2012 Comprehensive Annual Financial Report

Indianapolis
Air Sustainability
Award Winner!

Indianapolis Public Transporation Corporation, State of Indiana.
Comprehensive Annual Financial Report for the year ending December 31, 2012.

A component unit of the consolidated City of Indianapolis-Marion County Government Reporting Entity.

COMPREHENSIVE ANNUAL 2012 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

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
INDIANAPOLIS, INDIANA
FOR THE YEAR ENDING
DECEMBER 31, 2012

During the week leading up to the Super Bowl of 2012, IndyGo experienced a 39% spike in ridership. Despite thick traffic, standing passenger loads, and detoured service, IndyGo's service performance was praised in the community

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SECTION ONE – INTRODUCTORY

Indianapolis Public Transportation Corporation
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June 13, 2013

The Citizens of Indianapolis and Marion County
and the Board of Directors for the Indianapolis Public Transportation Corporation
Indianapolis, IN

We are pleased to submit for your information and consideration the Comprehensive Annual Financial Report (CAFR) of the Indianapolis Public Transportation Corporation (IPTC, lndyGo or the Company) for the year ended December 31, 2012.

The CAFR has become the standard format used in presenting the results of the Company's annual financial operations for the calendar year. We believe this report is presented in a manner that fairly discloses the financial position and results of the Company's, operations as measured by its financial activities. To the best of our knowledge and belief, the disclosures are accurate in all material respects.

The accompanying basic financial statements, supplemental schedules and statistical information are the representation of the Company's management team, who bear the responsibility of documental accuracy and completeness. Our Independent Auditors' Report, prepared by Crowe Horwath LLP, is included along with other necessary disclosures to enable the reader to gain maximum understanding of the Company's financial activities.

In evaluating and developing the accounting system, Federal Transit Administration (FTA) and General Accepted Accounting Principles (GAAP) accounting methods are applied to achieve an adequate system of internal accounting controls. These practices ensure assets are protected against loss from unauthorized use or disposition and the data used to prepare financial statements is timely and reliable.

These controls are designed to provide reasonable, but not absolute, assurance these objectives are met. The concept of reasonable assurance is to make certain the cost of the controls does not exceed the benefit received. It also recognizes the evaluation of costs and benefits requires estimates and judgments by management. We believe the Company's internal controls adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded.

The independent audit of the accompanying basic financial statements of lndyGo was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the accompanying basic financial statements, but also on the audited agency's internal controls and legal requirements involving the administration of federal awards. These reports are available in the Indianapolis Public Transportation Corporation's separately issued Single Audit Report.

GAAP requires management to provide a narrative introduction, overview, and analysis with the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Company's MD&A can be found immediately following the report of the independent auditors.

Reporting Entity

lndyGo is a municipal corporation as defined by the "Urban Mass Transportation Act of 1965." In 1973, the company was chartered by a city ordinance to acquire, provide and maintain an urban mass transportation system for the metropolitan Indianapolis area. lndyGo is a component unit of the Consolidated City of Indianapolis-Marion County Reporting Entity.

lndyGo is governed by a seven-member Board of Directors (Board), which provides broad policy and financial decisions, setting direction for management. The Mayor of the City of Indianapolis (Mayor) and the City-County Council of the City of Indianapolis and Marion County, Indiana (Council) appoint the Board, which is bi-partisan. The Mayor appoints three members and the Council appoints four.

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

The Board meets monthly in public session to put policies into effect. These meetings also include executive management presentation regarding the operational and financial status of the corporation.

The Company's reporting entity includes only transit operations and there is no other organization within the Indianapolis metropolitan providing a similar scope of public transportation service.

Accomplishments

Ridership

Indianapolis residents, visitors and commuters boarded the bus 10,243,610 times on IndyGo's fixed routes and its ADA paratransit service called Open Door, an increase of 7.8% over 2011 numbers of 9,503,776. IndyGo riders favored core routes 8, 10 and 39, which accounted for more than 37% of all rides system-wide.

2012 marks the agency's highest ridership since pre-1991 and was the third consecutive year that IndyGo saw notable growth.

Super Bowl Performance

The Super Bowl XLVI experience in Indianapolis was a unique one, with a walkable, action-packed "village" of all things football, located in the heart of downtown Indianapolis. With special events, pre-game activities and festivities, parking was scarce and prices soared far beyond what Indy downtowners were used to paying. Add to that a nearly 10-day gridlock and many Indianapolis residents found good cause to (re-) familiarize themselves with mass transit in our city. Between January 27 and Super Bowl Sunday 2012, IndyGo delivered 325,212 rides—39% more rides than a typical week. New and veteran bus riders hailed the performance of IndyGo a success during Super Bowl week.

Sustainability and Collaborations

In the spring of 2012, IndyGo was honored to receive the recognition of Mayor Greg Ballard at the third annual Indianapolis Sustainability Awards for its aggressive efforts in advancing sustainability throughout the community in 2011. IndyGo received honors in the awards' air category for its "Community Collaborations Program," which supports local initiatives by providing in-kind sponsorships including co-promotion and media exposure through paid advertising.

An innovative partnership with People for Urban Progress (PUP) launched in 2012, bringing new life to landfill-bound stadium seating. The PUPstop program has raised the bar for reimagining passenger amenities at transit stops. IndyGo introduced its PUPstop program where PUP-salvaged Bush Stadium seating is repurposed as street furniture at bus stops.

Grants and Awards

IndyGo leverages competitive federal grants to underwrite capital projects and system infrastructure improvements. In 2012, IndyGo landed several new grant awards and launched a few other projects thanks to past awards including:

- $10M in 2012 through the Federal Transit Administration (FTA) State of Good Repair grant program. IndyGo will purchase new fixed route vehicles to replace its oldest ones.
- $3M in FTA Congestion Mitigation/Air Quality (CMAQ) to fund the local transit outreach program including customer service.

- $159,982 in New Freedom funding for the purpose of acquiring and implementing enhanced technology products and services to improve service delivery to riders with disabilities.
- $133,956 in Job Access/Reverse Commute (JARC) funds for the purpose of acquiring and implementing Intelligent Transportation Systems (ITS) elements that will enable riders to access bus tracking in real time through a variety of applications.
- A transit police program began in 2012, which employs a contracted security force for the public bus system, funded by a grant through the Department of Justice.
- The procurement of 4 new CMAQ-funded diesel-electric hybrid buses.

Planning for the Future

As public discussion around a larger regional transportation system continued in 2012 with the Indy Connect initiative, IndyGo took steps in 2012 to begin making notable improvements to the existing bus network. The 2013 budget process which began in late summer of 2012 yielded a unanimous vote by the City-County Council to infuse IndyGo's 2013 budget with an additional $6M to make improvements to transit service, including frequency enhancements and the addition of one new route.

Plans for building the downtown transit center also progressed in late 2012. The new transit center, planned for construction at 40 S. Alabama St., across from the City-County Building, could dovetail with a city-garnered EPA planning grant to transform the public plaza just south of the City-County Building.

Factors Affecting Financial Condition

Local Economy

The recession from 2008 lingered through 2012 although Marion County continued to slowly recover, with unemployment rates declining and a general economic rebound. While average wages grew 2.9%, poor job growth has unemployment still higher than 8%. The year 2012 can be characterized as a period of slow recovery, increased wages, a shrinking labor force, and rising fuel costs.

For Indiana, property tax reform legislation was enacted and reinforced via a constitutional amendment for property tax caps and periodic revaluation of property values. There is considerable strain on all levels of local government to reduce costs and become more efficient.

In April of 2011, legislation was enacted that eliminated the dedicated funded Public Mass Transportation Fund (PMTF), which distributes state sales tax revenue to Indiana public transportation service providers. While amounts for 2013 and 2014 are listed in the State's budget, it is now a budget line item instead of a dedicated source of state transit funding, subject to reductions and the biennial budget process.

Similar effects are impacting the government at the Federal level with high national unemployment, lower fuel tax receipts, cost to wage conflicts, continued budget deficits and debt ceiling limitations. Normally, a six-year authorization bill establishes Section 5309 funding, upon which lndyGo has relied for bus replacement and other capital improvements. In October 2012, Congress passed the "Moving Ahead for Progress in the 21st Century" (MAP-21) surface transportation funding bill, a two year appropriation for fiscal years 2013 and 2014. The MAP-21 bill will change funding for capital projects with new criteria established for Sections 5309, 5310 and 5307, impacting IndyGo's operation in 2013 and 2014. However, in 2012 IndyGo still received federal funds through "Safe, Accountable, Flexible, and Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU)," enacted in 2005.

The unstable world economy and conflicts abroad continue to impact lndyGo's purchasing power regarding diesel fuel. Price fluctuations and weaker supply of crude oil and distillates have placed financial pressures the agency since diesel fuel is a significant portion of total operating expenses. The world markets are too volatile to project with certainty the financial impact on future budgets.

The economic environment in which IndyGo operates continues to present management with major challenges in sustaining the level and quality of transit service.

Financial policies

During 2012, lndyGo maintained excess idle cash for capital projects in high interest bank accounts and certificates of deposit, averaging a yield of approximately fifteen basis points. IPTC engaged investment advisors and implemented a plan to increase the yield of excess cash while maintaining the security of the investments. The plan includes investments in government backed securities and additional investments in certificates of deposit. The goal for 2013 is to earn seventy-five basis points on invested excess cash while reducing bank fees.

The budget for 2012 included matching the cost of preventative maintenance and the capital cost of contracting with purchased transportation providers with cash from the capital cumulative fund in the amount of $2M. Previously, cumulative funds were only used for the acquisition of long-lived assets. These measures were taken to preserve the levels of service during a period of rising costs and shrinking revenue.

The cost of labor for bargaining unit personnel escalated 2.25% in 2011 pursuant to the collective bargaining unit agreement, however in 2012, wages for represented employees remained flat. 2012 marked the fifth year of flat wages for non-bargaining unit employees, which has contributed to significant turnover, especially in key management positions.

lndyGo has been unable to sustain funding for financial reserves. The focus has been to maintain as much transit service on the street as possible. With nearly 75% of riders categorized as "transit dependent," it is imperative that service be preserved. This strategy is not without ramifications. With an aging bus fleet, the capital funds used for operations are not allowing lndyGo to maintain a bus replacement program that meets the agency's needs. In 2012, IndyGo began to make progress on reducing the average fleet age by procuring several used buses with far fewer miles than the oldest in the fleet. This strategy, paired with leveraging federal one-time competitive grants for new bus procurements and mid-life rebuilds has helped IndyGo drive down the average age of its fleet, however, continuing to convert capital funds to operations is not sustainable in the long-term.

Recognition

For the tenth straight year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to IndyGo for its Comprehensive Annual Financial Report for the year ended December 31, 2011.

A Certificate of Achievement is valid for a period of one year only. In order to receive this award, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report in compliance with the GFOA policies, procedures and program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

Acknowledgment

We wish to acknowledge the participation and professional contribution of the accountancy firm of Crowe Horwath LLP in providing technical assistance when need. In addition, we wish to recognize those Finance and Administrative staff members who contribute their time and efforts in preparing this document.

Respectfully Submitted,

Michael A. Terry
President and Chief Executive Officer

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, 2011

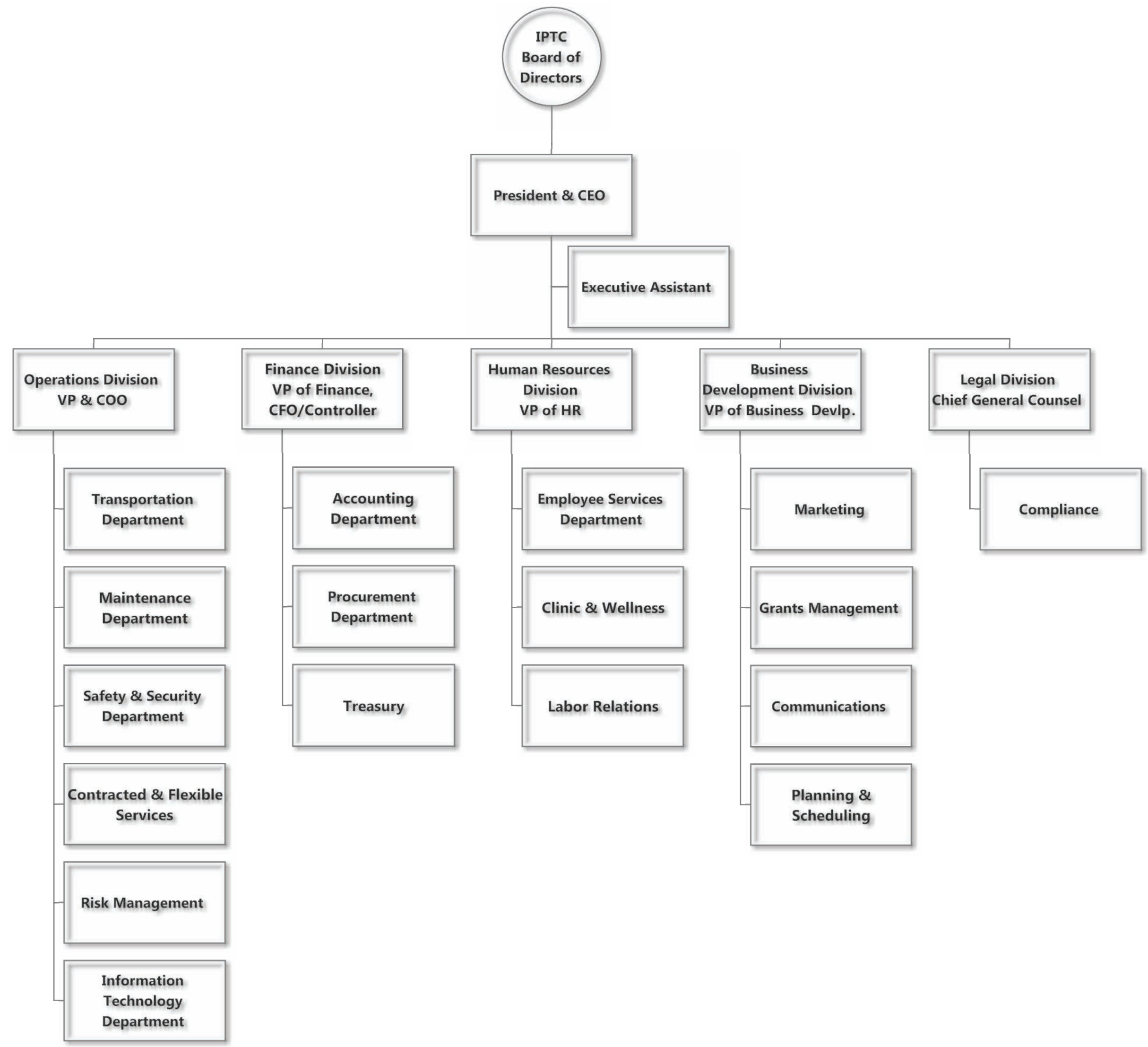
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

Christopher P Morrill
President

Jeffrey R. Esser
Executive Director

Indianapolis Public Transportation Corporation



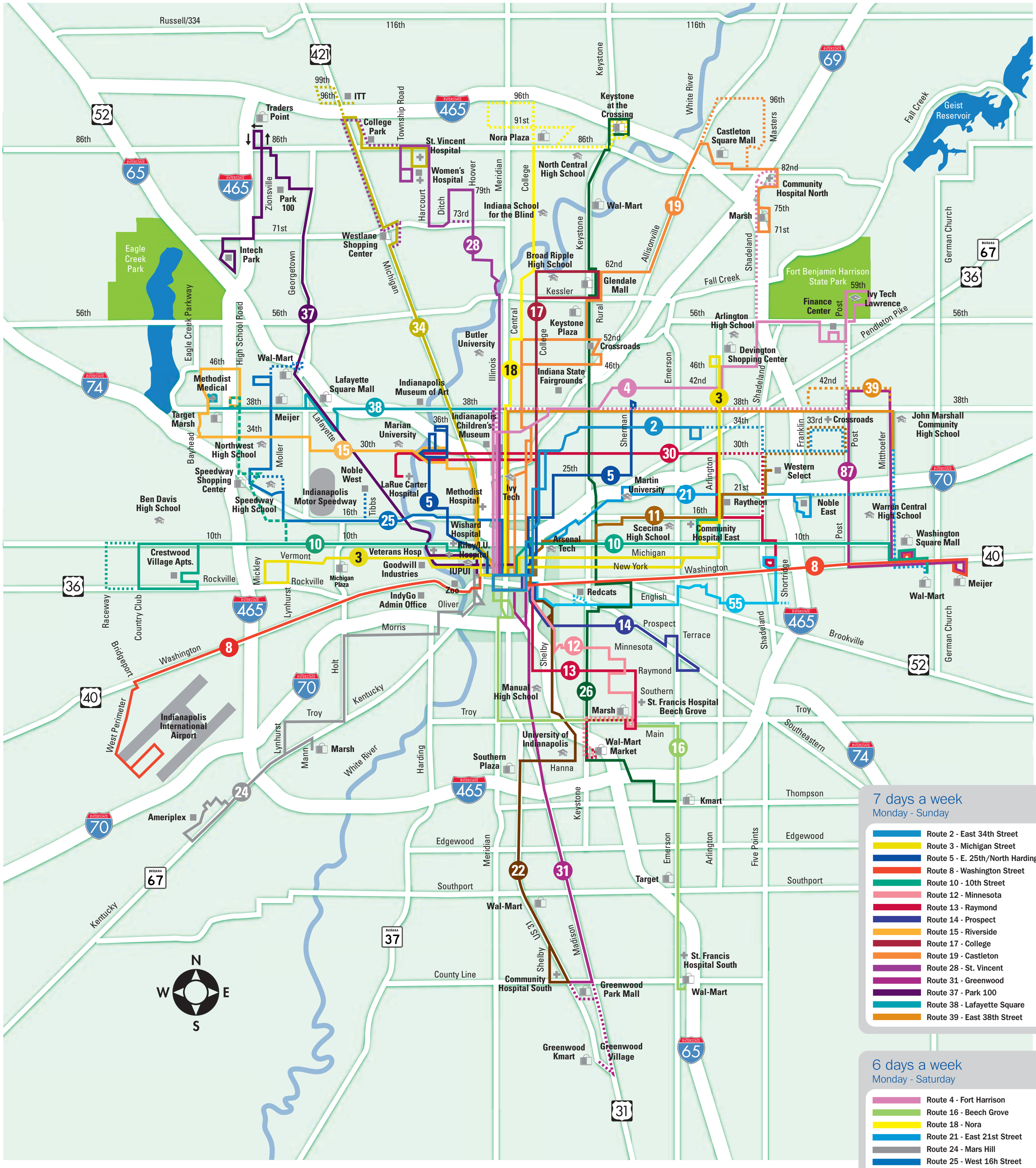
12/31/2012

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION - IndyGo

Board of Directors, Principal Officials and Management

Name	Approximate Length of Service	Occupation
Appointed Board of Directors		
Danny M. Crenshaw, Chair (Council)	9-1/2 yrs	President Crenshaw Insurance Agency
Alan Rowland, Vice Chair (Council)	4-1/2 yr	Business Development Manager CompTIA
Juan Gonzalez, Treasurer/Sec'y (Mayor)	3 yr.	Vice President - Sr. Business Banking Relationship Manager Key Bank
Tommie L. Jones, (Council)	12-1/2 yrs	Retired Professional Educator Decatur Township School District
Gregory Bedan (Council)	6-1/2 yrs	Consultant Kreative Konnections LLC
Jason Konesco (Mayor)	2 yr.	President, Harrison College
David Wu (Mayor)	2 yr.	Vice President Business Intelligence & Analytics, Angie's List
IPTC Principal Management Staff		
Michael A. Terry	9-1/2 yrs	President/CEO
Janice E. Kreuscher	9 1/2 yrs	General Counsel
Wayne Oteham	10-1/2 yrs	VP/CFO/Controller
Samantha Cross	7 yrs	Dir. Business Development
Trevor Ocock	5 yrs	VP/ COO
Mike Birch	1 yr	Dir. Human Resources

Above information is as of 12/31/12



7 days a week
Monday - Sunday

- Route 2 - East 34th Street
- Route 3 - Michigan Street
- Route 5 - E. 25th/North Harding
- Route 8 - Washington Street
- Route 10 - 10th Street
- Route 12 - Minnesota
- Route 13 - Raymond
- Route 14 - Prospect
- Route 15 - Riverside
- Route 17 - College
- Route 19 - Castleton
- Route 28 - St. Vincent
- Route 31 - Greenwood
- Route 37 - Park 100
- Route 38 - Lafayette Square
- Route 39 - East 38th Street

6 days a week
Monday - Saturday

- Route 4 - Fort Harrison
- Route 16 - Beech Grove
- Route 18 - Nora
- Route 21 - East 21st Street
- Route 24 - Mars Hill
- Route 25 - West 16th Street
- Route 26 - Keystone Crosstown
- Route 34 - ML King/Michigan Road
- Route 50 - Red Line*
- Route 87 - Eastside Circulator

5 days a week
Monday - Friday

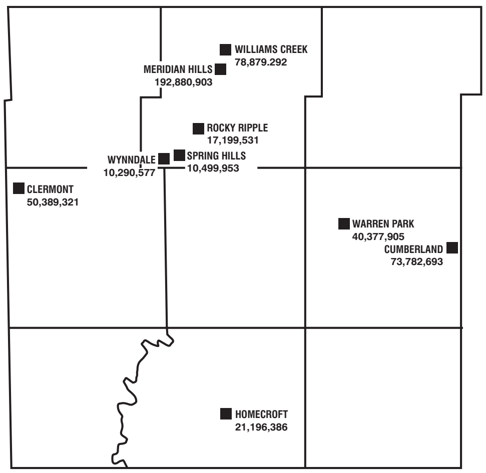
- Route 11 - East 16th Street
- Route 22 - Shelby
- Route 30 - 30th Street Crosstown
- Route 55 - English

System Map

Indianapolis Public Transportation Corporation
Taxing Districts

(In Thousands)

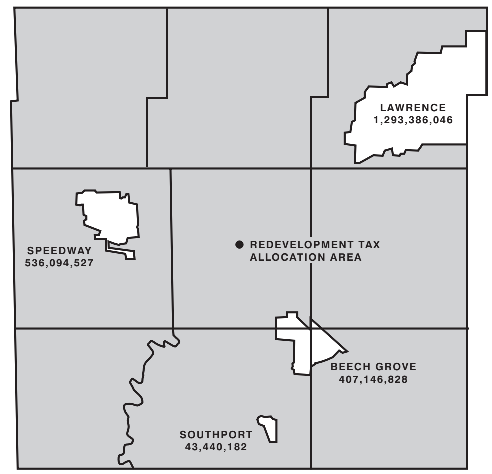
MAP 1



MARION COUNTY
AND INCLUDED TOWNS

	True Value Assessed Valuation
Marion County	33,922,279,415
Included towns (9)	495,496,561

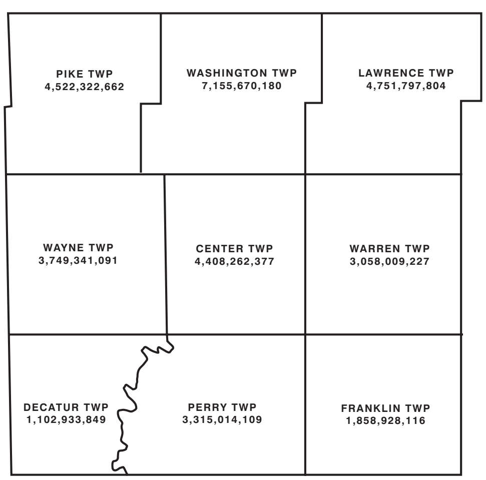
MAP 2



CONSOLIDATED
CITY OF INDIANAPOLIS

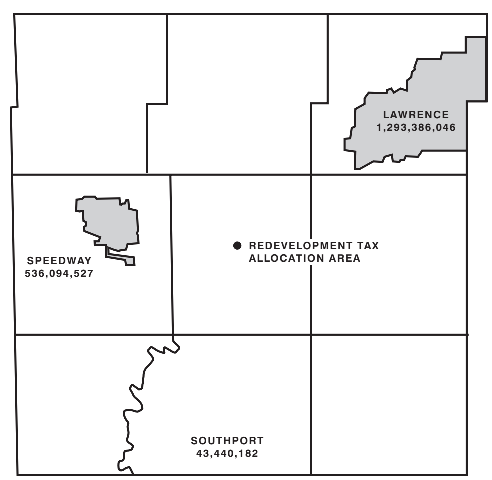
	Assessed Valuation
City of Indianapolis	31,638,211,832
Excluded Cities and Towns	2,284,067,583

MAP 3



TOWNSHIP
(ASSESSED VALUATIONS)

MAP 4



IPTC TAXING DISTRICT

IPTC	32,045,358,660
Exluded Cities and Towns	1,876,920,755

[1] The assessed value figures are those certified by Marion County Auditor Abstract as of 2011.
[2] Map 4 represents the taxing district of IPTC, not including excluded cities and towns.

SECTION TWO – FINANCIAL

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

FINANCIAL STATEMENTS

December 31, 2012

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

FINANCIAL STATEMENTS
December 31, 2012

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Indianapolis Public Transportation Corporation
Indianapolis, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of Indianapolis Public Transportation Corporation (IPTC) (a municipal corporation and a component unit of the consolidated City of Indianapolis-Marion County Government Reporting Entity), which comprise the statement of net position as of December 31, 2012, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IPTC as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information:

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 9 and the Schedule of Funding Progress on page 32 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Crowe Horwath LLP

Crowe Horwath LLP

Indianapolis, Indiana
July 26, 2013

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the annual financial report presents a discussion and analysis of the Indianapolis Public Transportation Corporation's (IPTC's) financial performance for the year ended December 31, 2012. 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, 2012 by $62 million (net position). Of this amount, $10 million (unrestricted net position) may be used to meet IPTC's ongoing obligations arising from providing transportation service to the community.
- Fare revenues for 2012 increased 8.3 percent over that of the prior year.
- FTA capital contributions for 2012 decreased 47 percent from that of the prior year.
- FTA local operating and planning grants and preventative maintenance funding for 2012 decreased by 0.3 percent under that of the prior year.
- Operating expenses before depreciation decreased 0.5 percent from the prior year.
- Net position increased approximately $4.6 million, or 8 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 Position. All assets and liabilities associated with the operation of the IPTC are included in the Statement of Net Position.

The financial statements provide both short and long-term information about the 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 Position

The IPTC's total assets at December 31, 2012 were approximately $82 million. This represents an increase of approximately 3 percent from the prior year. Liabilities approximated $20 million, a decrease of 11 percent for 2012. The overall decrease in liabilities is attributed to payment of ongoing obligations with a net decrease in debt for the year.

Approximately $33 million, or 54 percent, of the net position reflects investments in capital assets, less related debt. Approximately $18 million, or 29 percent, of the net position is restricted for the future acquisition of capital assets. Approximately $10 million, or 17 percent, may be used to meet IPTC's ongoing obligations arising from providing transportation services to the community.

TABLE 1 - NET POSITION

	2012	2011
Assets:		
Current assets	$ 23,510,542	$ 20,142,372
Capital assets (net)	39,771,786	42,027,359
Other non-current assets	18,771,692	17,689,502
Total Assets	$ 82,054,020	$ 79,859,233
Liabilities:		
Current liabilities	$ 13,538,789	$ 8,944,238
Non-current liabilities	6,471,820	13,485,332
Total liabilities	20,010,609	22,429,570
Net position:		
Invested in capital assets, net of related debt	33,289,266	33,984,607
Restricted	18,281,252	17,268,294
Unrestricted	10,472,893	6,176,762
Total net position	62,043,411	57,429,663
Total liabilities and net position	$ 82,054,020	$ 79,859,233

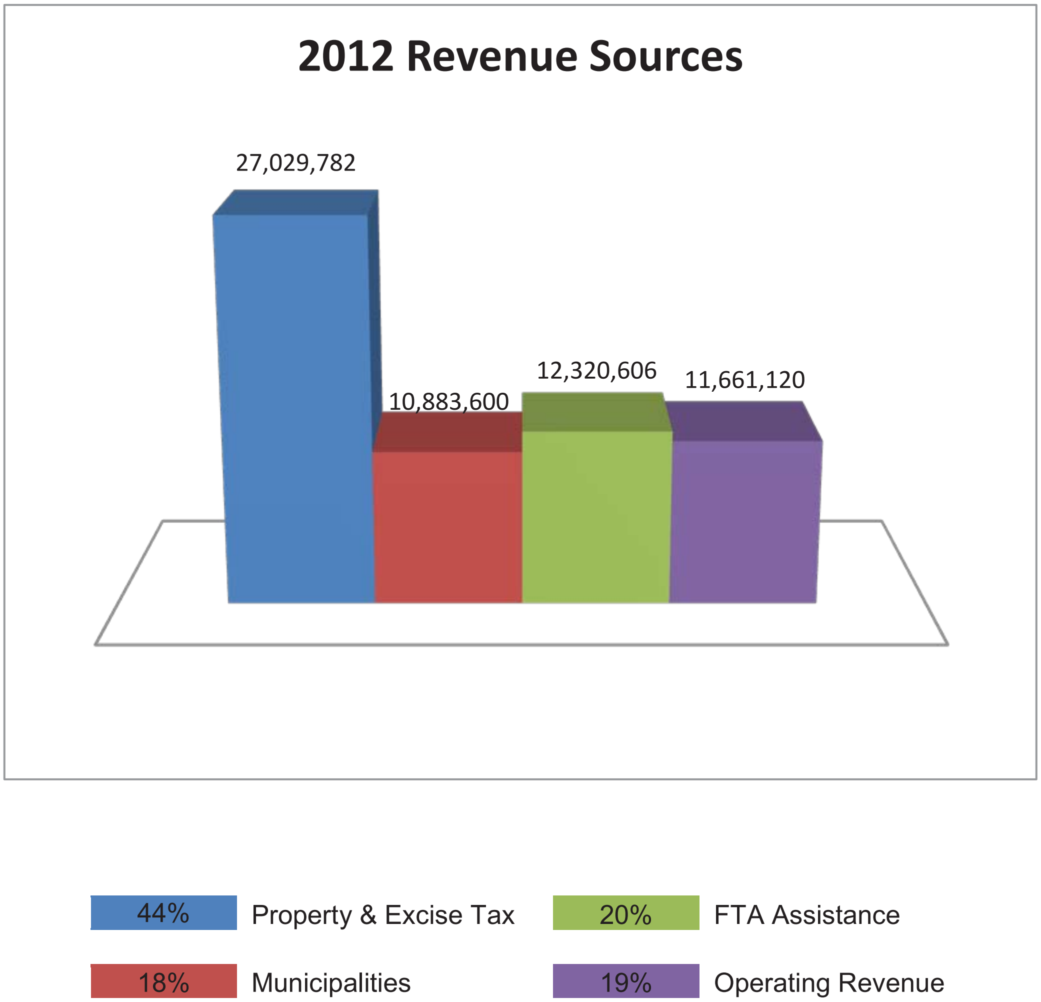
Changes in Net Position

The change in net position for 2012 represents an increase of approximately $4.6 million, or 8 percent. Of this amount, total revenues increased approximately $400 thousand, or 1 percent. This increase is mainly attributed to a $3.1 million increase, or 13 percent, in property tax and excise tax, a $3.3 million decrease, or 47 percent, in federal capital grants, a $143 thousand decrease, or 1 percent, in municipalities, and a $775 thousand increase, or 7 percent, in operating revenues. Overall operating expenses, excluding depreciation decreased $240 thousand, or 0.5 percent. This decrease is attributed to a decrease in administrative expenditures of $447 thousand incurred in 2012.

TABLE 2 - CHANGES IN NET POSITION

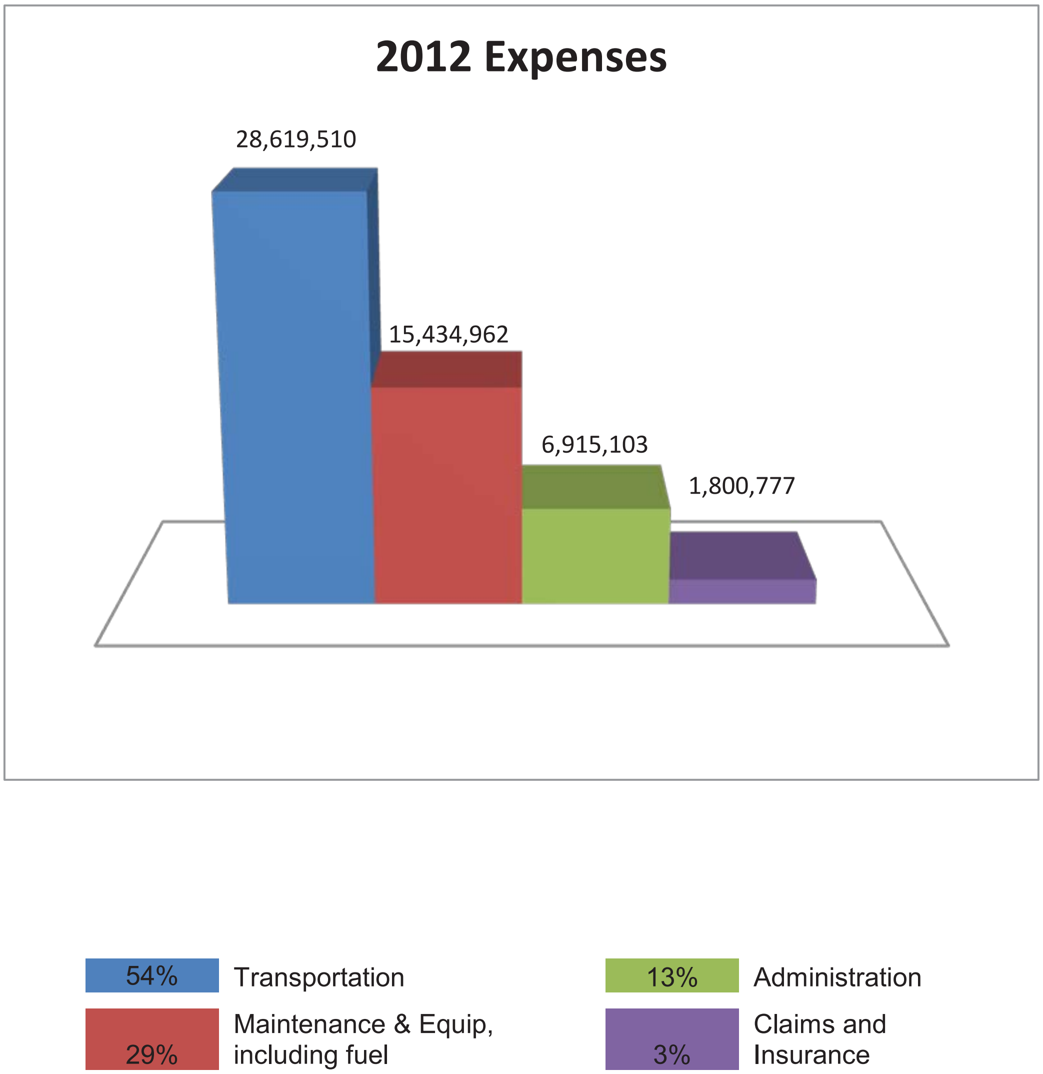
	2012	2011
Operating revenues		
Passenger fares	$ 11,266,129	$ 10,401,922
Advertising	394,991	482,617
Total operating revenues	11,661,120	10,884,539
Non-operating revenues (expenses)		
Property and excise tax	27,029,782	23,966,467
Municipalities	10,883,600	11,026,654
FTA Assistance	12,320,606	12,358,190
Contributions – capital grants	3,710,587	7,022,467
Other net revenues (expenses)	32,003	(31,543)
Total non-operating revenues	53,976,578	54,342,235
Total revenues	65,637,698	65,226,774
Operating expenses		
Transportation	28,619,510	28,378,033
Maintenance of equipment, including fuel	15,434,962	15,409,628
Administrative and general	6,915,103	7,362,450
Claims and insurance	1,800,777	1,860,421
Depreciation	8,253,598	9,877,258
Total operating expenses	61,023,950	62,887,790
Change in net position	4,613,748	2,338,984
Total net position, beginning of year	57,429,663	55,090,679
Total net position, end of year	$ 62,043,411	$ 57,429,663

Revenues: For 2012, total operating revenues increased approximately $800 thousand, or 7 percent. Non-operating revenue, excluding capital grant contributions and other revenue (expenses), increased approximately $3 million, or 6 percent.



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

Expenses: Total operating expenses, excluding depreciation, are approximately $53 million for 2012. This is a decrease of $240 thousand, or 0.5 percent from prior year. This decrease is attributed in part to a decrease in administrative expenditures of $447 thousand incurred in 2012.



The expenses and percentages presented exclude "depreciation" expense.

CAPITAL ASSET AND DEBT ADMINISTRATION

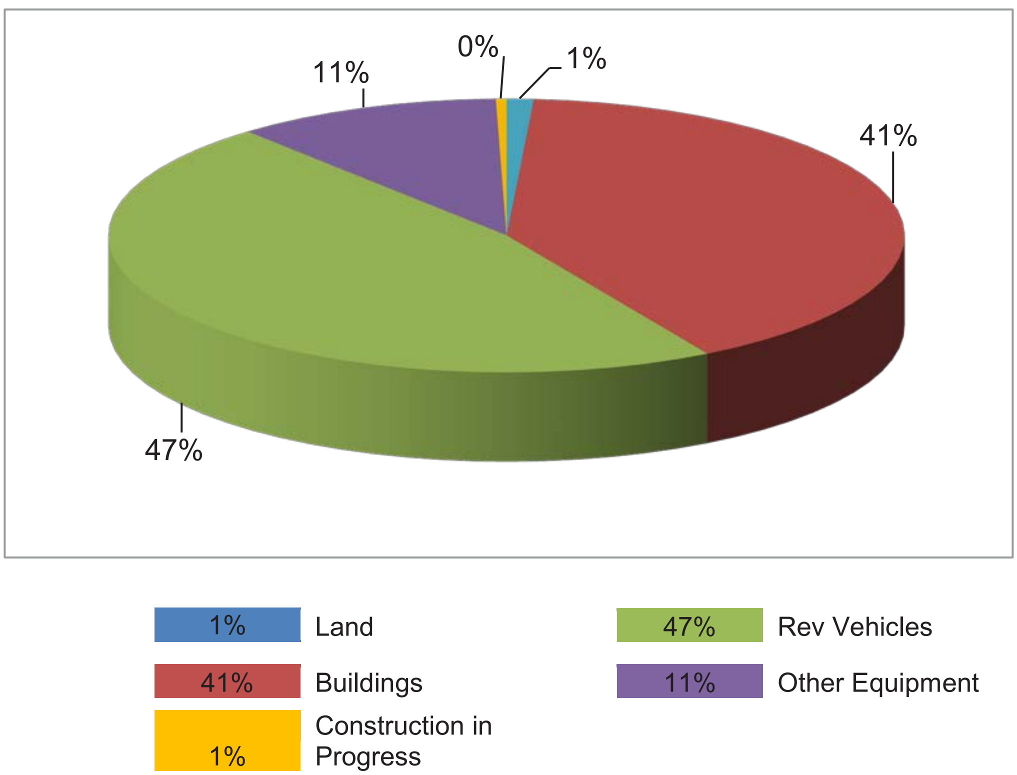
Capital Assets
As of December 31, 2012, IPTC had invested approximately $40 million in capital assets, net of accumulated depreciation. Compared to the prior year, this amount represents a decrease of approximately $2 million. The decrease is due to annual depreciation expense exceeding capital asset acquisitions 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 2012 included the following:

- Over $2.5 million was utilized to upgrade and enhance the facility, route sidewalks and shelters
- IPTC performed major rehabs on 21 Fixed Route Coaches and purchased 11 used coaches at a combined cost of approximately $2.9 million

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 2011, 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. IPTC has signed a contract and has started the preliminary site and design work for the downtown Transit Center.

Debt Disclosures

As of December 31, 2012, IPTC had approximately $13.1 million of notes and bonds payable. During 2012, bonds and notes payable were repaid pursuant to the maturity schedule of each issue. As of December 31, 2012, 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 that are 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.

FINANCIAL STATEMENTS

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
STATEMENT OF NET POSITION
December 31, 2012

ASSETS	
Current assets	
Cash and cash equivalents (Note 2):	
Working capital	$ 12,928,704
Liability reserve accounts	2,008,554
Total cash and cash equivalents	14,937,258
Receivables:	
Federal grants	5,434,518
Operations receivables, net	430,006
Total receivables	5,864,524
Other current assets:	
Materials and supplies inventory, net	2,316,885
Deposits and prepaid expenses	391,875
Total other current assets	2,708,760
Total current assets	23,510,542
Noncurrent assets	
Cash – Capital asset acquisition	12,014,922
Investments – Capital asset acquisition (Note 2)	6,266,330
Bond issue cost, unamortized	193,905
Net other post-employment benefit asset (Note 10)	296,535
Capital assets (Note 3):	
Non-depreciable assets:	
Land	1,375,654
Construction in progress	543,809
Total non-depreciable assets	1,919,463
Depreciable assets:	
Buildings and improvements	50,935,090
Revenue vehicles and equipment	59,268,916
Other equipment	13,638,865
Total depreciable assets	123,842,871
Total capital assets	125,762,334
Accumulated depreciation	(85,990,548)
Capital assets, net of depreciation	39,771,786
Total noncurrent assets	58,543,478
Total assets	$ 82,054,020

See accompanying notes to financial statements.

STATEMENT OF NET POSITION
December 31, 2012

LIABILITIES AND NET POSITION	
Current liabilities	
Accounts and contract services payable	$ 2,005,475
Accrued payroll and benefits	1,482,578
Unearned fare revenue	359,940
Notes payable (Note 4)	6,621,748
Bonds payable (Note 4)	1,665,000
Risk management – unpaid claim estimates (Note 5)	481,341
Federal grantor reimbursement payable	189,500
Pension arbitration liability (Note 9)	135,000
Environmental remediation liability (Note 8)	598,207
Total current liabilities	13,538,789
Noncurrent liabilities	
Notes payable (Note 4)	-
Bonds payable, net of premium (Note 4)	4,817,520
Risk management – unpaid claim estimate (Note 5)	156,500
Pension arbitration liability (Note 9)	270,000
Environmental remediation liability (Note 8)	1,227,800
Total noncurrent liabilities	6,471,820
Total liabilities	20,010,609
Net position	
Invested in capital assets, net of related debt	33,289,266
Restricted for capital assets acquisition	18,281,252
Unrestricted	10,472,893
Total net position	62,043,411
Total liabilities and net position	$ 82,054,020

See accompanying notes to financial statements.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year ended December 31, 2012

Operating revenues	
Passenger fares	$ 11,266,129
Advertising	394,991
Total operating revenues	11,661,120
Operating expenses	
Transportation	28,619,510
Maintenance of equipment, including fuel	15,434,962
Administrative and general	6,915,103
Claims and insurance	1,800,777
Depreciation	8,253,598
Total operating expenses	61,023,950
Operating loss	(49,362,830)
Non-operating revenues (expenses)	
Operating assistance:	
Property and excise tax	27,029,782
Municipalities	10,883,600
FTA and local operating and planning grants, and preventative maintenance funding	12,320,606
Other net revenues (expenses) (Note 7)	32,003
Total non-operating revenue	50,265,991
Change in net position before capital contribution	903,161
Contributions - capital grants	3,710,587
Change in net position	4,613,748
Net position, beginning of year	57,429,663
Net position, end of year	$ 62,043,411

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS
Year ended December 31, 2012

Cash flows from operating activities	
Receipts from customers	$ 12,004,557
Payments for transportation	(28,619,510)
Payments for maintenance of equipment, including fuel	(15,813,406)
Payments for administrative and general	(6,949,584)
Claims and insurance paid to external parties	(2,094,803)
Net cash used by operating activities	(41,472,746)
Cash flows from noncapital financing activities	
Property and excise tax distributions	27,029,782
Assistance from municipalities	10,883,600
FTA operating assistance	9,990,828
Interest paid on notes payable	(100,816)
Payments on pension arbitration	(135,000)
Net cash provided by noncapital financing activities	47,668,394
Cash flows from capital and related financing activities	
Capital grant receipts	3,124,401
Purchases of capital assets	(5,984,338)
Principal paid on debt	(1,595,000)
Interest paid on debt	(231,472)
Net cash used by capital and related financing activities	(4,686,409)
Cash flows from investing activities	
Purchases of investments	(1,946,302)
Proceeds from sale of investments	3,250,000
Interest received on cash and cash equivalents	136,771
Net cash provided by investing activities	1,440,469
Net decrease in cash and cash equivalents	2,949,708
Cash and cash equivalents, beginning of year	24,002,472
Cash and cash equivalents, end of year	$ 26,952,180

Statement of Net Position Presentation:	
Cash and cash equivalents – current assets	$ 14,937,258
Cash – noncurrent assets	12,014,922
Cash and cash equivalents, end of year	$ 26,952,180

See accompanying notes to financial statements.

Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	$ (49,362,830)
Adjustments to reconcile income (loss) to net cash and cash equivalents:	
Depreciation expense	8,253,598
Changes in assets and liabilities:	
Other receivables	317,728
Materials and supplies inventory	(124,689)
Deposits and prepaid expense	88,786
Accounts and contract services payable	1,253
Accrued payroll and benefits	(284,001)
Unearned fare revenue	25,709
Risk management	(294,025)
Other post-employment benefit obligation (asset)	(34,482)
Environmental remediation	(59,793)
Net cash used by operating activities	$ (41,472,746)

Supplemental schedule of noncash investing and financing activities:		
Capital assets in accounts payable	$	88,050
Forgiveness of debt	$	85,038
Bond refunding:		
Issuance of Series 2012A bond	$	3,100,000
Refunding of Series 2002C bond	$	(3,000,000)
Accrued interest and finance costs	$	(100,000)

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, tax levy, and the issuance of debt. In addition, the Council approves the budget, tax levy, and the issuance of debt.

Basis of Accounting: The operations of IPTC are accounted for as an enterprise fund on an accrual basis in order to recognize the flow of economic resources. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, depreciation of assets is recognized, and all assets and liabilities associated with the operation of IPTC are included in the Statement of Net Position. The principal operating revenues of IPTC are passenger fares. IPTC also recognizes as operating revenue the fees collected from advertisements on IPTC property and miscellaneous operating revenues. Operating expenses for IPTC include the costs of operating the transit system, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. IPTC’s policy is to apply externally restricted funds first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. IPTC follows GASB pronouncements as codified under GASB 62, which was adopted in the current year.

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)

Net Position: GASB Statement 34 requires the classification of net position into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These net position classifications are defined as follows:

- **Invested in capital assets, net of related debt** - This component consists of capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** - This component consists of external constraints placed on net position imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. IPTC has restricted net position for capital asset acquisition.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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.

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.

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, 2012, cash equivalents consisted of demand and money market deposit accounts.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments: In accordance with Indiana Code Section 5-12 et sequal, it is the policy of the 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.

Restricted Assets: Certain cash, cash equivalents and investment balances are restricted as follows:

- **Capital Asset Acquisition Accounts:** Proceeds from the sale of the Indianapolis Local Public Improvement Bond Bank Bonds, Series 2011C and Series 2012C 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 $10,000 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. 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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 and vested 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 non-vesting 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.

Commitments: IPTC entered into fixed unit cost fuel contracts for the purchase of 840,000 gallons of fuel. Total fuel cost commitment under these contracts was $2,496,879 at December 31, 2012.

At December 31, 2012, IPTC entered into commitments not to exceed $2.372 million for bus shelter, sign service work, and telecommunication upgrades.

At December 31, 2012, IPTC entered into commitments not to exceed $3.375 million for bus restoration, hybrid bus purchases, and wheelchair accessible mobility vehicle purchases.

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments are reported in the accompanying statements of net position as of December 31, 2012 as follows:

Current assets	
Cash and cash equivalents	
Working capital	$ 12,928,704
Liability reserve	2,008,554
Noncurrent assets:	
Cash – Capital asset acquisition	12,014,922
Investments – Capital asset acquisition	6,266,330
	$ 33,218,510

Cash and cash equivalents	$ 26,952,180
Investments	6,266,330
	$ 33,218,510

(Continued)

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Deposits: IPTC maintains cash and cash equivalents deposits with area financial institutions. A summary of these deposits at December 31, 2012 is as follows:

	2012 Carrying Value	2012 Bank Balance
On hand	$ 1,300	$ -
Cash deposits:		
Insured by FDIC	2,733,614	2,701,157
Insured by Indiana Public Deposits Insurance Fund	24,217,266	20,395,471
	$ 26,952,180	$ 23,096,628

During the year ended December 31, 2012, IPTC held interest bearing demand deposit accounts and interest bearing savings accounts with Indiana financial institutions. Demand deposits are fully insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposits Insurance Fund.

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

Investment Policy and Legal and Contractual Provisions Governing Cash Deposits and Investments: In accordance with Indiana Code Section 5-12 et sequal, it is the policy of the 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 IPTC's internal policy 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 interest rate risk, credit risk, concentration of credit risk, custodial credit risk, or foreign currency risk.

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's deposits and investments do not present high exposure to interest rate market risks due to their short term nature. At December 31, 2012, IPTC had the following investments and maturities:

		Maturities (in Years)	
Investment Type	Fair Value	Less than 1	1 - 5
Certificates of Deposit	$ 1,512,340	$ 1,011,039	$ 501,301
Government-backed Mortgage Notes	4,753,990	3,048,530	1,705,460
	$ 6,266,330	$ 4,059,569	$ 2,206,761

(Continued)

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

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 the 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. At December 31, 2012, the IPTC's investments, along with their respective ratings from Moody's Investor Services, were as follows:

Investment Type	Fair Value	Credit Rating
Certificates of Deposit	$ 1,512,340	Unrated
Government-backed Mortgage Notes	1,001,500	Unrated
Government-backed Mortgage Notes	3,752,490	Aaa
	$ 6,266,330	

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 places no limit on the amount IPTC may invest in any one issuer. The following table shows investment in issuers and the representative percentage of total investments at December 31, 2012:

Investment Type	Fair Value	% (rounded)
Certificates of Deposit		
Ally Bank	$ 250,293	4%
BMW Bank North America	250,247	4%
Discover Bank	250,658	4%
Goldman Sachs Bank USA New York	250,642	4%
National Bank of Indianapolis	510,500	8%
Government-back Mortgage Notes		
Federal Home Loan Banks	1,027,170	16%
Freddie Mac	2,199,100	35%
Fannie Mae	1,527,720	25%
	$ 6,266,330	

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 3 - CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets as follows:

	Balance January 1, 2012	Changes During Year Additions	Changes During Year Reductions	Balance December 31, 2012
Capital Assets Cost:				
Non-Depreciable Assets:				
Land	$ 1,375,654	$ -	$ -	$ 1,375,654
Construction in progress*	583,098	5,769,252	(5,808,541)	543,809
	1,958,752	5,769,252	(5,808,541)	1,919,463
Depreciable Assets:				
Buildings and improvements	48,400,538	2,534,552	-	50,935,090
Revenue vehicles and equipment	56,008,322	3,260,594	-	59,268,916
Other equipment	13,396,697	242,168	-	13,638,865
	117,805,557	6,037,314	-	123,842,871
	$ 119,764,309	$ 11,806,566	$ (5,808,541)	$ 125,762,334

	Balance January 1, 2012	Changes During Year Additions	Changes During Year Reductions	Balance December 31, 2012
Accumulated Depreciation:				
Depreciable Assets:				
Buildings and improvements	$ (31,594,780)	$ (2,255,580)	$ -	$ (33,850,360)
Revenue vehicles and equipment	(37,270,917)	(4,188,011)	-	(41,458,928)
Other equipment	(8,871,253)	(1,810,007)	-	(10,681,260)
	$ (77,736,950)	$ (8,253,598)	$ -	$ (85,990,548)

	Balance January 1, 2012	Changes During Year Additions	Changes During Year Reductions	Balance December 31, 2012
Capital Assets, Net:				
Non-Depreciable Assets:				
Land	$ 1,375,654	$ -	$ -	$ 1,375,654
Construction in progress*	583,098	5,769,252	(5,808,541)	543,809
	1,958,752	5,769,252	(5,808,541)	1,919,463
Depreciable Assets:				
Buildings and improvements	16,805,758	278,972	-	17,084,730
Revenue vehicles and equipment	18,737,405	(927,417)	-	17,809,988
Other equipment	4,525,444	(1,567,839)	-	2,957,605
	40,068,607	(2,216,284)	-	37,852,323
	$ 42,027,359	$ 3,552,968	$ (5,808,541)	$ 39,771,786

*Construction in progress also includes capital assets not placed in service such as revenue vehicles and equipment.

(Continued)

NOTE 4 - DEBT OBLIGATIONS

The following disclosure provides detail on IPTC debt obligations. At December 31, 2012, IPTC noncurrent debt consisted of bonds payable and notes payable. Changes were as follows:

	Balance January 1, 2012	Changes During Year Additions	Reductions	Balance December 31, 2012	Noncurrent	Current
Bonds payable	$ 7,835,000	$ 3,100,000	$ (4,595,000)	$ 6,340,000	$ 4,675,000	$ 1,665,000
Bond premium	207,752	-	(65,232)	142,520	142,520	
Notes payable	6,674,153	32,633	(85,038)	6,621,748	-	6,621,748
	$ 14,716,905	$ 3,132,633	$ (4,745,270)	$ 13,104,268	$ 4,817,520	$ 8,286,748

Bonds Payable: Bonds consist of the Indianapolis Local Public Improvement Bond Bank Bonds, Series 2009C and 2012A. The amounts outstanding at December 31, 2012 are as follows:

	2012
Series 2002C	$ -
Series 2009C	3,605,000
Series 2012A	2,735,000
	6,340,000
Less: Current portion	1,665,000
Noncurrent portion	$ 4,675,000

Series 2002C Bonds - The Indianapolis Local Public Improvement Bond Bank Bonds Series 2002C, were refunded by Series 2012A Bonds in the amount of $3,000,000. As a result of the refunding, the Series 2002C Bonds are considered defeased and the liability for those bonds are not included in the IPTC financial statements. Bond interest expense on Series 2002C Bonds was $26,621 for the year ended December 31, 2012.

The refunding resulted in decreasing its aggregate future debt service payments by $267,965 over the next four years and obtained an economic gain of $235,348. As of December 31, 2012, the balance of the remaining defeased bonds was $3,000,000.

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%, payable on January 10 and July 10 commencing January 10, 2010 and have serial maturities through 2015. The Bonds are not subject to optional redemption prior to maturity dates.

NOTE 4 - DEBT OBLIGATIONS (Continued)

Debt service requirements to maturity for the outstanding bonds are as follows:

Years Ending December 31	Principal	Interest	Total
2013	$ 1,315,000	$ 131,050	$ 1,446,050
2014	1,415,000	91,600	1,506,600
2015	875,000	35,000	910,000
	$ 3,605,000	$ 257,650	$ 3,862,650

Bond interest expense on Series 2009C Bonds was $174,100 for the year ended December 31, 2012.

Series 2012A Bonds - The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2012A, dated February 15, 2012, were issued in the aggregate principal amount of $3,100,000. The Series 2012A Bonds proceeds were used to redeem the 2002C Bonds. The Series 2012A Bonds bear interest at 2.05%, payable on January 10 and July 10 commencing July 10, 2012 and have serial maturities from 2012 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
2013	$ 350,000	$ 56,068	$ 406,068
2014	335,000	48,892	383,892
2015	370,000	42,025	412,025
2016	1,680,000	34,440	1,714,440
	$ 2,735,000	$ 181,425	$ 2,916,425

Bond interest expense on Series 2012A Bonds was $57,372 for the year ended December 31, 2012.

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 December 18, 2013, the end of term of the agreement, and is categorized as a current liability at December 31, 2012.

(Continued)

NOTE 4 - DEBT OBLIGATIONS (Continued)

Debt service requirements to maturity for this outstanding note are as follows:

Years Ending December 31	Principal	Interest	Total
2013	$ 5,000,000	$ 100,000	$ 5,100,000
	$ 5,000,000	$ 100,000	$ 5,100,000

Note interest expense on this obligation was $100,816 for the year ended December 31, 2012.

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 was 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.

During 2010, 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. An amendment to this agreement was effective in 2011 which changed due date to no later than December 31, 2012. Subsequent to year end, the agreement was amended to extend the due date to December 31, 2013.

Interest expense for the year ended December 31, 2012 was $32,633 and has been accrued in the balance of the loan. During 2012, IPTC paid expenditures totaling $85,038 for the completion of improvement projects to the benefit of the City of Indianapolis. The balance of the loan at December 31, 2012 was $1,621,748.

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, 2012 and 2011 was as follows:

(Continued)

NOTE 5 - RISK MANAGEMENT (Continued)

	2012	2011
Unpaid claims, beginning of year	$ 931,866	$ 1,026,246
Incurred claims and changes in claim estimates	483,560	1,151,356
Claim payments	(777,585)	(1,245,736)
Unpaid claims, end of year	$ 639,841	$ 931,866
Current portion	481,341	792,086
Noncurrent portion	156,500	139,780
Unpaid claims, end of year	$ 637,841	$ 931,866

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 without limitation 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, provision is made in the financial statements for loss expected upon resolution. There were no significant reductions in insurance coverage during 2012 and there were no settlements that exceeded insurance coverage during 2012 for those risks that IPTC purchased insurance.

NOTE 6 - OPERATING LEASES

IPTC is obligated under certain leases through June 2014 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, 2012 was $75,762. A schedule of future minimum operating lease payments required that have initial or remaining lease terms in excess of one year as of December 31, 2012:

Year Ending December 31:	
2013	$ 61,306
2014	15,407
2015	-
2016	-
Thereafter	-
	$ 76,713

NOTE 7 - OTHER NON-OPERATING REVENUE (EXPENSE)

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

	2012
Other revenues:	
Investment income	$ 52,596
Miscellaneous	343,961
Gain on sale of capital assets	-
Pass-through grants for sub-recipients	2,495,708
	2,892,265
Other expenses:	
Interest - payable from restricted debt service assets	(278,478)
Interest - payable from unrestricted assets	(62,107)
Amortization of bond issue costs	(23,969)
Pass-through grants to sub-recipients	(2,495,708)
	(2,860,262)
	$ 32,003

NOTE 8 - ENVIRONMENTAL REMEDIATION LIABILITY

The IPTC has had discussions with the Indiana Department of Environmental Management regarding a contamination remediation issue traced to leaking underground storage tanks. The cost of remediation is based upon current site knowledge/conditions, past remediation experience of site's with similar environmental issues, and the current IDEM regulations. The estimate is based on the expectation that a remediation system(s) will be required from the site to meet closure criteria under the IDEM RISC Program's Industrial Closure Criteria with an environmental deed restriction placed on the property. Activity for the year ended December 31, 2012 was as follows:

	2012
Environmental remediation liability, beginning of year	$ 1,885,800
Decreases/Payments	(59,793)
Unpaid claims, end of year	$ 1,826,007
Current liability portion	$ 598,207
Noncurrent liability portion	1,227,800
Unpaid claims, end of year	$ 1,826,007

NOTE 9 - BENEFIT PLANS

Defined Contribution Plan: 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 2012 were $609,123. Employer contributions for 2012 were $526,843.

Deferred Compensation Plan: 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 $190,455 for the year ended December 31, 2012.

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 $135,000 to the plan in 2012 and has reported a pension arbitration liability totaling $405,000 at December 31, 2012.

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

Current portion	$ 135,000
Noncurrent portion	270,000
	$ 405,000

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.

(Continued)

NOTE 9 - BENEFIT PLANS (Continued)

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.

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 the IPTC contributed 3.5% of the total compensation of the participating employees. Employees' contributions plus interest is 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.

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 2012 and no annual pension cost. IPTC has determined that it has no pension liability (asset) at transition as defined by GASB Statement No. 27.

(Continued)

NOTE 9 - BENEFIT PLANS (Continued)

The Plan's obligations exceeded the market value of its assets by approximately $615,709 at December 31, 2012. 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 position of the Plan will first be applied to repay individual employee contributions in excess of any employee contributions previously disbursed. The remainder of net position 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, 2012 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.

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 three years:

Year Ended December 31	Annual Required Contribution	Actual Contribution Made	Percentage Contributed
2012	$ 63,790	$ 97,900	153%
2011	68,660	132,400	193%
2010	79,447	156,700	197%

(Continued)

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

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	$ 63,790
Interest on net OPEB obligation (asset)	(10,482)
Adjustment to annual required contribution	10,110
Annual OPEB cost	63,418
Contributions made	97,900
Increase in net OPEB obligation (asset)	(34,482)
Net OPEB obligation (asset) – beginning of year	(262,053)
Net OPEB obligation (asset) – end of year	$ (296,535)

Funded Status and Funding Progress: As of December 31, 2012, the actuarial accrued liability for benefits was $1,514,000 and the actuarial value of assets was $0 resulting in an unfunded actuarial accrued liability (UAAL) of $1,514,000. 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 asset, 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, 2012
Discount Rate:	3.75% effective annual rate
Inflation Rate:	0.0%
Compensation Increases:	Compensation amounts are assumed to increase 3% per year

Retirement Rates:

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

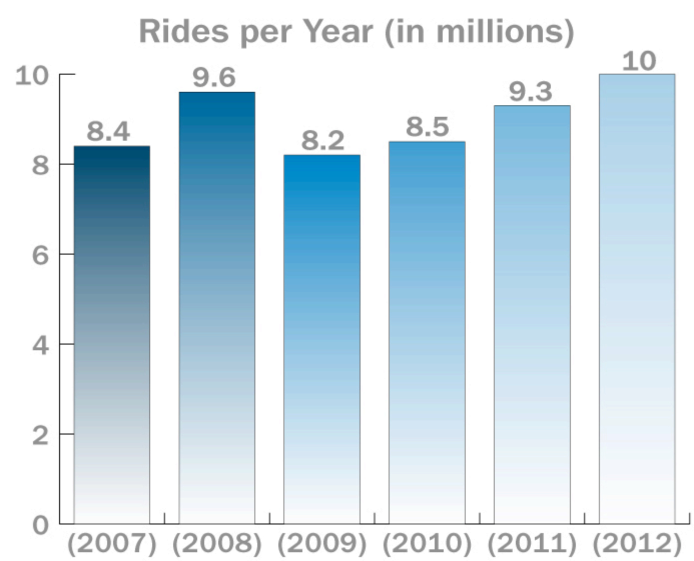
Spouse Coverage:	80% of employees and retirees are assumed to have a covered spouse in retirement (no dependent children are assumed)
Spouse Age:	Female spouses are assumed to be three years younger than male spouses

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)
12/31/2012	$ 0	$ 1,514,000	$ 1,514,000	0%	N/A	N/A
12/31/2011	0	1,546,200	1,546,200	0%	N/A	N/A
12/31/2010	0	1,582,900	1,582,900	0%	N/A	N/A

Mayor Ballard recognized IndyGo for its Community Collaborations program that leverages the agency's communication toolbox for partnerships that promote the use of transit in conjunction with special events and destinations



2012 marked the agency's highest ridership IndyGo saw notable growth since pre-1991 and was the third consecutive year that.

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 Position 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
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
Restricted	5,385,503	4,601,899	4,848,101	8,240,635	12,137,992
Unrestricted	(2,959,541)	(3,718,098)	1,388,090	1,195,747	1,435,264
Total business-type activities net assets	22,553,469	20,856,256	25,745,532	29,056,863	29,434,243

	Year 6 Actual 2008	Year 7 Actual 2009	Year 8 Actual 2010	Year 9 Actual 2011	Year 10 Actual 2012
Business-type activities					
Invested in capital assets, net of related debt	14,846,493	25,481,285	33,867,492	33,984,607	33,289,266
Restricted	11,486,965	16,065,599	17,716,406	10,227,509	18,281,252
Unrestricted	11,003,189	5,681,911	3,506,781	13,255,449	10,472,893
Total business-type activities net assets	37,336,647	47,228,795	55,090,679	57,467,565	62,043,411

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	6,516,194	756,182	47,650,350	8,121,358	55,771,708
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
2010	30,175,698	15,820,401	8,377,011	1,968,982	56,342,092	7,200,405	63,542,497
2011	28,378,033	15,409,628	7,362,449	1,860,421	53,010,531	9,877,258	62,887,789
2012	28,619,510	15,434,962	6,915,103	1,800,777	52,770,352	8,253,598	61,023,950

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 Position
Ten Years (1)

Fiscal Year	Operating Revenue	Operating Expense	Operating Loss	Nonoperating Revenue (Expense)	Net Position before Capital Contributions	Capital Contributions	Change in Net Position
2,003	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	55,771,708	(46,591,735)	44,207,456	(2,384,279)	2,761,659	377,380
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
2010	9,996,539	63,542,497	(53,545,958)	49,221,744	(4,324,214)	12,186,098	7,861,884
2011	10,884,539	62,887,790	(52,003,251)	47,319,768	(4,683,483)	7,022,467	2,338,984
2012	11,661,120	61,023,950	(49,362,830)	50,265,991	903,161	3,710,587	4,613,748

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

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	-	305,000	10,128,052
2010	9,707,471	-	289,068	9,996,539
2011	10,401,922	-	482,617	10,884,539
2012	11,266,129	-	394,991	11,661,120

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 and Capital 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
2010	23,879,654	11,798,407	15,457,006	(1,913,323)	49,221,744
2011	23,966,467	11,026,654	12,358,190	(31,543)	47,319,768
2012	27,029,782	10,883,600	16,031,193	32,003	53,976,578

IPTC adopted GASB Statement No. 34, which requires reclassification of certain account balances, prospectively 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
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 (1)	36,832,770,108	4,376,563,164	41,209,333,272	0.0504	100.000%
2009 (1)	31,212,260,953	4,915,058,533	36,127,319,486	0.0609	100.000%
2010 (1)	28,961,103,856	4,921,541,600	33,882,645,456	0.0610	100.000%
2011 (1)	29,737,227,003	2,189,862,781	32,268,101,375	0.0694	100.000%
2012 (1)	30,767,449,975	4,966,628,437	35,734,078,412	0.0803	100.000%

1. Beginning in 2008, the effect of property tax caps (State legislation) has impacted the amount of taxes levied.

Schedule 7

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: Amount	Collected within the Year of the Levy: Percentage of Lev y	Collections of Taxes Levied in Prior Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2003	9,829,549	9,646,075	100.3%	201,901	10,095,032	102.7%
2004	10,635,575	9,893,131	96.0%	212,178	10,422,300	98.0%
2005 (4)	19,298,119	10,210,152	92.6%	910,618	18,775,623	97.3%
2006	19,884,370	17,865,005	94.8%	535,198	19,378,130	97.5%
2007	21,220,606	18,842,932	96.1%	400,192	20,796,194	98.0%
2008 (5)	20,769,503	20,396,002	98.9%	226,008	20,772,171	100.0%
2009 (5)(6)	21,134,612	20,546,163	92.0%	845,384	20,292,659	96.0%
2010 (5)	20,668,415	19,671,063	95.2%	413,368	20,084,431	97.2%
2011 (5)(7)	24,680,645	23,740,201	96.2%	940,444	23,966,467	97.1%
2012 (5)(8)	25,732,422	25,055,800	97.0%	957,259	26,864,164	104.4%

(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.
(5) Beginning in 2008 the effect of property tax caps has impacted the value of taxes levied.
(6) A number of appeals from 2008 were resolved in 2009. These appeals resulted from property tax reassessment.
(7) Collections include water company pilot program distribution in lieu of taxes.
(8) Collected more delinquent tax in 2012.

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)
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	44,748,394,581	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	38,532	0.00219	36,127,319,486	0.049%	22.26
2010	9,265,000	6,872,906	0	16,137,906	37,232	0.00231	33,882,645,456	0.048%	20.38
2011	7,835,000	6,674,153	5,543	14,503,610	37,232	0.00257	32,045,358,660	0.045%	24.26
2012	6,425,000	6,621,748	5,543	13,041,205	38,309	0.00294	33,823,881,794	0.039%	16.47

(1) Based on 2010 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.
(3) The information for personal income will be released by the Bureau of Economic Analysis in August 2012, therefore, prior year numbers were utilized.

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

Direct Rates(2)				Overlapping Rates						Total (2)
Basic Rate	Debt Service	Cumulative Capital	Total Direct Rate	City	County	Other Muni Corp	School	State	Other	Total
0.0266	0.0032	0.0000	0.0298	0.9457	0.4564	0.3257	1.5503	0.0033	0.1428	3.4540
0.0248	0.0037	0.0000	0.0285	0.9580	0.4129	0.3157	1.7827	0.0024	0.0512	3.5514
0.0379	0.0040	0.0100	0.0519	1.1670	0.4163	0.1114	1.6744	0.0024	0.0516	3.4750
0.0385	0.0038	0.0100	0.0523	0.9546	0.4948	0.3228	1.7172	0.0024	0.0523	3.5964
0.0361	0.0042	0.0100	0.0503	0.8770	0.5607	0.2917	1.8713	0.0000	0.0522	3.7032
0.0370	0.0034	0.0100	0.0504	0.8920	0.4602	0.3017	1.7668	0.0024	0.0510	3.5490
0.0460	0.0049	0.0100	0.0609	0.7093	0.4842	0.2645	1.1569	0.0024	0.0578	2.7360
0.0461	0.0049	0.0100	0.0610	0.8673	0.3534	0.2672	1.3692	0.0000 (5)	0.0615	2.9796
0.0538	0.0058	0.0100	0.0696	0.9525	0.3665	0.2989	1.4065	0.0000	0.0615	3.1555
0.0656	0.0051	0.0096	0.0803	1.0034	0.4007	0.3155	1.2711	0.0000	0.0670	3.1380

Rate is per $100 of assessed valuation.
Rate of District 101 (Indpls.-Center Twnshp.) which rate includes all major service.
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.

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.
The property tax rates for State fair and State forestry were repealed.

Schedule 10
Indianapolis Public Transportation Corporation
Direct and Overlapping Bonded Debt and Bonding Limit
As of December 31, 2012
(amounts expressed in thousands)

	Bonded Debt Limit (1)	Bonds Outstanding (2)
Overlapping Debt		
City of Indianapolis	3,402,503	210,616
Marion County	239,418	0-0
Other Municipal Corporations	951,356	320,805
Public Schools	2,141,426	130,474
Other Cities and Towns	15,585	8,725
Other Misc City and Town, Township	243,770	5,470
Total Overlapping Debt	6,994,058	676,090
Direct Debt		
Indianapolis Pubic Transportation Corporation	214,740	6,050
Total Direct and Overlapping Debt	7,208,798	682,140
IPTC's percentage of Total Direct and Overlapping Debt	2.98%	0.88%

(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)
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	4.6
2008	791,926	25,546	35.6	162,678	5.6
2009	791,926	38,532	35.8	141,573	9.4
2010	791,926	37,232	33.6	133,084	9.9
2011	905,393	37,232 (6)	33.0	132,474	9.4 (7)
2012	918,977	38,309	33.7	149,335	8.7

(1) Based on 2012 population of Marion County (905,393) for year 2012. Source: US 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) The information for personal income will be released by the Bureau of Economic Analysis in August 2013; therefore, prior year numbers were utilized.

(7) Based on 2012 population of Marion County 5 year old is 7.7% Source: U>S> Department of

Schedule 12
Indianapolis Public Transportation Corporation
Principal Employers
Current Year and Nine Years Ago

2012				2003			
Employer (2)	Employees	Rank	Percentage of Total City Employment (1)	Employer (3)	Total Employees	Rank	Percentage of Total City Employment (1)
Eli Lilly and Company	11,550	1	2,.73%	Eli Lilly and Company	14,659	1	3.35%
St. Vincent Hospitals & Health Services	11,075	2	2.62%	Indiana University-Purdue University Indy	9,769	2	2.24%
Community Health Network	8,079	3	1.91%	Walmart	9,000	3	2.06%
Indiana University-Purdue University Ind	7,066	4	1.67%	Clarian Health Partners	8,640	4	1.98%
Rolls-Royce	4,316	5	1.02%	Community Hospitals of Indianapolis, Inc.	6,318	5	1.45%
Federal Express	4,311	6	1.02%	Rolls-Royce	4,096	6	0.94%
Roche Diagnostic Corporation	4,300	7	1.02%	Allison Transmission/Div of GMC	3,805	7	0.87%
WellPoint Inc.	3,950	8	0.94%	Marsh Supermarkets, Inc.	3,620	8	0.83%
St. Vincent Hospitals & Health Services	3,628	9	0.86%	Anthem, Inc.	3,555	9	0.81%
Allison Transmission/Div of GMC	3,400	10	0.81%	Bank One Corporation\	2,917	10	0.67%

(1) Percentage of total City employment is calculated using 2010 and 2001 Employed Labor Force, which can be found at www.stats.indiana.edu.
(2) Largest employers can be found at www.indypartnership.com (Indy Partnership).
(3) Data presented as originally published in 2001.

Schedule 13
Indianapolis Public Transportation Corporation
Principal Property Tax Payers
Current Year and Nine Years Ago (3)
(amounts expressed in thousands)

	2012				2003		
Taxpayer	**Taxable Assessed Value (1)**	**Rank**	**Percentage of Total City Taxable Assessed Value**	**Taxpayer**	**Taxable Assessed Value (2,4)**	**Rank**	**Percentage of Total City Taxable Assessed Value**
Eli Lilly and Company	1,038,078	1	2.730%	Eli Lilly and Company	789,753	1	1.888%
Indianapolis Power & Light	280,605	2	2.620%	AIMCo	338,008	2	0.801%
Federal Express Corporation	191,125	3	1.910%	Indianapolis Power and Light Company	325,942	3	0.779%
Convention Hotels Headquarters LLC	156,907	4	1.670%	Allison Transmission Inc	274,984	4	0.657%
Allison Transmission Inc	143,606	5	1.020%	Simon Property Group inc	270,114	5	0.646%
Macquarie Office Monument Center I LLC	117,671	6	1.020%	Visteon Corporation	220,457	6	0.527%
Indiana Bell telephone Inc	81,452	7	1.020%	International Truck and Engine	211,647	7	0.506%
SVC Manufacturing	77,263	8	0.940%	Indianapolis Star	206,904	8	0.495%
Rolls Royce	76,161	9	0.860%	Rolls Royce	153,362	9	0.367%
Hub Properties Ga LLC	73,706	10	0.810%	Federal Home Loan	149,945	10	0.359%
	2,236,574		14.600%		2,941,116		7.024%

(1) Represents the March 1, 20010 valuations for taxes due and payable in 2011 and represented by the taxpayer.
(2) Represents the March 1, 2002 valuations for taxes due and payable in 2003 and represented by the taxpayer.

Schedule 14
Indianapolis Public Transportation Corporation
Operating Information
Ten Years

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
EMPLOYEE DATA:										
Number of Employees (1)										
Full Time										
Operators	301	271	277	308	286	277	272	272	266	288
Other Transportation	19	0	0	0	37	67	75	75	79	53
Maintenance	79	76	78	83	79	80	76	75	70	72
Administrative & Other	58	38	37	46	41	42	36	36	37	38
Total full-time employees	457	385	392	437	443	466	459	458	452	451
Part Time										
Operators	5	0	0	0	0	0	0	0	0	12
Other	4	0	0	0	0	0	0	0	0	0
Total part-time employees	9	0	0	0	0	0	0	0	0	12
Total Employees	466	385	392	437	443	466	459	458	452	463
PASSENGER DATA:										
Passengers (2)	10,248,603	9,512,408	8,778,098	8,437,450	9,890,098	9,409,066	10,033,477	8,810,183	9,299,751	11,324,573
Number of Fixed Routes (3)	30	30	30	32	31	31	29	28	28	37
Annual Vehicle Miles (2)	10,759,404	10,816,574	10,907,886	11,377,274	11,850,233	10,889,165	10,380,982	9,993,240	10,221,257	11,047,044
Annual Vehicle Hours (2)	624,219	679,805	691,203	710,637	727,301	690,293	678,382	644,795	663,115	712,180
Number of Coaches (4)	227	228	224	235	240	228	236	240	228	303
Number of ADA Accessible vehicles (4)	227	228	224	235	240	228	236	240	228	277
Fare (Single Ride) (3)	$1.75	$1.75	$1.75	$1.75	$1.50	$1.50	$1.25	$1.25	$1.25	$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, 2012

Type of Coverage	Company	Term	Expiration Date	Limit	Deductible
Public Official	National Union	1 year	January 1	$1,000,000	$25,000
Fiduciary Liability	Chartis	1 year	July 1	$1,000,000	$10,000
Property:	Travelers	1 year	January 1		
Building & Contents				$34,946,250	$50,000
Earthquake				$20,000,000	2%
Flood				$20,000,000	$50,000
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 5 (Risk Management) accompanying the basic financial statements.

Schedule 16
Indianapolis Public Transportation Corporation
Transit Vehicles
December 31,2012

No. of Vehicles	Year (2)	Manufacture	Engine Type	Seating Capacity	Standing Capacity	Lift/Ramp Equipped
Large Bus:						
19	1997	Gillig	Diesel	43	59	19
6	1998	Gillig	Diesel	43	59	6
24	2000	Gillig	Diesel	29	39	24
25	2001	Gillig	Diesel	38	46	25
24	2003	Gillig	Diesel	38	46	24
2	2004	Gillig	Hybrid	38	46	2
10	2007	Gillig	Diesel	38	46	10
11	2010	Gillig	Diesel	38	46	11
11	2010	Gillig	Hybrid	38	46	11
10	1999	Nova	Diesel	38	39	10
11	2001	New Flyer	Diesel	39	43	11
153	Total Large Bus					
Body on Chassis:						
3	2005	Ford	Diesel	14	(1)	3
1	2006	Dodge	Diesel	12	(1)	1
3	2008	Chevy	Diesel	14	(1)	3
10	2009	Dodge	Diesel	8	(1)	10
55	2009	Chevy	Diesel	12	(1)	55
1	2009	Chevy	Diesel	10	(1)	1
1	2011	Ford	Gasoline	15	(1)	1
74	Total Body on Chassis					
227	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 7.7 years.
(3) Please refer to Note 3 of the financial statements for additional information regarding capital assets.

IndyGo and People for Urban Progress partnered to bring historic Bush Stadium seating to bus stops across Indianapolis.

On June 20, 2012 IndyGo hosted a free How to Ride event on Monument Circle, promoting national Dump the Pump Day.

IndyGo was honored to receive recognition from the Department of Homeland Security's Transportation Security Administration (TSA) for the highest rating in the Baseline Assessment for Security Enhancement.


IndyGo
1501 West Washington Street
Indianapolis, IN 46222
(317) 635-2100
www.IndyGo.net
56th
56th
Eagle Creek Parkway
High School Road
46th
WalMart
37
34
15
Methodist
Medical
38
Lafayette
Square Mall
Indianapolis
Museum of A
74
INTERSTATE
25
38th
38
38
38
Target
Marsh
15
Meijer
Lafayette
36
10
34th
15
Marian
University
30th
Bayhead
Northwest
High School
Moller
15
37
Speedway
Shopping
Center
10
Noble
Industries
30
LaRue Carter
Hospital
Indianapolis
Motor Speedway
Speedway
High School
25
Tibbs
5
16th
25
Davis
School
10th
10th
10
10
wood
Apts.
Vermont
3
Veterans Hosp
Goodwill
Industries
Mickley
Rockville
3
Rockville
Michigan
Plaza
Lynhurst
8
IndyGo
Admin Office
465
INTERSTATE
Girls School
24
Morris
Bridgeport
8
Washington
Holt
70
INTERSTATE
24
Kentucky
40
West Perimeter
Troy
8
Indianapolis
International
Airport
Lynhurst
Mann
Marsh
White River
Harding
24