the next calendar year. Budgetary control is maintained for certain funds, at the object level of expenditures, by the encumbrance of purchase orders against available appropriations. That budget becomes the day-to-day control document of expenditures at the department level. Changes within major account classifications require board approval, while departments are allowed authority to transfer between minor line items within the major accounts.

Cash Management

At all times, minimum cash balances are maintained. Investments of temporary idle funds are in demand deposits, money market deposits, repurchase agreements, U.S. treasury bills or similar government issues until funds are needed for expenditures. All deposits are fully insured by the FDIC or the Indianapolis Public Deposits Insurance Fund, a multiple financial institution collateral pool. As of December 31, 2009, excess funds were invested in demand deposit accounts with Indiana financial institutions. Please review Management's Discussion and Analysis for more information.

Risk Management

Risk management activities at IPTC are an ongoing program of loss prevention, safety inspections, claims processing and payment, and placement of risk insurance coverage combined with self-insurance retention—all designed to maximize the protection of assets of IPTC. A schedule of risk coverage is included in the Statistical Section, Schedule 15 of this report, and additional information is contained in the Financial Section, notes to financial statement.

In December 1986, the IndyGo Board of Directors approved the establishment of an Excess Liability Reserve, for the purpose of paying personal injury and property damage claims in excess of $100,000. An actuarial study conducted in April 1987 recommended funding levels of between $590,000 and $1,550,000—depending on the confidence level selected. As of December 31, 2009, the Excess Liability Reserve was $1,693,690.

Significant additional self-insured retentions in effect are as follows: Workers Compensation $300,000 per occurrence; property damage to autos and buses—entirely self-insured. The tort claim liability was capped at $500,000 per occurrence during 2008. This liability increased to $700,000 per occurrence beginning January 1,2009.

Independent Audit

The Indiana Urban Mass Transportation Act of 1965 requires the Controller to annually submit the records for audit by Independent Certified Public Accountants designated by the Board of Directors. As a recipient of federal financial assistance, IndyGo is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U. S. Office of Management and Budget Circular A-133, *Audits of State Local Governments and Non-Profits Organizations.* The public accounting firm of Crowe Horwath, LLP (formerly Crowe Chizek and Company, LLP) performed the annual audit, and also performed the audit required by the federal Single Audit Act of 1996 and related OMB Circular A-133.

Generally accepted auditing standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting their engagement. The auditors' report on the financial statements with accompanying notes is included in Section Two of this report. Information related to the single audit report, including a schedule of expenditures of federal awards, the independent auditors' report on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in a separately issued single audit report.

Other Information

Audit Committee

Based on recommendations from the Federal Transit Administration, it was suggested that the IndyGo Board of Directors develop an Audit Committee. Gary F. Hentschel was reappointed to serve as Chairman of the IndyGo audit committee for a term of one year. Mr. Hentschel appointed Dennis E. Faulkenberg to serve on the audit committee.

Certificate of Achievement

The Government Finance Officer's Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Indianapolis Public Transportation Corporation (IndyGo) for its Comprehensive Annual Financial Report for the year ended December 31, 2008. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both accounting principals generally accepted in the United States of American and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe our current report continues to conform to the Certificate of Achievement for Excellence Reporting Program requirements, and we are submitting this report to the GFOA to determine its eligibility for another certificate.

Acknowledgement

The report presented herein could not have been prepared without the assistance of many persons. We appreciate the assistance received from our independent auditors, Crowe Horwath, LLP, in the preparation of this report. Appreciation is also expressed to the City of Indianapolis Controllers Office, the Marion County Auditor's Office, the Indianapolis Economic Development Corporation, and the management and staff of IndyGo.

Respectfully submitted,

Wayne Oteham

Wayne Oteham	Michael A. Terry
VP/CFO/Controller	President/ CEO

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Indianapolis Public Transportation Corporation - IndyGo, Indiana

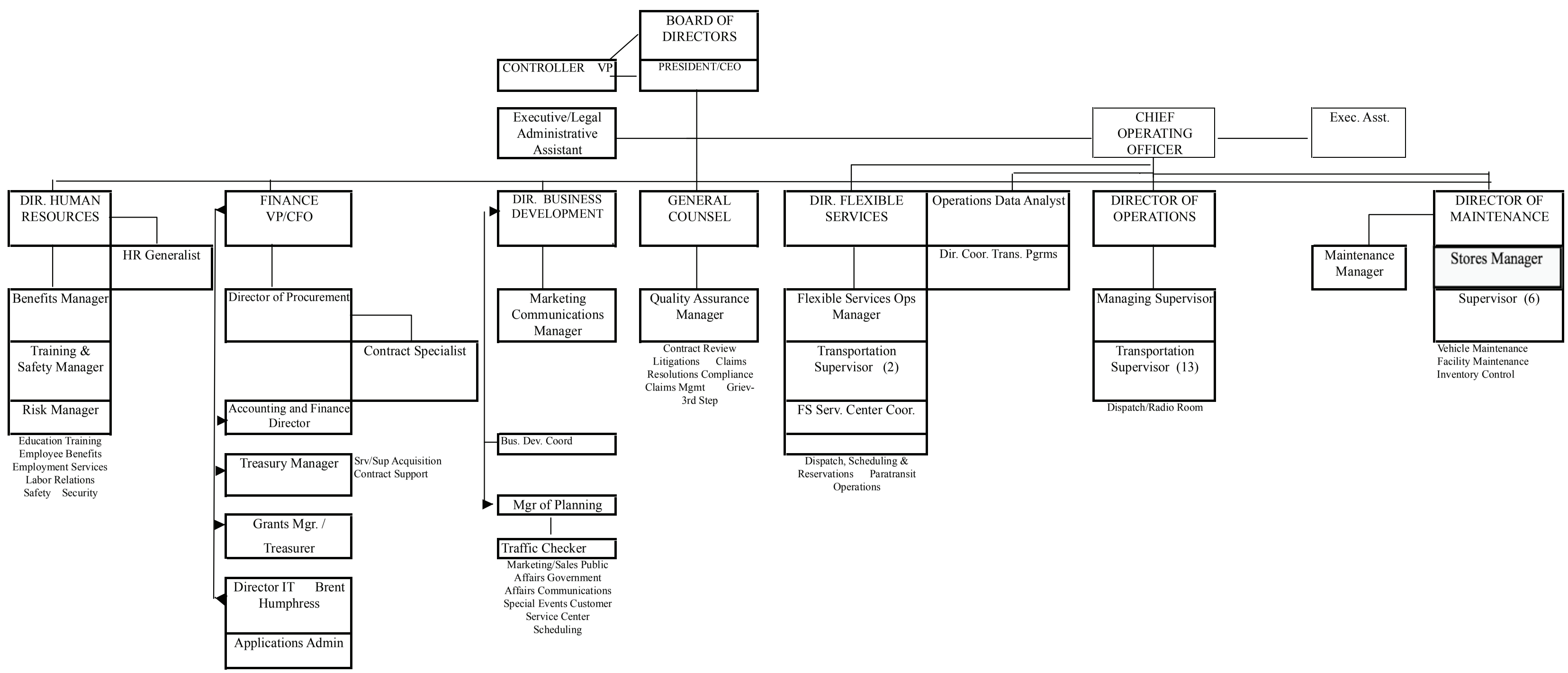
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

IndyGo - Indianapolis Public Transportation Corporation 2009



***Controller reports to Board of Directors**

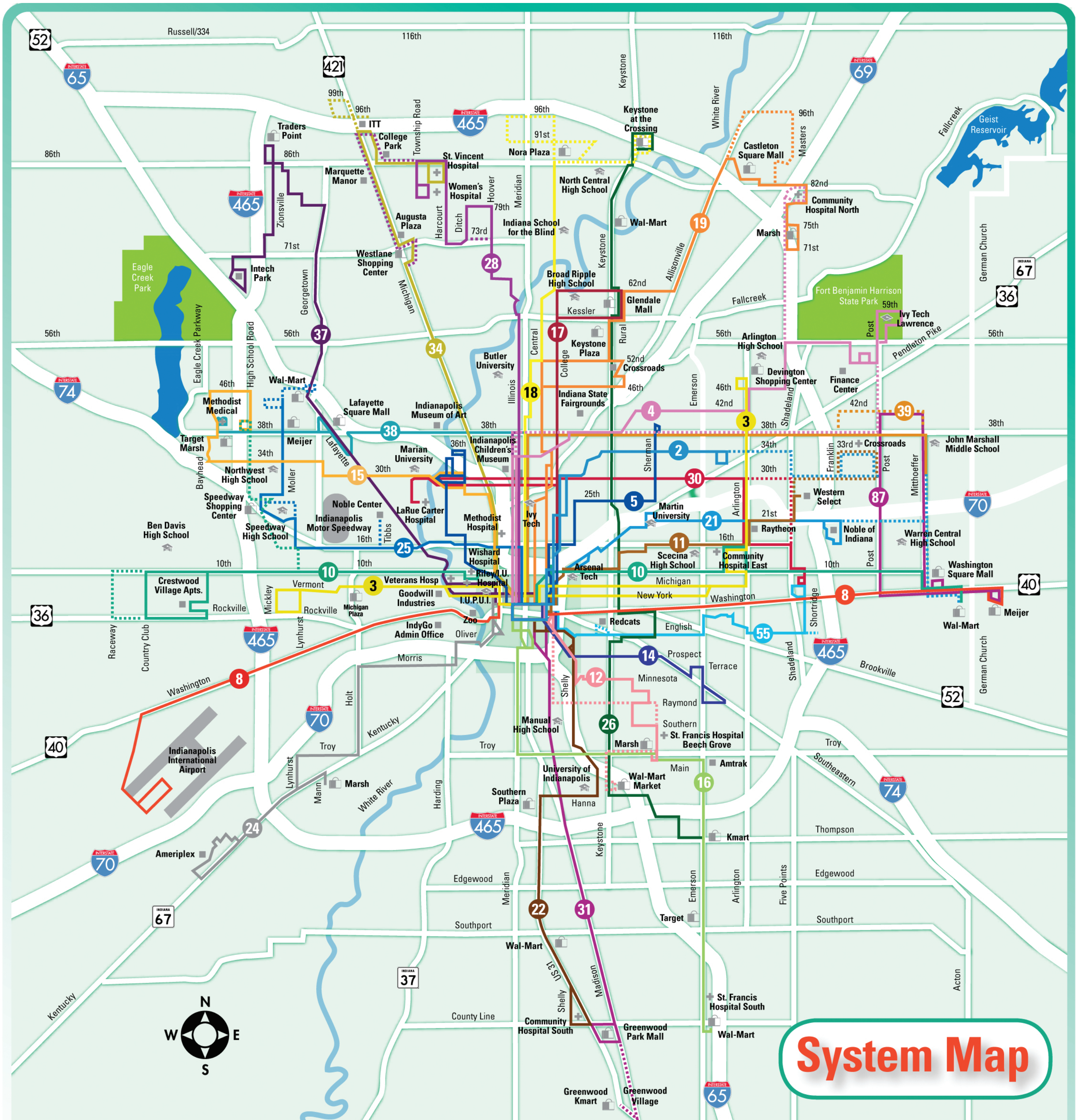
Org chart 12/31/09

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION - IndyGo

Board of Directors, Principal Officials and Management

Name	Approximate Length of Service	Occupation
Appointed Board of Directors		
Dennis Faulkenberg, Chair (Council)	5 1/2 yrs	President APPIAN
Tommie L. Jones, Vice Chair & Secretary (Council)	10 yrs	Retired Professional Educator Decatur Township School District
Gary F. Hentschel, Treasurer (Mayor)	7 1/2 yrs	President Key Bank-Central Indiana District
Danny M. Crenshaw (Council)	7 yrs	Insurance Agent/Owner Crenshaw Insurance Agency
Alan Rowland (Mayor)	2 yr	Business Development Manager CompTIA
Gregory Bedan (Council)	4 yrs	Consultant Kreative Konnections LLC
Juan Gonzalez (Mayor)	3 mos.	Vice President - Sr. Business Banking Relationship Manager Key Bank
IPTC Principal Management Staff		
Michael A. Terry	6-1/2 yrs	President/CEO
Janice E. Kreuscher	7 1/2 yrs	General Counsel
Wayne Oteham	9 yrs	VP/CFO/Controller
Samantha Cross	5 yrs	Dir. Business Development
Trevor Ocock	3 yrs	VP/ COO

Above information is as of 12/31/09



Map Key

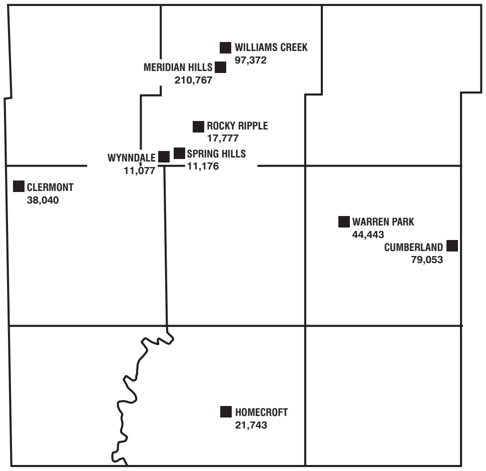
- ROUTE 2 - EAST 34TH STREET
- ROUTE 3 - MICHIGAN STREET
- ROUTE 4 - FORT HARRISON *(2)*
- ROUTE 5 - E. 25TH/NORTH HARDING
- ROUTE 8 - WASHINGTON STREET
- ROUTE 10 - 10TH STREET
- ROUTE 11 - EAST 16TH STREET *(1) (2)*
- ROUTE 12 - BEECHCREST
- ROUTE 14 - PROSPECT
- ROUTE 15 - RIVERSIDE
- ROUTE 16 - BEECH GROVE *(2)*
- ROUTE 17 - COLLEGE
- ROUTE 18 - NORA *(2)*
- ROUTE 19 - CASTLETON
- ROUTE 21 - EAST 21ST STREET *(2)*
- ROUTE 22 - SHELBY *(1, 2)*
- ROUTE 24 - MARS HILL *(2)*
- ROUTE 25 - WEST 16TH STREET *(2)*
- ROUTE 26 - KEYSTONE CROSSTOWN *(2)*
- ROUTE 28 - ST. VINCENT
- ROUTE 30 - 30TH STREET CROSSTOWN *(1) (2)*
- ROUTE 31 - GREENWOOD
- ROUTE 34 - MICHIGAN ROAD *(2)*
- ROUTE 37 - PARK 100
- ROUTE 38 - LAFAYETTE SQUARE
- ROUTE 39 - EAST 38TH STREET
- ROUTE 50 - RED LINE *(2)*
- ROUTE 55 - ENGLISH *(1) (2)*
- ROUTE 87 - EASTSIDE CIRCULATOR *(2)*
- ROUTE 200 - ICE CARMEL* *(1) (2)*
- ROUTE 204 - ICE GREENWOOD* *(1) (2)*
- ROUTE 205 - GREEN LINE DOWNTOWN/ AIRPORT EXPRESS*
- ROUTE 210 - ICE FISHERS* *(1) (2)*
- ▪▪▪ DENOTES SELECTED TRIPS SEE ROUTE SCHEDULE FOR INFORMATION

(1) Routes that do not run on Saturday
(2) Routes that do not run on Sunday.
* Routes not noted on map

Indianapolis Public Transportation Corporation
Taxing Districts

(In Thousands)

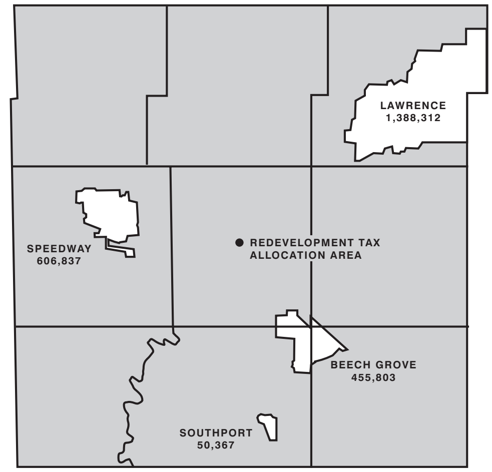
MAP 1



MARION COUNTY AND INCLUDED TOWNS

	True Value Assessed Valuation
Marion County	38,207,966
Included towns (9)	531,447

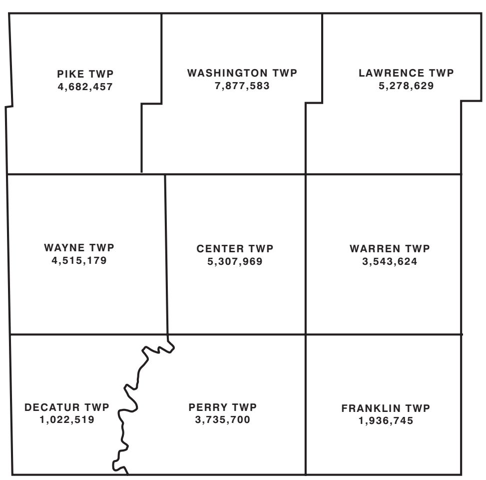
MAP 2



CONSOLIDATED CITY OF INDIANAPOLIS

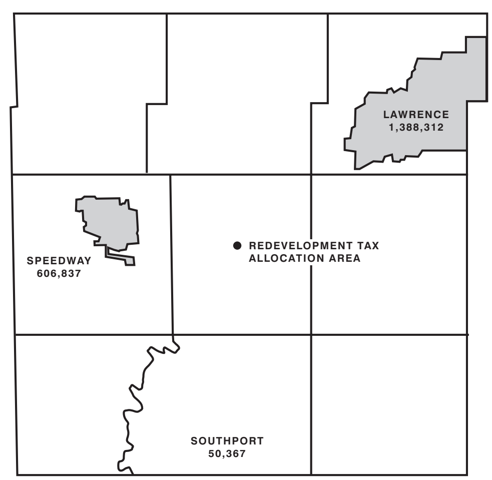
	Assessed Valuation
City of Indianapolis	35,756,647
Exluded Cities and Towns	2,501,319

MAP 3



TOWNSHIP (ASSESSED VALUATIONS)

MAP 4



IPTC TAXING DISTRICT

IPTC	36,161,673
Exluded Cities and Towns	2,045,516

[1] The assessed value figures are those certified by Marion County Auditor Abstract as of October 9, 2009
[2] Map 4 represents the taxing district of IPTC, not including excluded cities and towns.

SECTION TWO – FINANCIAL

Thanks in part to the $16.1 million that was awarded to IndyGo through the American Recovery and Reinvestment Act of 2009 (ARRA), IndyGo began long-overdue repairs and upgrades of major facility infrastructure systems, including HVAC, lighting and ventilation.

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION (A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS MARION COUNTY GOVERNMENT REPORTING ENTITY)

FINANCIAL STATEMENTS

December 31, 2009

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
Indianapolis, Indiana

FINANCIAL STATEMENTS
December 31, 2009

CONTENTS

Crowe Horwath™

Crowe Horwath LLP
Independent Member Crowe Horwath International

REPORT OF INDEPENDENT AUDITORS

Board of Directors
Indianapolis Public Transportation Corporation
Indianapolis, Indiana

We have audited the accompanying statements of net assets of Indianapolis Public Transportation Corporation (IPTC) (a municipal corporation and a component unit of the consolidated City of Indianapolis-Marion County Government Reporting Entity) as of December 31, 2009, and the related statement of revenues, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of IPTC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IPTC at December 31, 2009, and the respective changes in its financial position and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 2 through 8 and the Schedule of Funding Progress on page 34 are not a required part of the basic financial statements but are 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 required supplementary information. However, we did not audit the information and express no opinion on it.

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
June 22, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report presents a discussion and analysis of Indianapolis Public Transportation Corporation's (IPTC's) financial performance for the year ended December 31, 2009. Please read this section in conjunction with the IPTC financial statements in the section that follows. For more detailed information on long-term debt activity and capital asset activity please refer to the relevant disclosures in the notes accompanying the basic financial statements.

FINANCIAL HIGHLIGHTS

- IPTC's assets exceeded its liabilities at December 31, 2009 by $47 million (net assets). Of this amount, $5.7 million (unrestricted net assets) may be used to meet IPTC's ongoing obligations arising from providing transportation service to the community.
- Fare revenues for 2009 increased less than 1 percent over that of the prior year.
- FTA capital contributions for 2009 more than doubled over that of the prior year.
- Operating expenses before depreciation increased 6 percent over the prior year.
- Net assets increased approximately $10 million or 26 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of four parts: management's discussion and analysis (this section), the basic financial statements, the notes to the financial statements and required supplementary information.

The financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units operating as an Enterprise Fund. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statements of Revenue, Expense, and Changes in Net Assets. All assets and liabilities associated with the operation of IPTC are included in the Statement of Net Assets.

The financial statements provide both short and long-term information about IPTC's overall financial status. The financial statements include notes to provide more detailed information on important activities. Please refer to these notes for more in depth and detailed information.

FINANCIAL STATEMENT ANALYSIS

Net Assets

IPTC's total assets at December 31, 2009 reached almost $80.3 million. This represents a decrease of approximately 4 percent from prior year. Liabilities approximated $33 million resulting in a decrease of 29 percent for 2009. The overall decrease in liabilities is attributed to property tax collections and settlements returning to a normal schedule.

Approximately $25 million or 54 percent of the net assets reflects investments in capital assets, less any related debt. Of this $25 million, $10 million, or an increase of 86 percent in the purchase of equipment over prior year, attributed to the overall increase in net assets.

TABLE 1 – NET ASSETS

	2009	2008
Assets:		
Current assets	$ 42,578,715	$ 52,694,433
Capital assets (net)	37,473,562	30,745,499
Other assets	231,701	170,920
Total Assets	$ 80,283,978	$ 83,610,852
Liabilities:		
Current liabilities	$ 15,815,446	$ 27,567,541
Non-current liabilities	17,239,737	18,706,664
Total liabilities	33,055,183	46,274,205
Net assets:		
Invested in capital assets	25,481,285	14,846,493
Restricted	16,065,599	11,486,965
Unrestricted	5,681,911	11,003,189
Total net assets	47,228,795	37,336,647
Total liabilities and net assets	$ 80,283,978	$ 83,610,852

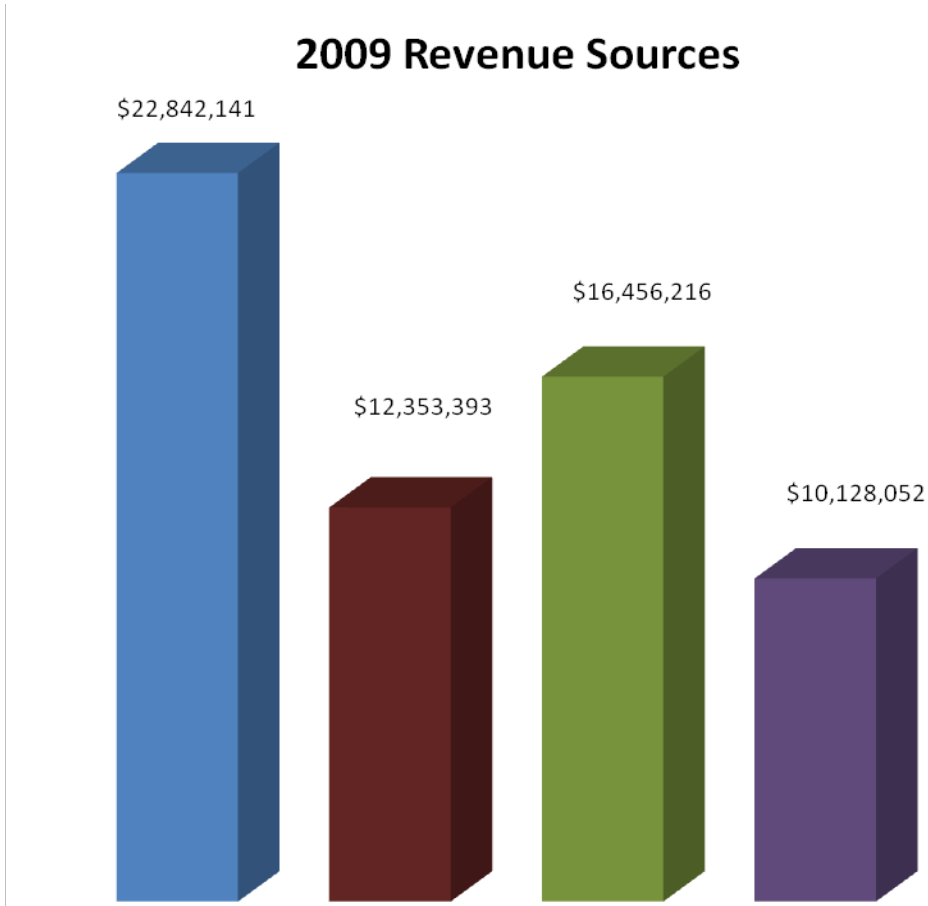
Changes in Net Assets

The change in net assets for 2009 represents an increase of approximately $10 million, or 26 percent. Of this, total revenues increased approximately $7.2 million, or 11 percent. This increase is attributed in part to a $1.9 million, or 13% increase, in federal assistance. Additionally, IPTC's capital grant contributions more than doubled over that of prior year for a total increase of $6.8 million. Overall expenses increased $3.4 million, or 6 percent. Increasing health care cost, fuel and claims experience were the significant factors attributing to this increase.

TABLE 2 – CHANGES IN NET ASSETS

	2009	2008
Operating revenues		
Passenger fares	$ 9,823,052	$ 9,811,303
Special service	-	175,351
Advertising	305,000	368,689
Total operating revenues	10,128,052	10,355,343
Non-operating revenues (expenses)		
Property and excise tax	22,842,141	22,670,695
Municipalities	12,353,393	12,887,164
FTA Assistance	16,456,216	14,527,052
Contributions – capital grants	12,221,576	5,430,248
Other net revenues (expenses)	(670,714)	275,525
Total non-operating revenues	63,202,612	55,790,684
Total revenues	73,330,664	66,146,027
Operating expenses		
Transportation	30,259,567	29,541,787
Maintenance of equipment, including fuel	15,218,097	14,538,889
Administrative and general	7,864,376	6,863,256
Claims and insurance	2,226,549	1,516,932
Depreciation	7,869,927	7,627,359
Total operating expenses	63,438,516	60,088,223
Change in net assets	9,892,148	6,057,804
Total net assets, beginning of year	37,336,647	31,278,843
Total assets, end of year	$ 47,228,795	$ 37,336,647

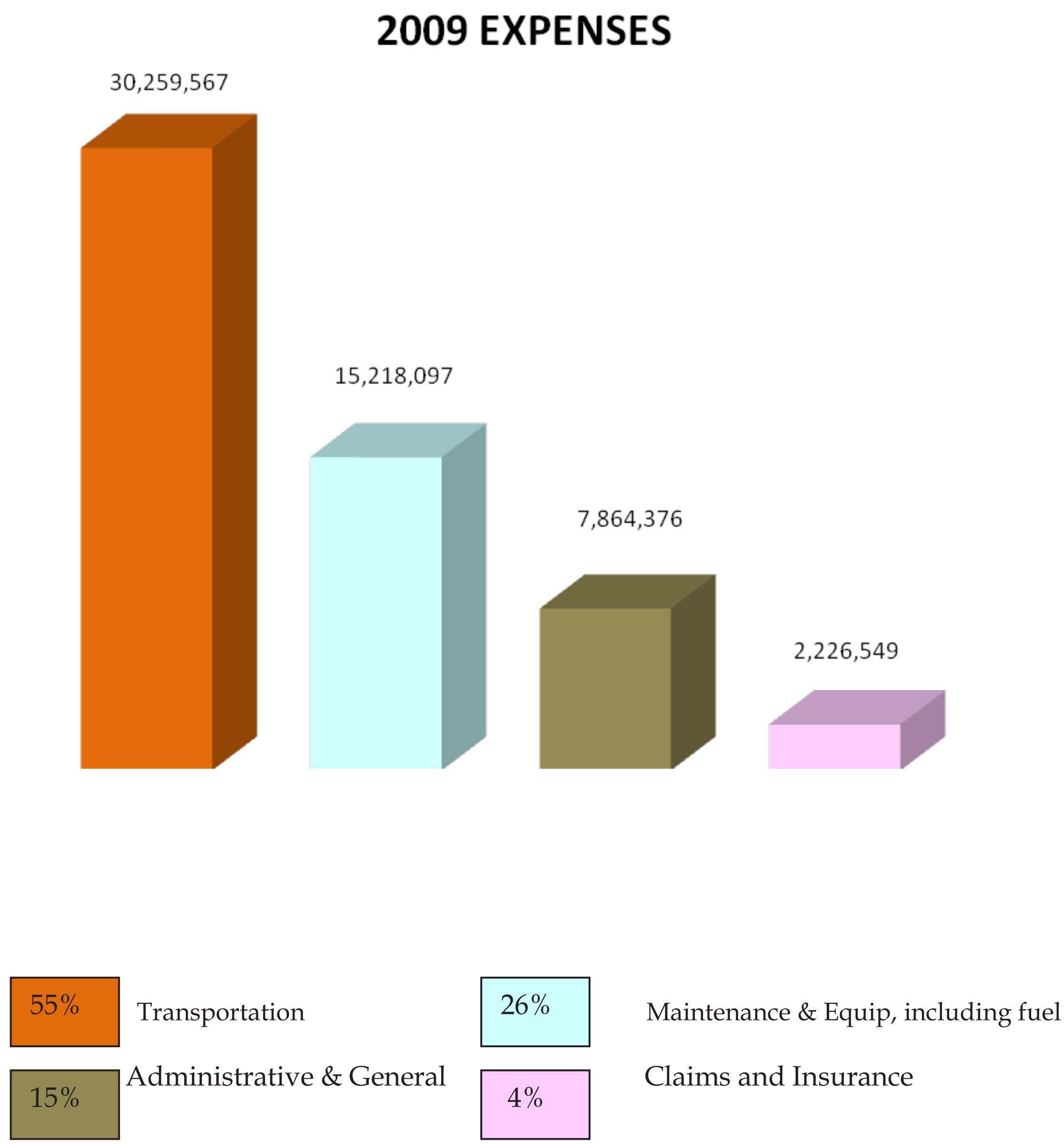
Revenues: For 2009, total operating revenues decreased approximately $.2 million, or 2 percent. This decrease is attributed to the elimination of special services as a source of revenue funding for the year. Non operating revenue excluding capital grant contributions and other revenue (expenses) increased approximately $1.6 million, or 3 percent. IPTC received approximately 13 percent more in FTA assistance which contributed to the overall increase in non operating revenue.



37%	Property & Excise Tax	27%	FTA Assistance
20%	Municipalities	16%	Operating Revenue

The revenues and percentages presented exclude "Contributions-capital grants" and "Other net revenues (expenses)".

Expenses: Total operating expenses including depreciation are approximately $63 million for 2009. This is an increase of $3.3 million, or 6 percent, from prior year. Increasing health care costs, fuel and claims experience were the significant factors attributing to this increase. In addition, administrative and general operating expenses increased approximately $1 million; $.35 million is attributable the development of an aggressive wellness plan and in house clinic, $.3 million is attributed to a maintenance and best practices plan and implementation, and $.2 million is attributed to consulting services related to technology plan implementation.



The expenses and percentages presented exclude "depreciation" expense.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

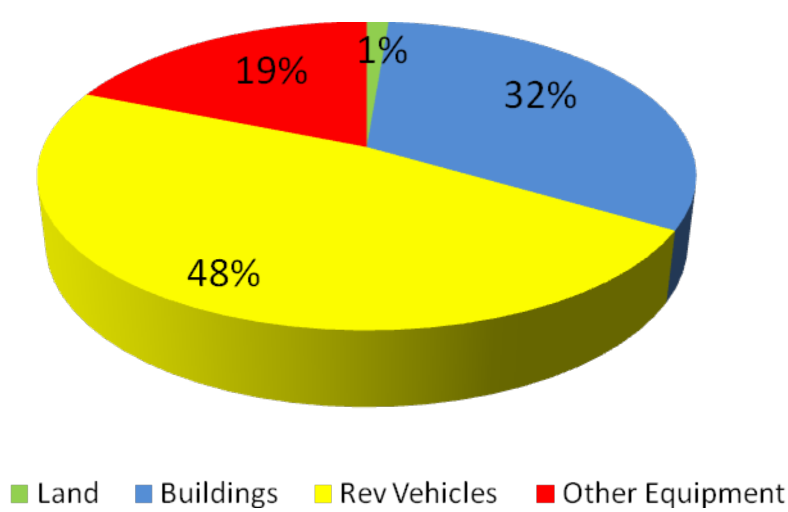
As of December 31, 2009, IPTC had invested approximately $37 million in capital assets, net of accumulated depreciation. Compared to the prior year, this amount represents an increase of approximately $7 million. The increase is due to capital asset acquisitions exceeding the amount of annual depreciation expense during the year. Please refer to Note 3 of the financial statements included in the next section of this report for additional information regarding capital assets activity.

Management has concentrated on making capital investments in equipment and technology that can be effective in improving service and reducing operating costs. These projects can be implemented only because of the availability of Federal capital funding and the establishment of the cumulative capital fund to provide the local match for Federal capital grants.

Significant capital asset acquisitions during 2009 included the following:

- IPTC installed and implemented various software's --- CAD AVL, Trapeze, Ellipse Payroll Module during the year at a combined cost in excess of $4.5 million.
- IPTC acquired 57 new Paratransit vehicles during the year at a cost in excess of $3.8 million.
- $1.3 million was spent on mobile radios and accessories to enhance communication.
- Over $.9 million of stimulus funding was utilized on upgrades to the HVAC and facility.
- Approximately $.3 million was spent on upgrades to security/camera system.

Percentage allocation invested in capital assets:



CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

- For several years, IPTC has been working with local officials and consulting teams to identify the best location to operate a downtown transit center. In 2009, a site evaluation was conducted at a location in close proximity to current multimodal services (i.e. trains, buses, park and ride, pedestrian and bike). Operational plans for transit services from this site were considered and validated for future development. Next steps involve discussions on acquisition and relocation of current tenant at the end of current lease term. The earliest property would be available for demolition and/or construction would be early 2012. Federal and local match funding is available at this time.

- In 2009, IPTC completed the final elements of the technology plan that was developed during 2004. The remaining elements completed in 2009 were: a new communications system (voice and data), an AVL (automated vehicle location) system and MDT's (mobile data terminal) on all fixed route and Paratransit buses.

Debt Disclosures

As of December 31, 2009, IPTC had approximately $17 million of notes and bonds payable. In April of 2009, IPTC refunded its 1999C bond issue into the 2009C Series. During 2009, bonds and notes payable were repaid pursuant to the maturity schedule of each issue. As of December 31, 2009, IPTC management reported compliance with all restrictive covenants on its borrowing agreements. Please refer to Note 4 of the financial statements included in next section of this report for additional information regarding debt activity.

CURRENTLY KNOWN FACTS

Other than the uncertainty of general economic indicators on IPTC, its funding sources, and its customers, there are no significant facts, decisions or conditions expected that management believes will have a significant impact on the financial position or results of operations.

The economic environment in which IPTC operates continues to present management with major challenges in sustaining the level and quality of transit service. Management remains concerned over rising variable operating costs such as fuel and health care benefits. Sufficient growth in our revenue sources is necessary to keep pace with the increase in variable costs.

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
STATEMENT OF NET ASSETS
December 31, 2009

ASSETS	
Current Assets	
Cash and cash equivalents (Note 2):	
Working capital	$ 7,045,067
Capital asset acquisition	16,065,599
Liability reserve accounts	1,693,690
Total cash and cash equivalents	24,804,356
Receivables:	
Federal grants	6,816,078
Operations receivables, net	505,231
Property tax receivables	7,907,495
Total receivables	15,228,804
Other Current Assets:	
Materials and supplies inventory, net	2,039,006
Deposits and prepaid expenses	506,549
Total other current assets	2,545,555
Total current assets	42,578,715
Noncurrent assets	
Bond issue cost, unamortized	231,701
Capital assets (Note 3):	
Buildings and improvements	34,493,778
Revenue vehicles and equipment	51,102,133
Other equipment	14,190,363
Land	1,375,654
Construction in progress	5,996,736
Total capital assets	107,158,664
Accumulated depreciation	(69,685,102)
Capital assets, net of depreciation	37,473,562
Total noncurrent assets	37,705,263
Total assets	$ 80,283,978

See accompanying notes to financial statements.

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
STATEMENT OF NET ASSETS
December 31, 2009

LIABILITIES AND NET ASSETS	
Current liabilities	
Accounts and contract services payable	$ 4,304,788
Accrued payroll and benefits	1,826,569
Deferred fare revenue	329,736
Bonds payable (Note 4)	1,360,000
Risk management - unpaid claim estimates (Note 5)	908,180
Federal grantor reimbursement payable	31,430
Pension arbitration liability (Note 9)	165,000
Tax anticipation warrants and accrued interest payable (Note 4)	6,889,743
Total current liabilities	15,815,446
Noncurrent liabilities	
Notes payable (Note 4)	7,003,988
Bonds payable (Note 4)	9,265,000
Premium on bonds payable	309,857
Risk management – unpaid claim estimate (Note 5)	106,500
Pension arbitration liability (Note 9)	675,000
Net other post employment benefit obligation (asset) (Note 10)	(120,608)
Total noncurrent liabilities	17,239,737
Total liabilities	33,055,183
Net assets	
Invested in capital assets, net of related debt	25,481,285
Restricted for capital assets acquisition	16,065,599
Unrestricted	5,681,911
Total net assets	47,228,795
Total liabilities and net assets	$ 80,283,978

See accompanying notes to financial statements.

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Year ended December 31, 2009

Operating revenues	
Passenger fares	$ 9,823,052
Advertising	305,000
Total operating revenues	10,128,052
Operating expenses	
Transportation	30,259,567
Maintenance of equipment, including fuel	15,218,097
Administrative and general	7,864,376
Claims and insurance	2,226,549
Depreciation	7,869,927
Total operating expenses	63,438,516
Operating loss	(53,310,464)
Non-operating revenues (expenses)	
Operating assistance:	
Property and excise tax	22,842,141
Municipalities	12,353,393
FTA and local operating and planning grants, and preventative maintenance funding	16,456,216
Other net revenues (expenses) (Note 7)	(670,714)
Total non-operating revenue	50,981,036
Change in net assets before capital contribution	(2,329,428)
Contributions - capital grants	12,221,576
Change in net assets	9,892,148
Net assets, beginning of year	37,336,647
Net assets, end of year	$ 47,228,795

See accompanying notes to financial statements.

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
STATEMENT OF CASH FLOWS
Year ended December 31, 2009

Cash flows from operating activities	
Receipts from customers	$ 10,197,098
Payments for transportation	(29,918,947)
Payments for maintenance of equipment, including fuel	(15,775,455)
Payments for administrative and general	(6,988,218)
Claims and insurance paid to external parties	(1,957,434)
Net cash used by operating activities	(44,442,956)
Cash flows from noncapital financing activities	
Property and excise tax distributions	36,577,092
Assistance from municipalities	12,353,393
FTA operating assistance	15,984,759
Interest paid on notes payable	(349,641)
Tax anticipation warrants and advances	(12,228,706)
Interest paid on tax anticipation warrants	(230,320)
Payments on pension arbitration	(165,000)
Other non-operating receipts (disbursements)	366,814
Net cash provided by noncapital financing activities	52,308,391
Cash flows from capital and related financing activities	
Capital grant receipts	9,864,243
Purchases of capital assets	(14,567,826)
Proceeds from sale of capital assets	13,106
Proceeds from debt issuance	8,348,080
Principal paid on debt	(9,445,000)
Debt issuance costs paid	(143,212)
Interest paid on debt	(547,336)
Net cash used by capital and related financing activities	(6,477,945)
Cash flows from investing activities	
Interest received on cash and cash equivalents	41,831
Net cash provided by investing activities	41,831
Net increase in cash and cash equivalents	1,429,321
Cash and cash equivalents, beginning of year	23,375,035
Cash and cash equivalents, end of year	$ 24,804,356

See accompanying notes to financial statements.

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
STATEMENT OF CASH FLOWS
Year ended December 31, 2009

Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	$ (53,310,464)
Adjustments to reconcile income (loss) to net cash:	
Depreciation expense	7,869,927
Changes in assets and liabilities:	
Other receivables	45,439
Materials and supplies inventory	(240,090)
Deposits and prepaid expense	(215,276)
Accounts and contract services payable	714,139
Accrued payroll and benefits	461,055
Deferred fare revenue	23,607
Risk management	269,115
Other post employment benefit obligation (asset)	(60,408)
Net cash used by operating activities	$ (44,442,956)
Noncash activities:	
Capital assets in accounts payable	$ 1,289,120
Federal grant reimbursement – in kind exchange	$ 16,030

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: IPTC operates in one business segment, public transportation, as an enterprise fund. IPTC's purpose is to acquire, provide and maintain an urban mass transportation system for the metropolitan Indianapolis area.

Indianapolis Public Transportation Corporation (IPTC), d/b/a IndyGo, was formed on August 7, 1973 by City-County Council General Ordinance No. 36 as a municipal corporation, which has no stockholders, under the provisions of IC 36-9-4. Management of IPTC has determined that it is a component unit of the Consolidated City of Indianapolis-Marion County Government Reporting Entity in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 and is considered financially accountable to such reporting entity.

The Board of Directors of IPTC consists of seven members, three of whom are appointed by the Mayor of the City of Indianapolis (Mayor) and four of whom are appointed by the City of Indianapolis-Marion County Council (Council). The IPTC Board designates the management of IPTC, namely the General Manager, the Assistant General Managers and the other principal members of the management staff. The IPTC Board adopts the budget and tax levy, and approves the issuance of debt. In addition, the Council may review and modify the budget and tax levy, although its approval is not required for the issuance of debt.

Basis of Accounting: IPTC prepares its financial statements in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In 1994, IPTC adopted GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*. IPTC has therefore elected to apply all applicable GASB pronouncements. In addition, IPTC follows all Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions, issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. IPTC uses the accrual basis of accounting.

Use of Estimates in Preparation of Financial Statements: 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expense Classification: Expenses have been classified using functional and activity classifications using direct costs and estimated indirect cost allocations based upon time allocation and benefit.

Revenue Recognition: Passenger fares are recorded as revenue at the time such services are performed and revenues pass through the fare box. Sales of tickets are recorded initially as unredeemed fares and recognized as income upon passage through the fare box.

Property Taxes: IPTC records property taxes as earned in the year they are due and payable. Taxes are levied separately for operations, capital asset acquisitions, and debt service. All taxable property located within the IPTC taxing district is assessed annually March 1. In mid-April of the year subsequent to the assessment, individual property tax statements are to be mailed by the Marion County Treasurer to the owners of record as of the assessed valuation date. Taxes are payable to the Treasurer in equal installments on or before May 10 and November 10 of the year subsequent to assessment. The Treasurer remits collections to IPTC and other governmental units within the county.

Capital and Operating Grants: Certain expenditures for capital acquisitions, improvements and development of an urban mass transportation system have received significant federal funding through the Federal Transit Administration (FTA). The balance of such expenditures is funded through state and local sources. Funds provided by governmental authorities for capital and operating assistance are recorded when earned.

Cash Equivalents: For purposes of the statement of cash flows, IPTC considers all liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash equivalents. At December 31, 2009, cash equivalents consisted of demand obligations and certificates of deposit.

Investments: In accordance with Indiana Code Section 5-12 et sequal, it is the policy of IPTC to deposit public funds into the depositories approved by the Marion County Board of Finance. IPTC is further authorized by statute to invest in obligations of the U. S. Treasury and U. S. Agencies, certificates of deposit, repurchase agreements, passbook savings, money market deposit accounts, and negotiable order of withdrawal accounts. It is the internal policy of IPTC to invest funds with local, federally insured banks that have a principal office within the County and have been approved by the County Board of Finance.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Assets: Certain cash and cash equivalent balances are restricted as follows:

Capital Asset Acquisition Accounts: Proceeds from the sale of the Indianapolis Local Public Improvement Bond Bank Bonds, Series 1999C (subsequently refunded with the 2009C issue) and Series 2002C issued by the Indianapolis Local Public Improvement Bond Bank and capital asset acquisition funds generated as a separate tax (cumulative funds) are restricted to expenditures for the acquisition of additional revenue vehicles and other capital equipment. In 2004, IPTC established a cumulative transportation fund under IC 36-9-4-48 setting forth a separate tax levy for the acquisition of capital assets.

Liability Reserve Accounts: Funds deposited in these accounts are set aside from the general operations of IPTC and used only for the payment of claims arising from accidents involving IPTC that exceed $100,000.

Receivables: Management has recorded an allowance of $40,000 for operating receivables. Management has not made a provision for an allowance for uncollectible property tax receivables or federal grants receivables.

Materials and Supplies Inventory: Materials and supplies inventories are valued at the lower of average cost (determined on a first-in, first-out basis) or market.

Capital Assets: Major items of capital assets acquired with federal, state and local funds are capitalized at cost. IPTC adheres to the FTA circular regarding capitalization of assets by capitalizing all assets with a value in excess of $5,000 per unit and a useful life in excess of one year and IPTC adheres to the FTA capitalization policy as appropriate for items which are (a) homogeneous and not individually identifiable; (b) may or may not have a units cost meeting the threshold level for a capitalized asset but where the practice is to purchase in groups and capitalize the total group; and (c) will be maintained together or in the same general area, should be listed by homogeneous grouping. Examples include desks, cubicles, file cabinets, furniture, office equipment, and certain technology hardware. Expenditures for maintenance and repairs are charged to operations as incurred.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

IPTC recognizes depreciation on capital assets on a straight-line basis over the estimated useful lives of the assets, as follows:

	Years
Land improvements	10
Buildings and shelters	10 to 25
Coaches	
Large bus	12
Body on chassis	3 to 5
Autos and trucks	3 to 10
Fare handling and maintenance equipment	3 to 10
Office furniture and equipment	2 to 20

Risk Management Claims: Property damage claims and liabilities for personal injury are recognized as incurred based on the estimated cost to IPTC upon resolution.

Compensated Absences: Essentially all employees receive compensation for vacations, holidays, illness and certain other qualifying absences. The number of days compensated for the various categories of absence is based generally on length of service. Vacation leave, which has been earned but not paid, has been accrued in the accompanying financial statements. Compensation for holiday and other qualifying absences is not accrued in the accompanying financial statements because rights to such compensation amounts either do not accumulate or they do not vest.

Accumulated unused sick leave benefits are nonvesting and are only paid out upon retirement. The maximum accumulation per employee is 1,800 hours and the maximum paid out per employee is 540 hours. Accumulated unused sick leave benefits are accrued based upon historical information, for employees with at least one year of service regardless of age.

(Continued)

NOTE 2 – CASH DEPOSITS AND INVESTMENTS

The following summarizes IPTC's policies on deposit and investment activity:

Investment Policy and Legal and Contractual Provisions Governing Cash Deposits: In accordance with Indiana Code Section 5-12 et sequal, it is the policy of IPTC to deposit public funds into the depositories approved by the Marion County Board of Finance. IPTC is further authorized by statute to invest in obligations of the U. S. Treasury and U. S. Agencies, certificates of deposit, repurchase agreements, passbook savings, money market deposit accounts, and negotiable order of withdrawal accounts. It is the internal policy of IPTC to invest funds with local, federally insured banks that have a principal office within the County and have been approved by the County Board of Finance. IPTC does not have specific investment policies on concentration of credit risk, custodial credit risk, interest rate risk, or foreign currency risk.

During the year ending December 31, 2009, IPTC held interest bearing demand deposit accounts, interest bearing savings accounts and certificates of deposits with Indiana financial institutions. Demand deposits are fully insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposits Insurance Fund.

Credit Risk and Custodial Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Custodial credit risk is the risk that IPTC will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party if the counter party fails. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized or collateralized with securities held by the pledging financial institution.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss that may arise in the event of default by a single issuer. IPTC has no institutional money market deposit accounts.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investments. The nature of IPTC deposits and investments do not present high exposure to interest rate market risks due to their short term nature.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. All IPTC deposits and investments are denominated in United States currency.

(Continued)

NOTE 2 – CASH DEPOSITS AND INVESTMENTS (Continued)

Deposits: IPTC maintains cash deposits and certificates of deposit with area financial institutions. A summary of these deposits at December 31, 2009 is as follows:

	2009 Carrying Value	2009 Bank Balance
On hand	$ 1,000	$ -
Certificates of deposits	1,000,000	1,000,000
Cash deposits:		
Insured by FDIC	500,000	500,000
Insured by Indiana Public Deposits Insurance Fund	23,303,356	25,509,943
	$ 24,804,356	$ 27,009,943

NOTE 3 - CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets as follows:

	Balance January 1, 2009	Changes During Year Additions	Changes During Year Reductions	Balance December 31, 2009
Capital Assets Cost:				
Depreciable Assets:				
Buildings and improvements	$ 33,232,191	$ 1,261,587	$ -	$ 34,493,778
Revenue vehicles and equipment	50,618,662	3,925,069	(3,441,598)	51,102,133
Other equipment	8,231,202	5,983,160	(23,999)	14,190,363
Non-Depreciable Assets:				
Land	1,375,654	-	-	1,375,654
Construction in progress	2,598,726	3,398,010		5,996,736
	$ 96,056,435	$ 14,567,826	$ (3,465,597)	$ 107,158,664

(Continued)

NOTE 3 - CHANGES IN CAPITAL ASSETS (Continued)

	Balance January 1, 2009	Changes During Year Additions	Changes During Year Reductions	Balance December 31, 2009
Accumulated Depreciation:				
Depreciable Assets:				
Buildings and improvements	$ (28,494,949)	$ (1,697,549)	$ -	$ (30,192,498)
Revenue vehicles and equipment	(32,166,789)	(4,535,539)	3,483,761	(33,218,567)
Other equipment	(4,649,198)	(1,636,839)	12,000	(6,274,037)
	$ (65,310,936)	$ (7,869,927)	$ 3,495,761	$ (69,685,102)

	Balance January 1, 2009	Changes During Year Additions	Changes During Year Reductions	Balance December 31, 2009
Capital Assets, Net:				
Depreciable Assets:				
Buildings and improvements	$ 4,737,242	$ (435,962)	$ -	$ 4,301,280
Revenue vehicles and equipment	18,451,873	(610,470)	42,163	17,883,566
Other equipment	3,582,004	4,346,321	(11,999)	7,916,326
Non-Depreciable Assets:				
Land	1,375,654	-	-	1,375,654
Construction in progress	2,598,726	3,398,010	-	5,996,736
	$ 30,745,499	$ 6,697,899	$ 30,164	$ 37,473,562

Net changes in construction in progress during 2009 of $3,398,010 consisted of new construction totaling $8,996,957 and capital assets placed in service and reclassified as depreciable assets totaling $5,598,947.

(Continued)

NOTE 4 - DEBT OBLIGATIONS

The following disclosure provides detail on IPTC debt obligations. At December 31, 2009, IPTC noncurrent debt consisted of bonds payable and notes payable. Changes were as follows:

	Balance January 1, 2009	Changes During Year Additions	Changes During Year Reductions	Balance December 31, 2009	Noncurrent	Current
Bonds payable	$ 12,025,000	$ 8,045,000	$ (9,445,000)	$ 10,625,000	$ 9,265,000	$ 1,360,000
Notes payable	7,053,500	36,000	(85,512)	7,003,988	7,003,988	-
	$ 19,078,500	$ 8,081,000	$ (9,530,512)	$ 17,628,988	$ 16,268,988	$ 1,360,000

Bonds Payable: Bonds consist of the Indianapolis Local Public Improvement Bond Bank Bonds, Series 2009C and 2002C. The 1999C Bond Series was refunded into the 2009C Series in 2009. The amounts outstanding at December 31, 2009 are as follows:

	2009
Series 1999C	$ -
Series 2002C	3,600,000
Series 2009C	7,025,000
	10,625,000
Less: Current portion	(1,360,000)
Noncurrent portion	$ 9,265,000

Series 1999C Bonds - The Indianapolis Local Public Improvement Bond Bank Bonds Series 1999C, were refunded by Series 2009C Bonds in the amount of $8,150,000. As a result of the refunding, the Series 1999C Bonds are considered defeased and the liability for those bonds are not included in the financial statements of IPTC. Bond interest expense on Series 1999C Bonds was $58,645 for the year ended December 31, 2009.

The refunding resulted in decreasing its aggregate future debt service payments by $612,631 over the next seven years and obtained an economic gain of $501,190. As of December 31, 2009, the balance of the remaining defeased bonds was $8,150,000.

Series 2002C Bonds - The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2002C, dated December 18, 2002, were issued in the aggregate principal amount of $5,000,000, at a premium of $49,626. The Series 2002C Bonds are being used to provide local matching funds for FTA grants to acquire capital assets. Bond proceeds were also used to redeem the 2001 Bond Anticipation Note. The Series 2002C Bonds bear interest rates varying from 2.6 to 4.0%, payable on January 10 and July 10 commencing July 10, 2004 and have serial maturities from 2006 through 2017. The Series 2002C Bonds maturing on or after January 10, 2013 may be redeemed on or after January 10, 2012, at the redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the date of redemption.

(Continued)

NOTE 4 - DEBT OBLIGATIONS (Continued)

Debt service requirements for the bonds are:

Years Ending December 31	Principal	Interest	Total
2010	$ 300,000	$ 168,906	$ 468,906
2011	300,000	157,206	457,206
2012	280,000	145,206	425,206
2013	275,000	133,726	408,726
2014	265,000	121,764	386,764
Thereafter	2,180,000	206,065	2,386,065
	$ 3,600,000	$ 932,873	$ 4,532,873

Bond interest expense on Series 2002C Bonds was $179,081 for the year ended December 31, 2009.

Series 2009C Bonds - The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2009C, dated August 4, 2009, were issued in the aggregate principal amount of $8,045,000, at a premium of $303,081. Proceeds were used to provide local matching funds for FTA grants to acquire new and replacement coaches and other vehicles and equipment and to perform preventative maintenance on equipment and rehabilitation of the facility. Bond proceeds were also used to refund the Series 1999C Bonds.

The Series 2009C Bonds bear interest rates varying from 2.75 to 4.00%, payable on January 10 and July 10 commencing January 10, 2010 and have serial maturities through 2016. The Bonds are not subject to optional redemption prior to maturity dates. Debt service requirements to maturity for the outstanding bonds are as follows:

Years Ending December 31	Principal	Interest	Total
2010	$ 1,060,000	$ 236,975	$ 1,296,975
2011	1,130,000	205,175	1,335,175
2012	1,230,000	174,100	1,404,100
2013	1,315,000	131,050	1,446,050
2014	1,415,000	91,600	1,506,600
Thereafter	875,000	35,000	910,000
	$ 7,025,000	$ 873,900	$ 7,898,900

Bond interest expense on Series 2009C Bonds was $309,610 for the year ended December 31, 2009.

(Continued)

NOTE 4 - DEBT OBLIGATIONS (Continued)

Notes Payable: Notes payable consists of two agreements described as follows:

Indianapolis Public Transportation Taxable Notes of 2008 - On December 18, 2008, IPTC issued notes payable designated as "Indianapolis Public Transportation Corporation Taxable Notes of 2008" in an aggregate amount of $5,000,000. The notes were purchased by the Indianapolis Local Public Improvement Bond Bank (Bond Bank) from proceeds of Bond Bank notes with Fifth Third Bank. The notes have a five-year term with an initial interest rate of 3.09875% and the final four years at a variable rate based on the LIBOR rate plus 125 basis points. The purpose of these transactions was to provide a revolving line of credit to be used for operating cash flow. Principal is due at the end of term of the agreement and is categorized as a noncurrent liability.

Note interest expense on this obligation was $161,095 for the year ended December 31, 2009.

City of Indianapolis Loan Agreement – In 2004, IPTC entered into a $2 million loan agreement with the City of Indianapolis to provide working capital to cover operating expenses, to prevent service reductions in bus routes, to provide alternative forms of transportation for passengers affected by planned route changes, and review existing routes to plan for needed service change.

In 2007, an agreement was executed to extend the loan. As extended, the loan is payable no later than December 31, 2010. Concurrent with the extension of the agreement, the City expressly waived repayment of interest that had been accrued from date of origination through the date of extension of the agreement amounting to $105,500. Interest expense for the year ended December 31, 2009 was $36,000. During 2009 IPTC paid interest of $77,400 that included interest accruing from the 2007 loan extension through December 31, 2009.

Subsequent to the balance sheet date, IPTC entered into an agreement with the City of Indianapolis that replaces the 2007 loan extension agreement. The new loan agreement extends the due date to no later than December 31, 2011, provides for interest at 2% per annum and provides a mechanism for repayment by investing in capital assets that are mutually beneficial to the City of Indianapolis and IPTC. The loan is categorized as a noncurrent liability.

(Continued)

NOTE 4 - DEBT OBLIGATIONS (Continued)

Tax Anticipation Warrants: This short-term debt was issued in the form of tax anticipation warrants, to provide short-term operating cash at a discount rate of 1.48%. Absent any disruptions to the property tax collection cycle, all property in Marion County is to be assessed by March 1st of each fiscal year and that assessed value is used by qualified entities to set their budget, tax rate, and levy for the subsequent fiscal year. Property taxes are due in equal installments on May and November 10th of the following year by home owners and disbursed by the county auditor to qualifying entities no later than the end of June and December of that year.

Legislation enacted under HEA 1001-2008 led to widespread changes in property tax law. Under this law, the amount of property taxes a parcel is liable for is limited to 1.5% of its assessed value (for residential), 2.5% (non-homestead residential), 3.5% (all other property) for Pay 2009, dropping to 1%, 2%, and 3% respectively for Pay 2010.

While the terms of HEA 1001-2008 were being finalized, the state also phased in "trending" where property values are to be adjusted on an annual basis so that the next general reassessment would not be as arduous. Trending began in 2007 which caused new collection delays, and in a few counties – including Marion – continued questions of reliability caused the governor to order a reassessment in questionable counties. Marion County's Pay 2009 taxes were delayed as a result. With this, the final 2009 tax settlement was not completed until March 2010, causing IPTC to have insufficient funds to repay its tax warrants, therefore leading to an outstanding tax anticipation warrant as of December 31, 2009 in the amount of $6,818,737, plus accrued interest of $71,006 through December 31, 2009. This resulted in a total liability of $6,889,743 being recorded as tax anticipation warrants and accrued interest payable liability. In 2008, the total liability of $19,047,443 consisted of tax advances of $12,942,949 and tax anticipation warrants of $6,104,494.

	Balance January 1, 2009	Changes During Year Issued	Changes During Year Retired	Balance December 31, 2009
Tax Anticipation Warrants	$ 6,104,494	$ 13,610,645	$(12,896,402)	$ 6,818,737

(Continued)

NOTE 5 - RISK MANAGEMENT

IPTC is exposed to various risks of loss related to theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which IPTC carries commercial insurance and maintains certain risks. Detail of the claims liability, based upon the requirements of GASB Statement No. 10, is provided below. This requires that a liability for claims be reported if information before the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the liability can be reasonably estimated. The liability is estimated based upon historical experience. There is no significant incremental claim adjustment expense, salvage, or subrogation attributable to this liability. Activity for the year ended December 31, 2009 was as follows:

	2009
Unpaid claims, beginning of year	$ 745,565
Incurred claims and changes in claim estimates	1,266,825
Claim payments	(997,710)
Unpaid claims, end of year	$ 1,014,680
Current portion	$ 908,180
Noncurrent portion	106,500
	$ 1,014,680

On December 23, 1986, IPTC's Board of Directors approved the establishment of a non-reverting fund (Liability Reserve Accounts) for payment of personal injury and property damage claims in excess of $100,000. For claims in excess of $100,000, the amount of the claim exceeding $100,000 will be paid out of the liability reserve accounts. Claims up to $100,000 will be paid out of the general accounts of IPTC. IPTC is self-insured for worker's compensation up to $275,000 per occurrence and is entirely self-insured for personal injury. It is completely self-insured for property damage to coaches.

Estimates of expected losses to IPTC resulting from personal injuries for which claims have been filed or for which it is anticipated claims will be filed, have been recorded in the financial statements. Litigation occasionally results from such claims. When, in the opinion of management, such litigation will result in a loss to IPTC, a provision is made in the financial statements for loss expected upon resolution. There were no significant reductions in insurance coverage during 2009 and there were no settlements that exceeded insurance coverage during 2009 for those risks that IPTC purchased insurance.

(Continued)

NOTE 6 - OPERATING LEASES

IPTC is obligated under certain leases through August 2013 for the Transit Store premise, parking premises and maintenance and office equipment that are accounted for as operating leases. Lease rental expense for the year ended December 31, 2009 was $138,687. A schedule of required future minimum lease payments that have initial or remaining lease terms in excess of one year as of December 31, 2009:

Year Ending December 31:	
2010	$ 125,484
2011	76,267
2012	7,288
2013	2,345
Thereafter	-
	$ 211,384

NOTE 7 - OTHER NON-OPERATING REVENUE (EXPENSE)

Other non-operating revenue (expense) consisted of the following:

	2009
Other revenues:	
Interest income	$ 63,416
Miscellaneous	350,784
Gain on sale of capital assets	55,270
Pass-through grant for sub-recipients	9,026,545
	9,496,015
Other expenses:	
Interest - payable from restricted debt service assets	(547,336)
Interest - payable from unrestricted assets	(498,420)
Amortization of bond issue costs	(82,430)
Loss on sale of capital assets	(11,998)
Pass-through grant to sub-recipients	(9,026,545)
	(10,166,729)
	$ (670,714)

(Continued)

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Commitments: Operating lease commitments totaling $211,384 through 2013 are disclosed in Note 6.

Contingencies: Various claims and lawsuits arising from the normal course of business are pending against IPTC. The nature of the IPTC's operations sometimes subjects IPTC to litigation resulting from workmen's compensation claims, property damages and personal injury. General Counsel for IPTC is of the opinion that ultimate settlement of such claims in excess of insurance coverage will not result in a material adverse effect on IPTC's financial statements as of December 31, 2009. IPTC has recorded an estimated liability for risk management unpaid claims of $1,014,680 at December 31, 2009 as disclosed in Note 5.

IPTC has had preliminary discussions with the Indiana Department of Environmental Management regarding a potential contamination remediation issue traced to leaking underground storage tanks. The cost of remediation can't be reasonably estimated at this time and has not been recorded as a liability on the financial statements. However, in 2010 IPTC expects to reasonably measure costs associated with the contamination.

NOTE 9 - BENEFIT PLANS

<u>Defined Contribution Plan</u>: IPTC maintains a defined-contribution plan, the Indianapolis Public Transportation Corporation Pension Plan, for the benefit of substantially all of its employees. All employees who are regularly scheduled to work at least 30 hours per week become eligible for the Plan on the first day of the month following commencement of employment or completion of any applicable probationary period. The Plan may be amended by action of IPTC's Board of Directors, subject to any applicable collective bargaining agreement obligations. The plan requires the employees to contribute 3.5% of their compensation. For some employees, the employer contributes 3.5% to this plan and for other employees the employer contributes 3% to this plan and .5% to the defined benefit plan pursuant to an arbitration award. Participant contributions for 2009 were $521,273. Employer contributions for 2009 were $426,916.

<u>Deferred Compensation Plan</u>: IPTC maintains an IRS Code Section 457 plan, the Indianapolis Public Transportation Corporation Deferred Compensation Plan. Employees become eligible to participate in the Plan on the first day of the second month following commencement of employment or completion of any applicable probationary period. The Plan allows for employee contributions only. Plan assets are held in a trust separate from IPTC's assets. Contributions by employees to the Plan were approximately $230,556 for the year ended December 31, 2009.

(Continued)

NOTE 9 - BENEFIT PLANS (Continued)

Pension Arbitration Liability: On January 10, 2006, a binding interest arbitration award was issued regarding the single-employer defined-benefit exempt governmental plan (Defined Benefit Pension Plan) known as the Indianapolis Public Transportation Corporation Pension Plan. The arbitration award effectively modified the existing plan agreement for retirees, participants, Indianapolis Public Transportation Corporation and Amalgamated Transit Union, Local 1070.

IPTC, prior to this award, was not obligated to make any further contributions to this plan. Subsequent to this award, IPTC was obligated to contribute $1,500,000 to the plan over a ten-year period ending 2015. IPTC contributed $165,000 to the plan in 2009 and has reported a pension arbitration liability totaling $840,000 at December 31, 2009.

The following is information specific to the defined benefit pension plan:

Current portion	$ 165,000
Noncurrent portion	675,000
	$ 840,000

Defined Benefit Pension Plan Description: IPTC provides pension benefits through a single-employer defined-benefit exempt governmental plan known as the Indianapolis Public Transportation Corporation Pension Plan. The Plan is part of an agreement between IPTC and ATU.

Effective December 31, 1997, the Plan was amended to freeze all accrued benefits. While the Plan continues to exist, no further contributions were to be made by either the employees or IPTC. Full-time IPTC employees who had completed sixty working days of continuous service, on or before December 31, 1997, were eligible to participate in the Plan.

For purposes of computing normal retirement benefits, employees' total earnings through December 31, 1997, will be considered. In addition, effective December 31, 1997, the Plan was amended to remove the disability benefit provisions.

Normal retirement benefits are payable for employees who have attained age 65 and completed 15 years of service. Early retirement benefits are available for employees who have attained age 55 and completed 15 years of continuous service. Employees are considered 100% vested upon reaching early retirement eligibility.

(Continued)

NOTE 9 - BENEFIT PLANS (Continued)

Prior to December 31, 1997, the normal retirement benefit was equal to 2.75% of total employee earnings since January 1, 1950, plus .75% of the average annual earnings of the occupation group to which the employee belonged for the five years preceding 1950, multiplied by the years of continuous service prior to 1950.

Early retirement benefits were available at reduced amounts. Participating employees contributed 3.5% of total compensation to the Plan, and IPTC contributed 3.5% of the total compensation of the participating employees. Employees' contributions plus interest are to be refunded in the event of separation of service or death.

Funding Policy: After December 31, 1997, there were no contribution requirements for either the employer or the employees. Before the Plan was frozen, the contribution requirements of Plan members and IPTC were established by an agreement between IPTC and Local 1070 of the ATU. Contribution requirements were not actuarially determined, but rather were set at 3.5% of annual covered payroll each for employees and the employer.

The binding interest arbitration award, described above under Pension Arbitration Liability, allows for certain participants to be returned contributions they made to the plan without interest and are to be withdrawn for future participation in this plan. These employees will be able to participate/continue to participate in the employee defined contribution plan (401A). Future contributions made by employees into the defined contribution plan will continue to be at 3.5%. The employer match percentage will remain at 3.5%; however only 3% will go to match employee contributions into the defined contribution plan while the remaining .5% will be directed to the defined benefit plan.

Certain other vested participants are to remain in the defined benefit plan while actively employed at IPTC and are to begin making contributions to the plan at a rate of 4.5%. The employer will match their contributions up to 3.5%. Participants remaining in the defined benefit plan will not be allowed to make future contributions to their defined contribution accounts.

The interest arbitration award eliminated the early retirement provision previously provided for in the defined benefit plan.

(Continued)

NOTE 9 - BENEFIT PLANS (Continued)

Annual Pension Cost and Net Pension Obligation: Because the Plan was frozen as of December 31, 1997, and because, before the freeze, the contribution requirements were not actuarially determined, many of the accounting and disclosure requirements of GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, are not applicable. There are no annual required contributions for 2009 and no annual pension cost. IPTC has determined that it has no pension liability (asset) at transition as defined by GASB Statement No. 27.

The Plan's obligations exceeded the market value of its assets by approximately $502,935 at December 31, 2009. This obligation remains that of the Plan rather than of IPTC. In the event that the Plan does not attain full funding, pursuant to the Plan agreement, the net assets of the Plan will first be applied to repay individual employee contributions in excess of any employee contributions previously disbursed. The remainder of net assets will be distributed in the proportion that each employee's actuarially determined accrued benefit has to the accrued benefits of all covered employees.

The Plan's obligation was determined as part of the December 31, 2009 actuarial valuation using the aggregate actuarial cost method. The actuarial assumptions included an 8% investment rate of return (net of administrative expenses) and projected salary increases of 0% due to the Plan's freeze as of December 31, 1997. No inflation component has been considered. The projected benefit equals the employee's actual benefit (based on total compensation through December 31, 1997) with no future benefit accruals. Three-year trend information for the plan reflects that IPTC has no annual pension cost or net pension obligation.

The aggregate actuarial cost method does not identify or separately amortize unfunded actuarial accrued liabilities. Information about funded status and funding progress is presented using the entry age actuarial cost method. The information presented is intended to serve as a surrogate for the funded status and funding progress of the plan.

(Continued)

NOTE 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description: The Plan consists of IPTC providing medical and life insurance benefits to retirees. Retirees under the 1997 program and their spouses under the age of 65 not covered by Medicare are eligible under the provisions to continue these benefits but must pay 20% of the medical premium. COBRA eligible, or employees who are not receiving pay from the Corporation, must submit the employee's portion, or the COBRA premiums, to Human Resources no later than the first day of the month the premium is due to retain insurance coverage. IPTC will pay $75 per month towards the COBRA continuation or conversion of group health insurance retained by any employee who retires early or is on disability with IPTC pension. If, after the 18th month of continuation group coverage, the retiree is still under the age of 65, IPTC reimburses the retiree up to a maximum of $225 on a quarterly basis towards the cost of the premiums. Retirees also qualify for a life insurance policy with benefits of $5,500 if they retire on or after the age of 55 with at least 15 years of service. This post employment benefit plan is of the single employee defined benefit variety.

Funding Policy: There is no requirement for IPTC to fund these benefits, though IPTC has recorded the cumulative difference between the annual required contributions (ARC) and amounts contributed to the OPEB plan as a net obligation (asset). The following schedule reports ARC and actual contributions made for the past two years:

Year Ended December 31	Annual Required Contribution	Actual Contribution Made	Percentage Contributed
2009	$ 89,377	$ 149,700	167%
2008	85,400	145,600	170%

Annual OPEB Cost and net OPEB Obligation (Asset): The other post employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. 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 over a period not to exceed thirty years. The following table shows the components of the annual cost for the year, the amount actually contributed to the plan and changes in the net OPEB obligation (asset):

Annual required contribution	$ 89,377
Interest on net OPEB obligation (asset)	(2,408)
Adjustment to annual required contribution	2,323
Annual OPEB cost	89,292
Contributions made	(149,700)
Increase in net OPEB obligation (asset)	(60,408)
Net OPEB obligation (asset) – beginning of year	(60,200)
Net OPEB obligation (asset) – end of year	$ (120,608)

(Continued)

NOTE 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Funded Status and Funding Progress: As of December 31, 2009, the actuarial accrued liability for benefits was $1,784,400 and the actuarial value of assets was $0 resulting in an unfunded actuarial accrued liability (UAAL) of $1,784,400. The covered payroll (annual payroll of active employees covered by the plan) was not applicable, and the ratio of the UAAL to the covered payroll was not applicable.

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 following the notes to the financial statements, presents multiyear trend information about whether the actuarial valuation of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Since 2007, the first year that an actuarial valuation was performed, the schedule of funding progress reflects only the transition year's data.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan 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 the 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 assets, consistent with the long-term perspective of the calculations.

(Continued)

NOTE 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

The actuarial cost method used for determining the benefit obligations is the Projected Unit Credit Cost Method. Under this method, the actuarial present value of projected benefits is the value of benefits expected to be paid for current actives and retirees and is calculated based on the assumptions described in this report and census data. The Actuarial Accrued Liability (AAL) is the actuarial present value of benefits attributed to employee service rendered prior to the valuation date. The AAL equals the present value of benefits multiplied by a fraction equal to service to date over service at expected retirement. The Normal Cost is the actuarial present value of benefits attributed to one year of service. This equals the present value of benefits divided by service at expected retirement. Since retirees are not accruing any more service, their normal cost is zero. In determining the Annual Required Contribution, the Unfunded AAL is amortized as a level percentage payroll (assuming 3% annual increases) over 30 years (open). The actuarial assumptions are summarized below:

Measurement Date:	December 31, 2009
Discount Rate:	4.0% effective annual rate
Health Cost Inflation Trend:	8.5% down to 5% over 9 years
Compensation Increases:	Compensation amounts are assumed to increase 3% per year
Retirement Rates:	See table below
Spouse Coverage:	80% of employees and retirees are assumed to have a covered spouse in retirement (no dependent children are assumed)
Spouse Age:	Female spouses are assumed to be three years younger than male spouses

Retirement Rates:

Age	%
55-59	5%
60-61	10%
62	30%
63-64	15%
65-69	40%
70+	100%

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Schedule of Funding Progress: Retiree Health and Life Insurance Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a percentage of Covered Payroll ((b-a)/c)
12/31/2009	$ 0	$ 1,784,400	$ 1,784,400	0%	N/A	N/A
12/31/2008	0	1,988,300	1,988,300	0%	N/A	N/A
12/31/2007	0	1,844,600	1,844,600	0%	N/A	N/A

SilverSolderCertification
IndyGo partnered with Ivy Tech Community College to provide its maintenance technicians with access to job-based certification through an accredited teaching organization.

SECTION THREE – STATISTICAL (Unaudited)

This part of the Company's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Company's overall financial health.

Schedule 1
Indianapolis Public Transportation Corporation
Net Assets by Component
Ten Years (1)

	Year 1 Actual 2003	Year 2 Actual 2004	Year 3 Actual 2005	Year 4 Actual 2006	Year 5 Actual 2007	Year 6 Actual 2008	Year 7 Actual 2009
Business-type activities							
Invested in capital assets, net of related debt	20,127,507	19,972,455	19,509,341	19,620,481	15,860,987	14,846,493	25,481,285
Restricted	5,385,503	4,601,899	4,848,101	8,240,635	12,137,992	11,486,965	16,065,599
Unrestricted	(2,959,541)	(3,718,098)	1,388,090	1,195,747	3,279,864	11,003,189	5,681,911
Total business-type activities net assets	22,553,469	20,856,256	25,745,532	29,056,863	31,278,843	37,336,647	47,228,795

1 IPTC operates in one business segment, public transportation, as an enterprise fund. IPTC adopted GASB Statement No. 34 which required reclassification of certain balances, including the presentation of net assets prospectively beginning with 2003.

Schedule 2
Indianapolis Public Transportation Corporation
Operating Expenses by Type
Ten Years (1)

Calendar Year	Transportation	Maintenance of Equipment Including Fuel	Administrative and General	Claims and Insurance	Subtotal Expenses before Depreciation	Depreciation	Total Operating Expenses
2003	23,823,482	9,104,044	5,016,828	997,305	38,941,659	5,421,162	44,362,821
2004	22,074,833	9,768,175	5,671,190	1,435,960	38,950,158	6,641,383	45,591,541
2005	22,884,668	11,679,630	6,076,300	771,249	41,411,847	7,389,612	48,801,459
2006	23,599,772	11,128,235	7,038,695	1,100,458	42,867,160	7,583,089	50,450,249
2007	26,994,527	13,383,447	4,671,594	756,182	45,805,750	8,121,358	53,927,108
2008	29,541,787	14,538,889	6,863,256	1,516,932	52,460,864	7,627,359	60,088,223
2009	30,259,567	15,218,097	7,864,376	2,226,549	55,568,589	7,869,927	63,438,516

1 IPTC adopted GASB Statement No. 34, which requires reclassification of certain account balances, prospectively beginning with 2003.

Schedule 3
Indianapolis Public Transportation Corporation
Changes in Net Assets
Ten Years (1)

Fiscal Year	Operating Revenue	Operating Expense	Operating Loss	Nonoperating Revenue (Expense)	Income (Loss) before Capital Contributions	Capital Contributions	Change in Net Assets
2003	6,957,280	44,362,821	(37,405,541)	33,147,466	(4,258,075)	7,141,286	2,883,211
2004	8,025,603	45,591,541	(37,565,938)	32,735,238	(4,830,700)	3,133,487	(1,697,213)
2005	7,936,779	48,801,459	(40,864,680)	41,198,775	334,095	4,555,181	4,889,276
2006	8,776,427	50,450,249	(41,673,822)	40,482,368	(1,191,454)	4,502,785	3,311,331
2007	9,179,973	53,927,108	(44,747,135)	44,207,456	(539,679)	2,761,659	2,221,980
2008	10,355,343	60,088,223	(49,732,880)	50,360,436	627,556	5,430,248	6,057,804
2009	10,128,052	63,438,516	(53,310,464)	50,981,036	(2,329,428)	12,221,576	9,892,148

1 IPTC adopted GASB Statement No. 34, which requires reclassification of certain account balances, prospectively beginning with 2003.

Schedule 4
Indianapolis Public Transportation Corporation
Operating Revenues by Source
Ten Years (1)

Calendar Year	Passenger Fares	Special Service	Advertising	Total
2003	6,340,099	335,323	281,858	6,957,280
2004	7,460,629	287,625	277,349	8,025,603
2005	7,439,435	266,104	231,240	7,936,779
2006	8,087,140	249,355	439,932	8,776,427
2007	8,535,060	242,918	401,995	9,179,973
2008	9,811,303	175,351	368,689	10,355,343
2009	9,823,052	0	305,000	10,128,052

1 IPTC adopted GASB Statement No. 34, which requires reclassification of certain account balances, prospectively beginning with 2003.

Schedule 5
Indianapolis Public Transportation Corporation
Nonoperating Revenues and Expenses
Ten Years (1)

Calendar Year	Property and Excise Tax	Municipalities	FTA Operating Assistance	Other, net	Total Nonoperating Revenue and Expenses
2003	12,436,134	10,402,650	11,051,586	(742,904)	33,147,466
2004	11,487,479	9,629,581	10,190,216	1,427,962	32,735,238
2005	20,468,924	8,973,874	12,151,019	(395,042)	41,198,775
2006	21,013,574	9,705,912	10,304,869	(541,987)	40,482,368
2007	22,819,745	10,243,549	10,779,969	364,193	44,207,456
2008	22,670,695	12,887,164	14,527,052	275,525	50,360,436
2009	22,842,141	12,353,393	16,456,216	(670,714)	50,981,036

1 IPTC adopted GASB Statement No. 34, which requires reclassification of certain account balances,beginning with 2003.

Schedule 6
Indianapolis Public Transportation Corporation
Assessed Value and Estimated Actual Value of Taxable Property
Ten Years

Calendar Year	Real Property Assessed Value	Personal Property Assessed Value	Total Taxable Assessed Value	Total Direct Tax Rate	Taxable Assessed Value as a Percentage of Actual Taxable Value
2000	6,263,603,330	2,443,136,370	8,706,739,700	0.1107	33.333%
2001 (1)	6,448,200,360	2,503,371,410	8,951,571,770	0.1113	33.333%
2002 (2)	19,603,804,360	7,738,788,430	27,342,592,790	0.0371	100.000%
2003	30,931,008,790	8,634,108,770	39,565,117,560	0.0298	100.000%
2004	30,674,538,990	7,069,379,810	37,743,918,800	0.0285	100.000%
2005	30,518,267,250	6,903,098,503	37,421,365,753	0.0519	100.000%
2006	31,158,955,140	6,995,684,310	38,154,639,450	0.0523	100.000%
2007	40,509,313,606	4,239,080,975	44,748,394,581	0.0503	100.000%
2008	36,832,770,108	4,376,563,164	41,209,333,272	0.0504	100.000%
2009	31,212,260,953	4,915,058,533	36,127,319,486	0.0609	100.000%

1 Prior to 2002, taxable property was assessed at thirty three and one-third of the taxable assessed value as per the Marion County Auditor's abstract.

2 In 2002, a change in State law manadated the use of true market value as taxable assessed value.

Schedule 7
Indianapolis Public Transportation Corporation
Property Tax Levies and Collections (1 & 2)
Ten Years

Year Ended December 31	Taxes Levied for the Year (3)	Collected within the Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	9,502,324	9,020,546	94.9%	340,391	9,360,937	98.5%
2001	9,632,636	9,266,596	96.2%	315,997	9,582,593	99.5%
2002	9,934,166	9,646,075	97.1%	234,100	9,880,175	99.5%
2003	9,829,549	9,893,131	100.6%	201,901	10,095,032	102.7%
2004	10,635,575	10,210,152	96.0%	212,178	10,422,330	98.0%
2005 (4)	19,298,119	17,865,005	92.6%	910,618	18,775,623	97.3%
2006	19,884,370	18,842,932	94.8%	535,198	19,378,130	97.5%
2007	21,220,606	20,396,002	96.1%	400,192	20,796,194	98.0%
2008	20,769,503	20,546,163	98.9%	226,008	20,772,171	101.0%
2009	21,134,612	N/A	N/A	N/A	19,447,275	92.00%

1 Includes operating, cumulative capital and debt service funds.
2 Data presented on the cash basis of accounting.
3 Source of information is Indiana Department of Local Government Finance.
4 Includes cumulative capital fund beginning in 2005.

Schedule 8
Indianapolis Public Transportation Corporation
Ratio of General Bonded Debt Outstanding
Ten Years

Calendar Year	Total General Bonded Debt Outstanding	Total Notes Payable Outstanding	Less: Amounts Available in Debt Service Fund	Total	Per Capita Personal Income	Total Debt as a Percentage of Per Capita Personal Income	Actual Taxable Value of Property (2)	Percentage of Actual Taxable Value of Property	Per Capita (1)
2000	13,905,000	0	68,678	13,836,322	30,684	0.00222	26,120,219,100	0.053%	17.47
2001	13,240,000	0	37,892	13,202,108	31,491	0.00239	26,854,715,310	0.049%	16.67
2002	17,530,000	0	209,118	17,320,882	32,479	0.00188	27,342,592,790	0.063%	21.87
2003	16,780,000	0	99,174	16,680,826	33,142	0.00199	39,565,117,560	0.042%	21.06
2004	15,965,000	7,516,000	20,519	23,460,481	34,732	0.00148	37,743,918,800	0.062%	20.16
2005	15,085,000	7,301,000	125	22,385,875	36,286	0.00162	37,421,365,753	0.060%	19.05
2006	14,140,000	7,087,000	0	21,227,000	36,869	0.00174	38,154,639,450	0.056%	17.86
2007	13,120,000	7,018,500	157,519	19,980,981	37,936	0.00190	42,188,083,452	0.031%	16.67
2008	12,025,000	7,053,500	27,638	19,050,862	25,546	0.00134	41,209,333,272	0.046%	24.06
2009	10,625,000	7,003,988	0	17,628,988	N/A	N/A	36,161,667,422	N/A	N/A

1 Based on 1990 population of Consolidated City (791,926) for 2000 through 2009. Source: U.S. Department of Commerce, Bureau of Census.

2 The legal debt limit for IPTC general obligation bonds is two percent of the actual taxable value of property.

Schedule 9
Indianapolis Public Transportation Corporation
Direct and Overlapping Property Tax Rates (1 & 3)
Ten Years

	Direct Rates(2)				Overlapping Rates						Total (2)
Calendar Year	Basic Rate	Debt Service	Cumulative Capital	Total Direct Rate	City	County	Other Muni Corp	School	State	Other	Total
2000	0.0968	0.0139	0.0000	0.1107	3.7825	1.4038	1.1384	5.9552	0.0100	0.2756	12.6762
2001	0.0983	0.0130	0.0000	0.1113	3.7670	1.4043	1.1730	5.3913	0.0100	0.7469	12.6038
2002	0.0328	0.0043	0.0000	0.0371	1.2254	0.5354	0.3938	1.9594	0.0033	0.0799	4.2343
2003	0.0266	0.0032	0.0000	0.0298	0.9457	0.4564	0.3257	1.5503	0.0033	0.1428	3.4540
2004 (4)	0.0248	0.0037	0.0000	0.0285	0.9580	0.4129	0.3157	1.7827	0.0024	0.0512	3.5514
2005	0.0379	0.0040	0.0100	0.0519	1.1670	0.4163	0.1114	1.6744	0.0024	0.0516	3.4750
2006	0.0385	0.0038	0.0100	0.0523	0.9546	0.4948	0.3228	1.7172	0.0024	0.0523	3.5964
2007	0.0361	0.0042	0.0100	0.0503	0.8770	0.5607	0.2917	1.8713	0.0000	0.0522	3.7032
2008	0.0370	0.0034	0.0100	0.0504	0.8920	0.4602	0.3017	1.7668	0.0024	0.0510	3.5490
2009	0.0460	0.0049	0.0100	0.0609	0.7093	0.4842	0.2645	1.1569	0.0024	0.0578	2.7360

1 Rate is per $100 of assessed valuation.
2 Rate of District 101 (Indpls.-Center Twnshp.) which rate includes all major service.
3 Taxable property was assessed at thirty three and one-third of the taxable assessed value as per the Marion County Auditor's abstract. In 2002, a change in State law mandated the use of true market value as taxable assessed value. The effect of this change reduced the effective tax rate by two-thirds.
4 The IPTC Board of Directors established a Cumulative Capital Fund with a one-cent tax rate adjustment in 2004 to provide for future capital funding. At the same time the IPTC Board of Directors increased the general fund tax rate approximately one and one-half cents.

Schedule 10
Indianapolis Public Transportation Corporation
Direct and Overlapping Bonded Debt and Bonding Limit
As of December 31, 2009
(amounts expressed in thousands)

	Bonded Debt Limit (1)	Bonds Outstanding (2)
Overlapping Debt		
City of Indianapolis	3,385,539	293,786
Marion County	256,328	-
Other Municipal Corporations	1,260,652	167,540
Public Schools	2,888,963	143,130
Other Cities and Towns	16,759	11,390
Other Misc City and Town, Township	277,634	-
Total Overlapping Debt	8,085,875	615,846
Direct Debt		
Indianapolis Pubic Transportation Corporation	242,623	10,625
Total Direct and Overlapping Debt	8,328,498	626,471
IPTC's percentage of Total Direct and Overlapping Debt	2.91%	1.70%

1 Source: Marion County Auditor's Abstract
2 Source: Indianapolis City Controller's Office.

Schedule 11
Indianapolis Public Transportation Corporation
Demographic and Economic Statistics
Ten Years

Calendar Year	Population (1)	Per Capita Personal Income (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
2000	791,926	30,684	33.6	165,964	2.7
2001	791,926	31,491	33.7	169,567	3.8
2002	791,926	32,479	33.9	172,328	5.3
2003	791,926	33,142	34.1	172,324	5.5
2004	791,926	34,732	34.4	174,569	5.4
2005	791,926	36,286	34.7	170,864	5.4
2006	791,926	36,869	35.0	160,732	4.9
2007	791,926	37,936	35.5	158,991	4.5
2008	791,926	25,546	35.6	162,678	8.1
2009(6)	791,926	N/A	N/A	141,573	5.6

1 Based on 1990 population of Consolidated City (791,926) for years 2000 to 2009. Source: U.S. Department of Commerce, Bureau of Census.
2 Data presented are per the U.S. Department of Commerce, Bureau of Economic Analysis.
3 Data presented are per U.S. Census Bureau.
4 Data presented is for Indianapolis Public Schools. Source: Indiana Department of Education.
5 Data presented is for Unemployment rate, nonseasonally adjusted, annual average, Marion County, IN. Source: Bureau of Labor Statistics.
6 Per Capita Personal Income and Median Age data not available for 2009.

Schedule 12
Indianapolis Public Transportation Corporation
Principal Employers (1)
Prior Year and Ten Years Ago (3)

Taxpayer	2009 Total Employees	2009 Rank	2009 Percentage Total Employees (2)	2000 Total Employees	2000 Rank	2000 Percentage Total Employees
Clarian Health Partners	12,763	1	2.77%	10,888	1	2.40%
Eli Lilly and Company	11,550	2	2.51%			
St. Vincent Hospital and Health	10,640	3	2.31%			
IUPUI	7,066	4	1.53%			
Federal Express Corporation	6,311	5	1.37%			
Community Health Network	5,341	6	1.16%			
Rolls-Royce	4,300	7	0.93%			
St. Francis Hospital & Health Ce	4,152	8	0.90%			
WellPoint Inc.	3,950	9	0.86%			
Allison Transmission	3,800	10	0.83%	4,187	2	0.92%
Marsh Supermarkets			-	3,880	3	0.86%
Anthem				3,036	4	0.67%
Kroger				2,845	5	0.63%
Ford Motor Company			-	2,824	6	0.62%
Chase Bank			-	2,745	7	0.61%
Meijer			-	2,559	8	0.56%
Navistar International			-	1,592	9	0.35%
Indianapolis Power & Light			-	1,404	10	0.31%
	69,873		15.17%	35,960		7.93%

1 Source: Indianapolis Chamber of Commerce

2 Total private wage and salary workers for 2009 were 471,187 and for 2000 were 536,415. Source: Indiana Department of Workforce Development

3 Represents 2009 and 2000 data.

Schedule 13
Indianapolis Public Transportation Corporation
Principal Property Tax Payers
Current Year and Ten Years Ago (2)
(amounts expressed in thousands)

	2009			2000		
Taxpayer	**Taxable Assessed Value (1)**	**Rank**	**Percentage of Total City Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total City Taxable Assessed Value**
Eli Lilly and Company	810,334	1	4.62%	71,639	3	1.39%
Federal Express	191,132	2	1.09%			0.00%
Macquarie	138,901	3	0.79%			-
Allison Engine Company	117,018	4	0.67%			0.00%
American United Life	116,215	5	0.66%			0.00%
Community Hospitals	88,240	6	0.50%			-
North Penn Associates LLC	77,940	7	0.44%			-
General Motors Corp	75,842	8	0.43%			-
HUB Properties GA LLC	71,189	9	0.41%			-
National Starch LLC	68,199	10	0.39%	20,397	10	-
Indianapolis Power & Light	-		-	130,578	1	2.53%
Allison Engine Company	-		-	78,023	2	1.51%
Ford Motor Company	-		-	55,322	4	1.07%
Indianapolis Water Company				46,991	5	0.91%
Roche Diagnostic	-		-	32,970	6	0.64%
Navistar International	-		-	30,171	7	0.58%
Marsh Supermarkes, Inc.	-		-	29,485	8	0.57%
Meijer, Inc.				21,268	9	0.41%
	1,755,010		10.00%	516,844		9.61%

1 Represents the March 1, 2008 valuations for taxes due and payable in 2009 and represented by the taxpayer.

2 Taxable assessed value was determined using public records from the Marion County Treasurer's Office.

Schedule 14
Indianapolis Public Transportation Corporation
Operating Information
Ten Years

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
EMPLOYEE DATA:										
Number of Employees (1)										
Full Time										
Operators	308	286	277	272	272	266	288	280	238	246
Other Transportation	0	37	67	75	75	79	53	46	66	74
Maintenance	83	79	80	76	75	70	72	73	73	64
Administrative & Other	46	41	42	36	36	37	38	55	58	68
Total full-time employees	437	443	466	459	458	452	451	454	435	452
Part Time										
Operators	0	0	0	0	0	0	12	12	11	9
Other	0	0	0	0	0	0	0	0	1	2
Total part-time employees	0	0	0	0	0	0	12	12	12	11
Total Employees	437	443	466	459	458	452	463	466	447	463
PASSENGER DATA:										
Passengers (2)	8,437,450	9,890,098	9,409,066	10,033,477	8,810,183	9,299,751	11,324,573	10,247,493	10,833,257	11,717,910
Number of Fixed Routes (3)	32	31	31	29	28	28	37	37	37	36
Annual Vehicle Miles (2)	11,377,274	11,850,233	10,889,165	10,380,982	9,993,240	10,221,257	11,047,044	10,386,718	10,473,232	9,892,232
Annual Vehicle Hours (2)	710,637	727,301	690,293	678,382	644,795	663,115	712,180	659,007	661,272	639,366
Number of Coaches (4)	235	240	228	236	240	228	303	262	212	162
Number of ADA Accessible vehicles (4)	235	240	228	236	240	228	277	236	134	90
Fare (Single Ride) (3)	$1.75	$1.50	$1.50	$1.25	$1.25	$1.25	$1.00	$1.00	$1.00	$1.00

1 Source: National Transportation Database (NTD) Form R-10. Includes both motor bus and demand response modes.
2 Source: NTD Form S-10. Includes both motor bus and demand response modes.
3 Source: IPTC Transportation Department.
4 Source: NTD Form A-30. Includes both motor bus and demand response modes.

Schedule 15
Indianapolis Public Transportation Corporation
Schedule of Insurance in Force (1)
December 31, 2009

Type of Coverage	Company	Term	Expiration Date	Limit	Deductible
Public Official	AIG	1 year	January 1	$1,000,000	$25,000
Fiduciary Liability	National Union	1 year	July 1	$1,000,000	$0
Property:	St Paul - Travelers	1 year	January 1		
Building & Contents				$34,946,250	$250,000
Earthquake				$20,000,000	2%
Flood				$20,000,000	$250,000
Stock				$1,714,000	$5,000
Computer Equipment				$500,000	$5,000
Crime:	Zurich	1 year	July 1		
Employee Theft				$500,000	$7,500
Forgery or Alteration				$500,000	$7,500
Inside of Premises - Theft of Money & Securities				$500,000	$7,500
Inside of Premises -Robbery & Safe Burglary				$500,000	$7,500
Outside of Premises				$500,000	$7,500
Computer Fraud				$500,000	$7,500
Funds Transfer Fraud				$500,000	$7,500
Money Orders and Counterfeit Paper Currency				$500,000	$7,500

1 For more information, refer to Note 6 (Risk Management) accompanying the basic financial statements.

Schedule 16
Indianapolis Public Transportation Corporation
Transit Vehicles
December 31, 2009

No. of Vehicles	Year (2)	Manufacture	Engine Type	Seating Capacity	Standing Capacity	Lift/Ramp Equipped
Large Bus:						
29	1997	Gillig	Diesel	43	21	29
9	1998	Gillig	Diesel	43	21	9
25	2000	Gillig	Diesel	29	23	25
25	2000	Gillig	Diesel	35	29	25
25	2001	Gillig	Diesel	38	39	25
24	2002	Gillig	Diesel	38	46	24
2	2004	Gillig	Hybrid	38	46	2
9	2005	Opus	Diesel	31	25	9
10	2007	Gillig	Diesel	38	46	10
158	Total Large Bus					
Body on Chassis:						
15	2005	Ford	Diesel	14	(1)	15
1	2006	Dodge	Diesel	12	(1)	1
4	2008	Chevy	Diesel	14	(1)	4
57	2009	Chevy	Diesel	12	(1)	57
77	Total Body on Chassis					
235	Vehicles in Total Fleet					

1 Used exclusively for demand response and flexible service. IPTC policy precludes standees on these vehicles.
2 Average age of equipment is 6.1 years.
3 Please refer to note four of the financial statements for additional information regarding capital assets.

2009 Safe Driver

Accident-Free Driving

Congratulations to Mr. Art Smith!

Mr. Art Smith is an IndyGo Professional Coach Operator and has been with the company for 32 years. Mr. Smith has 31 years of safe driving – the longest consecutive record of safe driving at the company. A tip of the hat to Mr. Smith.

Keep up the GREAT work!

IndyGo partnered with the US Army PaYS (Partnership for Youth Success) program in 2009 to help soldiers and veterans receive the training and access to job opportunities they need to secure post-duty employment.

IndyGo Green

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