Red Line rapid transit project construction
on Virginia Avenue in Fountain Square, Indianapolis

2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Indianapolis Public Transportation Corporation

State of Indiana

Comprehensive Annual Financial Report
For year ending December 31, 2018

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

www.IndyGo.net

Indianapolis Public Transportation Corporation

(A Component Unit of
the Consolidated City of Indianapolis - Marion County)

Comprehensive Annual Financial Report
For the Year Ended December 31, 2018

Michael A. Terry
President and Chief Executive Officer

Prepared by: Department of Finance

Indianapolis Public Transportation Corporation
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
December 31, 2018

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Indianapolis Public Transportation Corporation
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
December 31, 2018

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Indianapolis Public Transportation Corporation
dba IndyGo
1501 W. Washington Street
Indianapolis, IN 46222
T: 317.635.2100
F: 317.634.6585
www.IndyGo.net

June 28, 2019

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 (IndyGo or the Company) for the year ended December 31, 2018.

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 BKD 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 Generally 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 that 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 IndyGo 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

IndyGo 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. IndyGo is a component unit of the Consolidated City of Indianapolis-Marion County Reporting Entity.

IndyGo 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 approved 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 presentations 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 area providing a similar scope of public transportation service.

Accomplishments

Ridership

IndyGo's fixed route ridership reached 8.8M passenger trips in 2018. This represents a decrease of 0.7% from 2017 ridership.

Trips on Open Door paratransit increased by 3.8% to 340,000 in 2018.

Red Line Rapid Transit

In 2013, IndyGo was awarded a $2M federal Transportation Investment Generating Economic Recovery (TIGER) grant for the environmental and design work for the Red Line Bus Rapid Transit (BRT) project. Proposed as the first full electric BRT line in the nation, the 28-mile route would run from Hamilton County through Indianapolis to Greenwood in Johnson County.

The Red Line is 1 of 3 proposed rapid transit lines in the Indy Connect plan, a long-term vision for transit in Central Indiana. In February 2016, the FTA recommended IndyGo for a $75M Small Starts grant to construct Phase 1 of the Red line. Phase 1 stretches 13 miles from Broad Ripple through downtown Indianapolis to the University of Indianapolis. In December 2017, the IndyGo Board of Directors authorized the transit agency to enter into contract negotiations for the construction of Phase 1 of the Red Line at its December meeting. Contracts awarded included: a civil general construction package to Rieth-Riley Construction Company, and a facilities elements package (which includes stations) to Wilhelm Construction.

In May 2017, Congress passed the federal budget that included Small Starts funding as part of the FAST Act Capital Investment Grants (CIG) program. The full CIG project list recommends $3.2B over 2 years, with $2.4B in 2017. Appropriation of the full $75M for Phase 1 of the Red Line is to be allocated over two years. In May 2018, the CIG Small Starts grant was executed and signed and made available to draw eligible expenditures against.

Phase 1 of the Red Line broke ground June of 2018 and is expected to open for service September 1, 2019. From June to December 2018, crews worked the full 13 miles focusing on improving draining, sidewalks, ADA ramps, signalization, pavement, and building station platforms and bus pad reinforcement.

Awards

Team members and operations received several awards in 2018 for various types of work done inside the agency.

- The annual Rose Awards hosted by Visit Indy recognize Indianapolis' best service industry professionals. IndyGo Operator Rose Anderson was among the chosen winners.
- In June 2018, IndyGo was awarded a competitive FTA Mobility on Demand On-Ramp Program.
- IndyGo was awarded $75M in Small Starts funding for Phase 1 of the Red Line Rapid Transit project.
- IndyGo received the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR).

Marion County Transit Plan

As a continuation of the 10-year Indy Connect planning process, IndyGo underwent a Comprehensive Operational Analysis (COA); a standard five-year assessment. The COA led to the development of the Marion County Transit Plan, which will significantly improve the local route network and build three rapid transit lines by 2022. This total 70% increase in service is possible after a successful voter referendum in November 2016, and a City-County Council enactment of a dedicated income tax. The 0.25% income tax provides a local funding stream dedicated to both capital and operational investments to upgrade IndyGo's system. Income Tax collections began on October 1, 2017, and IndyGo started receiving the Transit Income Tax appropriations beginning January 1, 2018. Outreach, planning and design are underway as the phased-implementation approach is refined beginning with local route improvements in spring 2017. In 2018, local route improvements were added in Q1 and Q2, which led to an increase in ridership through September.

Factors Affecting Financial Condition

Marion County has shown sustained recovery from the 2007 - 2009 recession. Unemployment continues to decrease, averaging 3.45% for 2018, which is 0.44% lower than at the national level. Since 2011, Marion County has experienced year-over-year growth in its labor force, reaching 490,706 last year. Population estimates for 2018 rank the county 1st in Indiana, with 950,082 residents. A relatively low cost of living combined with an average home price of $137,400, make Indianapolis and Marion County an attractive option for both personal and corporate investment.

Similar to Marion County, the national unemployment rate continues to decline, down 0.45% at the end of 2018. The federal fuel tax rate remained unchanged at 18.4 cents per gallon of gasoline. Uncertainty relating to the federal debt limit continues to have political and policy implications, the effects of which have the potential to be felt at the local level. In 2018, the Federal government continued to allocate formula-based funding to transit, as well as offer opportunities to apply for competitive grants which can be used for innovative projects that deliver exceptional transportation benefits.

For Indiana, property tax reform legislation was enacted and reinforced via a constitutional amendment for property tax caps and periodic revaluation of property values. The impact of these caps, known as the “circuit breaker”, resulted in a reduction of property tax collections of approximately $5 million in 2018. These caps have placed considerable strain on all levels of local government to reduce costs and become more efficient.

In April of 2011, legislation was enacted that eliminated dedicated funding for the Public Mass Transportation Fund (PMTF), which distributes state sales tax revenue to Indiana public transportation service providers. PMTF is now a budget line item instead of a dedicated source of state transit funding, subject to reductions and the biennial budget process. While no longer a dedicated source of funding, PMTF proceeds remain at a consistent level and have been budgeted accordingly.

Financial Update and Policies

Marion County residents voted to approve a 0.25% income tax dedicated to mass transit improvements in 2016. The Indianapolis-Marion County City-County Council approved the tax in the spring of 2017, with collections beginning the following October. Appropriated each year by Council, the revenue from this tax provides funding for IndyGo's operating and capital budgets and is specifically used for the purposes approved by Council and State Statute. As with any income tax, future collections are driven by factors largely outside IndyGo's immediate control.

The first bond issue (Series 2018A) for the Marion County Transit Plan in the amount of $26M was issued by IndyGo in November 2018. This round of bonds will finance Purple Line Rapid Transit Design Services, Blue Line Rapid Transit Design Services, Local Bus and Paratransit Infrastructure and Bus Fleet Replacement. The funding for this bond issue comes from the 0.25% Local Income Tax. During the bonding process, IndyGo received a standalone AA- rating from S&P.

Macroeconomic factors play a significant role in IndyGo's financial health, as these factors impact primarily all sources of our revenue. As the uncertainty of these factors present unique challenges for sustaining a high level of quality transit service, IndyGo must continue to build strong community partnerships and identify alternative funding opportunities. However, with the excellent oversight of the IPTC Board of Directors, alongside the committed IndyGo team, we will maintain efficiencies that will allow IndyGo to provide the support and service our dedicated transit customers currently expect, while at the same time shaping the future of mobility for the city of Indianapolis and Marion County.

lndyGo's focus has been to maintain as much transit service on the street as possible. With nearly 65% of riders categorized as "transit dependent," it is imperative that service be preserved. This strategy is not without ramifications. With the award of a few Federal grants lndyGo has been able to replace or augment some of the aging bus fleet. This has reduced some of the higher maintenance costs experienced a few years back. Efforts to secure additional capital funding from federal, state and local sources continues.

Recognition

For the sixteenth 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 lndyGo for its Comprehensive Annual Financial Report for the year ended December 31, 2017.

A Certificate of Achievement is valid for a period of one year only. 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 BKD, LLP in providing technical assistance. 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 Terry, CEO
IndyGo

Government Finance Officers Association

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

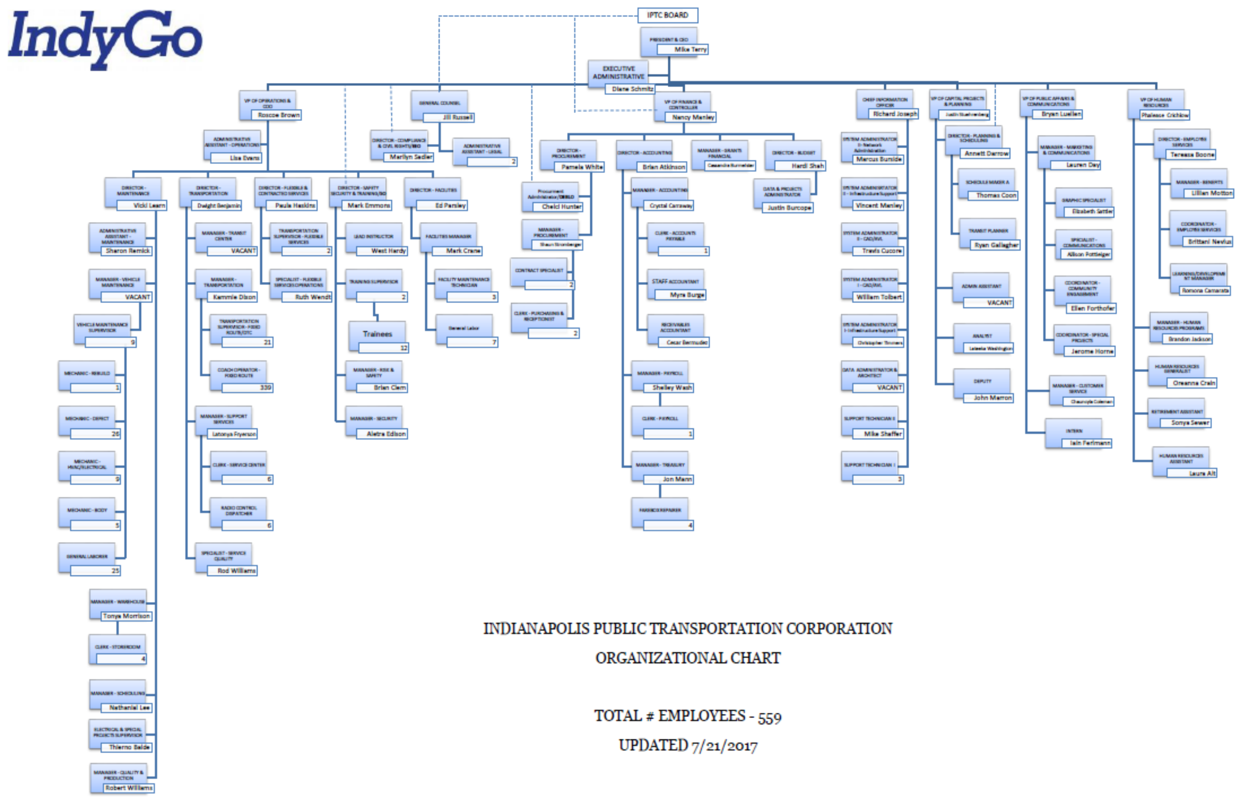
December 31, 2017

Christopher P. Morrill

Executive Director/CEO

Indianapolis Public Transportation Corporation

Organizational Chart



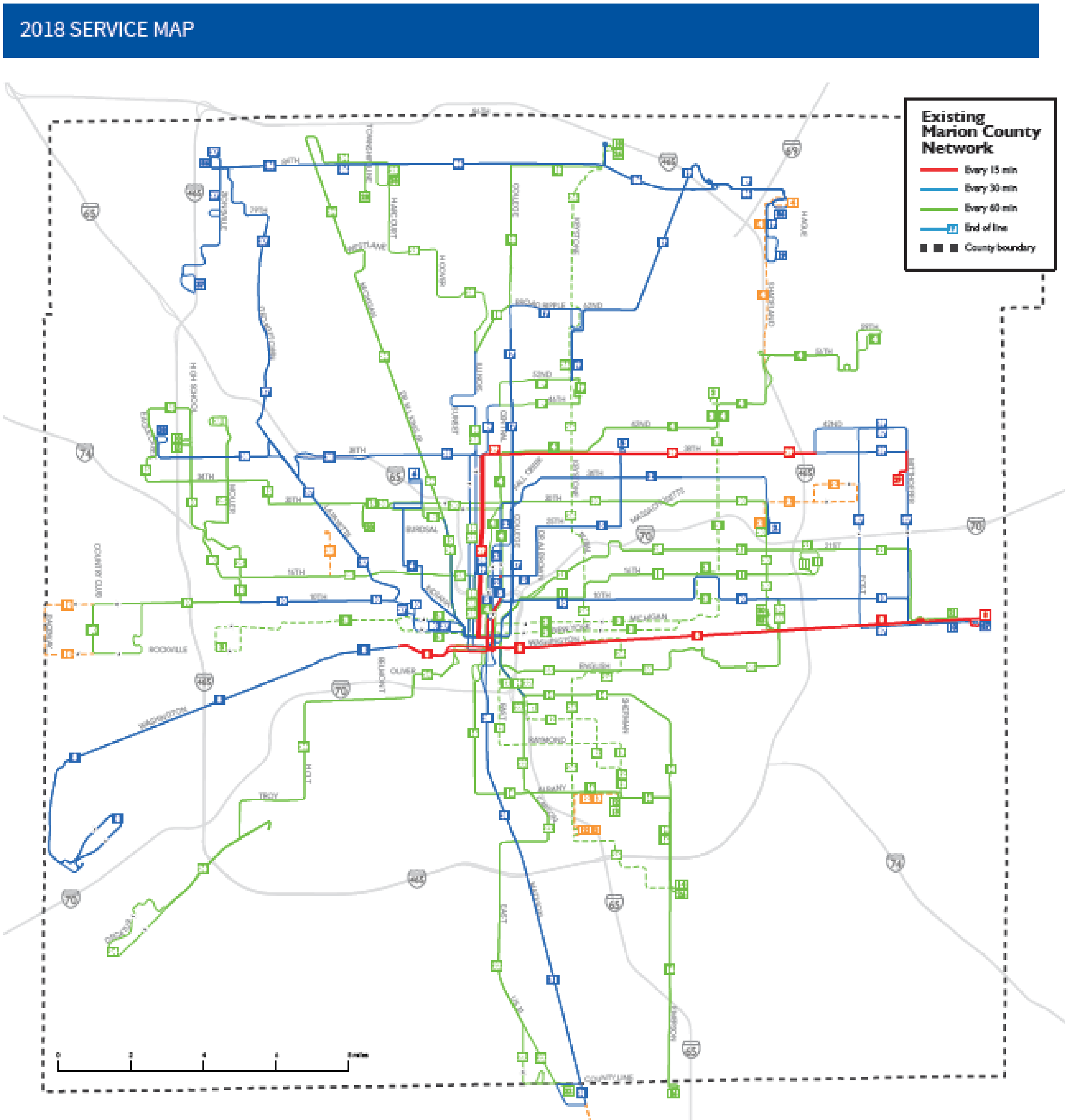
Indianapolis Public Transportation Corporation

Board of Directors, Principal Officials and Management

Name	Approximate Length of Service	Occupation
Appointed Board of Directors		
Danny M. Crenshaw, Chair (Council)	14 ½ years	President Crenshaw Insurance Agency
Juan Gonzalez, Vice Chair (Mayor)	8 years	Vice President – Sr. Business Banking Relationship Manager Key Bank
Tommie L. Jones, Secretary (Council)	17 ½ years	Retired Professional Educator Decatur Township School District
Gregory Hahn, Treasurer (Council)	5 years	Partner Bose McKinney & Evans, LLP
Mark Fisher (Mayor)	3 years	VP – Government Relations & Policy Development Indianapolis Chamber of Commerce
Adairius Gardner, Secretary (Council)	<1 year	Director of Government Affairs, Indiana University Health
Richard Wilson, Jr. (Mayor)	<1 year	Executive Officer, Defense Finance and Accounting Service, U.S. Department of Defense
Michael A. Terry	14 ½ years	President/CEO
Jill D. Russell	13 years	General Counsel
Nancy E. Manley	3 years	VP of Finance/CFO
Roscoe Brown	19 years	VP of Operations/COO
Phalease Crichlow	7 years	VP of Human Resources
Bryan Luellen	9 years	VP of Public Affairs
Justin Stuehrenberg	4 years	VP of Planning & Capital Projects

Indianapolis Public Transportation Corporation

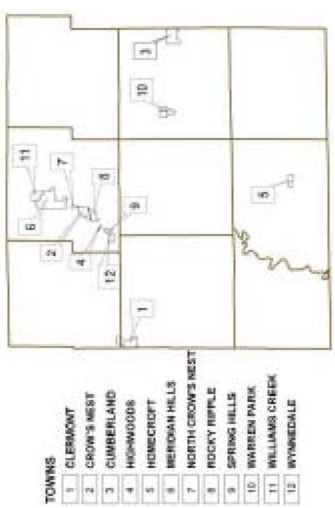
2018 Systems Map - Service Area and Routes



Indianapolis Public Transportation Corporation

Taxing Districts

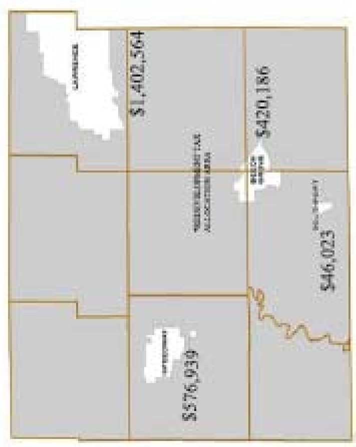
Map 1



MARION COUNTY AND OTHER INCLUDED TOWNS

Marion County $ 38,549,199

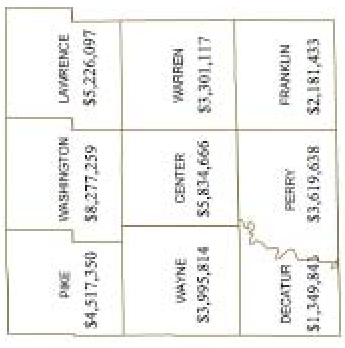
Map 2



CONSOLIDATED CITY OF INDIANAPOLIS

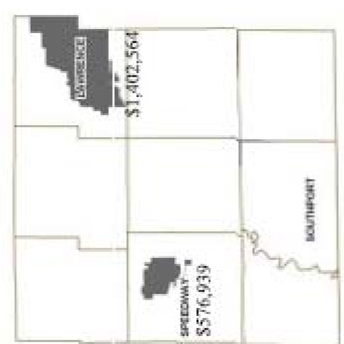
City of Indianapolis	$36,103,487
Excluded Cities and Towns	$2,445,712

Map 3



TOWNSHIPS (ASSESSED VALUATION

Map 4



IndyGo
1007
DOWNTOWN

Financial Section


2:22 PM Mon 07/02/18
55 Shortridge Rd 8 Min
34 St. Vincent 2:45PM

BKD
CPAs & Advisors

201 N. Illinois Street, Suite 700 | P.O. Box 44998 | Indianapolis, IN 46244-0998
317.383.4000 | Fax 317.383.4200 | bkd.com

Independent Auditor's Report

Board of Directors
Indianapolis Public Transportation Corporation
Indianapolis, Indiana

We have audited the accompanying financial statements of the Indianapolis Public Transportation Corporation (IPTC), a component unit of the consolidated City of Indianapolis-Marion County, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise IPTC's basic financial statements as listed in the table of contents.

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, 2018, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, for 2018, IPTC adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the IPTC's basic financial statements. The introductory and statistical sections, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

Indianapolis, Indiana
June 28, 2019

Indianapolis Public Transportation Corporation
A Component Unit of the Consolidated City of Indianapolis-Marion County
Management's Discussion and Analysis

Introduction

This section of the financial statements presents a discussion and analysis of the Indianapolis Public Transportation Corporation's (IPTC's) financial performance for the year ended December 31, 2018. Please read this section in conjunction with 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 and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at December 31, 2018 by $176.0 million (net position). Of this amount, $42.4 million (unrestricted net position) may be used to meet IPTC's ongoing obligations arising from providing transportation service to the community at December 31, 2018.
- Fare revenues for 2018 increased 3% from 2017.
- FTA capital contributions for 2018 increased approximately $21 million, or 217% from 2017.
- FTA local operating and planning grants and preventative maintenance funding for 2018 decreased approximately $8 million, or 61% from 2017.
- Operating expenses before depreciation for 2018 increased approximately $17 million, or 24% from 2017.
- Net position increased by approximately $51.9 million or 42% in 2018.
- For 2018, IPTC adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Prior year comparative information contained herein has not been restated for adoption of GASB 75.

Overview of the Financial Statements

The financial statements consist 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 IPTC are included in the statements of net position.

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

Financial Statement Analysis

Net Position

IPTC's total assets and deferred outflows of resources at December 31, 2018 were approximately $226.1 million. These changes represent an increase of approximately 65% in 2018. Total liabilities and deferred inflows of resources approximated $50.1 million at December 31, 2018. These changes represent an increase of 334% in 2018.

Approximately $125.7 million, or 71%, of the net position reflects investments in capital assets, less related debt at December 31, 2018. Approximately $7.0 million, or 4%, of the net position is restricted for future acquisition of capital assets and approximately $1.0 million, or 1% is restricted to service IPTC's bonds payable at December 31, 2018. Approximately $42.4 million, or 24%, may be used to meet IPTC's ongoing obligations arising from providing transportation services to the community at December 31, 2018.

Table 1 - Net Position

	2018	2017
Assets		
Current assets	$ 84,346,544	$ 17,817,828
Capital assets (net)	134,302,814	110,868,311
Other noncurrent assets	6,951,727	8,444,301
Total assets	225,601,085	137,130,440
Deferred Outflows of Resources	499,972	76,861
Total assets and deferred outflows of resources	$ 226,101,057	$ 137,207,301
Liabilities		
Current liabilities	$ 20,387,197	$ 10,634,076
Noncurrent liabilities	29,657,832	333,157
Total liabilities	50,045,029	10,967,233
Deferred Inflows of Resources	46,162	586,866
Total liabilities and deferred inflows of resources	50,091,191	11,554,099
Net Position		
Net investment in capital assets	125,655,042	109,603,972
Restricted for capital assets acquisitions	6,951,727	6,582,761
Restricted for net pension asset	-	1,006,113
Restricted for debt service	1,000,000	-
Unrestricted	42,403,097	8,460,356
Total net position	176,009,866	125,653,202
Total liabilities, deferred inflows of resources and net position	$ 226,101,057	$ 137,207,301

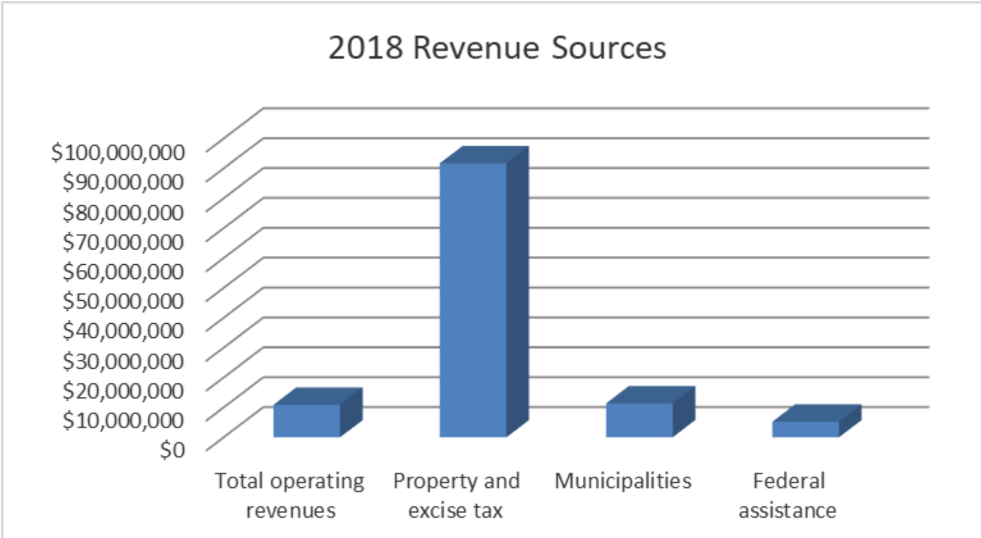
Changes in Net Position

The change in net position for 2018 represents an increase of approximately $51.9 million, or 42%. Total revenues for 2018 increased approximately $66.6 million, or 80%. The increase is mainly attributed to an additional $52 million of transit income tax collections that went into effect January 1, 2018. Additionally, IPTC recognized an increase of approximately $21 million in federal capital grants for significant ongoing capital projects during 2018. Overall operating expenses, excluding depreciation increased $16.9 million, or 24%, in 2018, which was primarily attributed to an increase in transit services provided during 2018.

Table 2 - Changes in Net Position

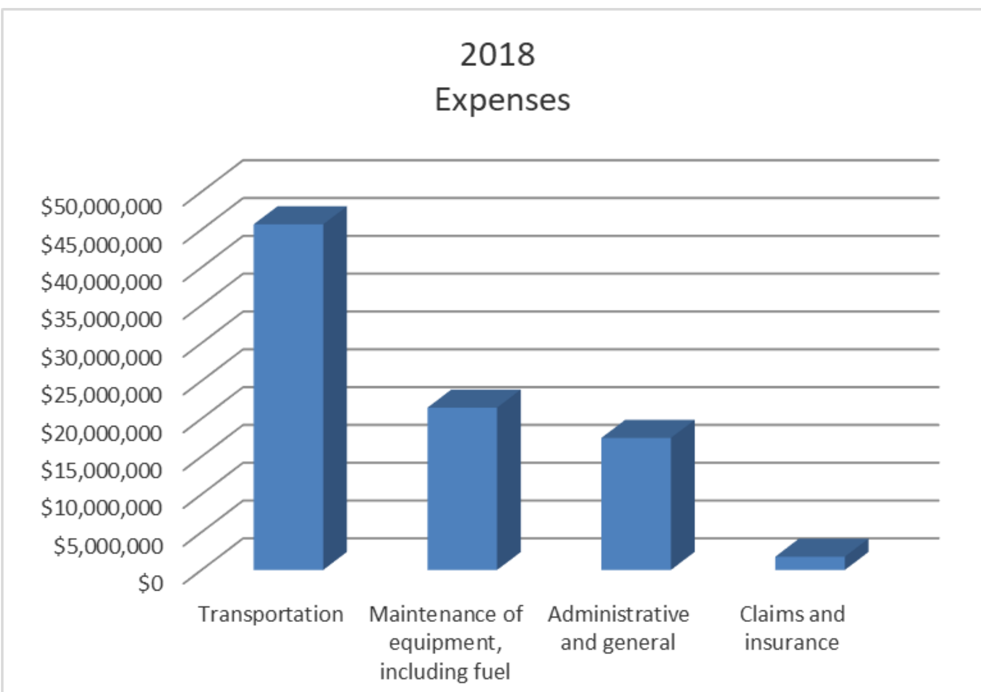
	2018	2017
Operating Revenues		
Passenger fares	$ 10,287,454	$ 9,990,230
Advertising	636,540	638,326
Total operating revenues	10,923,994	10,628,556
Nonoperating Revenues (Expenses)		
Property, income and excise tax	91,732,257	39,254,016
Municipalities	11,386,129	11,002,081
Federal assistance	5,243,143	13,331,008
Contributions - capital grants	31,355,362	9,903,586
Loss on disposal of capital assets	(425,054)	(515,904)
Other net revenues	161,846	145,659
Total nonoperating revenues	139,453,683	73,120,446
Total revenues	150,377,677	83,749,002
Operating Expenses		
Transportation	45,696,369	38,377,545
Maintenance of equipment, including fuel	21,471,248	16,708,390
Administrative and general	17,453,459	12,123,381
Claims and insurance	1,754,005	2,288,866
Depreciation	12,052,443	10,303,582
Total operating expenses	98,427,524	79,801,764
Change in Net Position	51,950,153	3,947,238
Net Position, Beginning of Year, as previously reported	125,653,202	121,705,964
Change in Accounting Principle	(1,593,489)	-
Net Position, Beginning of Year, as restated	124,059,713	121,705,964
Net Position, End of Year	$ 176,009,866	$ 125,653,202

Revenues: For 2018, total operating revenues increased approximately $295,000 or 3%. For 2018, nonoperating revenues excluding capital grant contributions and other revenue (expenses), increased by approximately $44.9 million, or 71%.



The revenues and percentages presented above exclude "Contributions - capital grants" of $31,355,362 and "Other net revenues" of $161,846 for 2018.

Expenses: During 2018, total operating expenses, excluding depreciation, were approximately $86.4 million. This is an increase of $16.9, or 24% from 2017. This increase is primarily attributed to an increase in transportation services as a result of expanded routes and services in 2018.



The expenses and percentages presented above exclude "depreciation" expense of $12,052,443 for 2018.

Capital Asset and Debt Administration

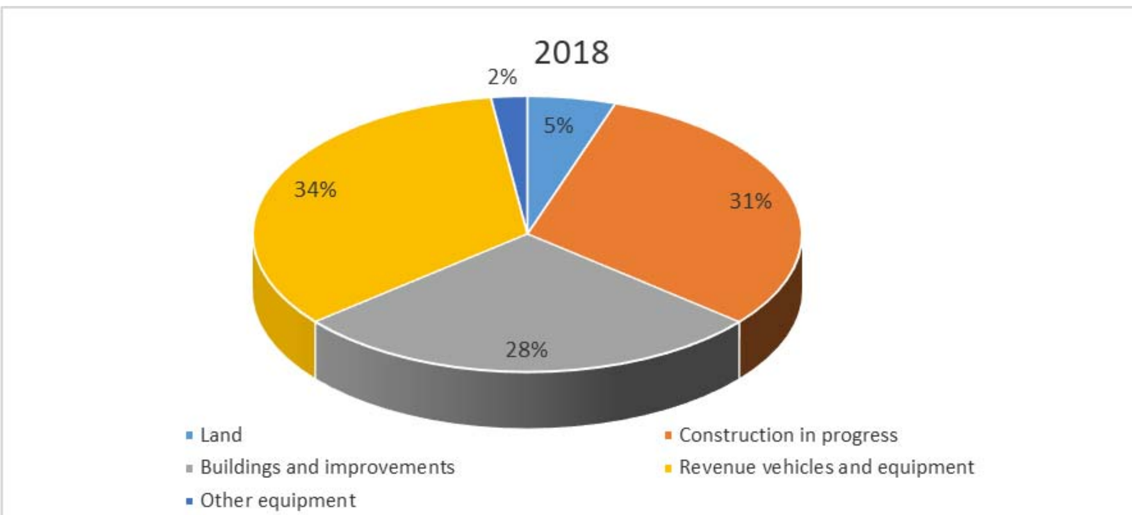
Capital Assets

As of December 31, 2018, IPTC had invested approximately $134.3 million in capital assets, net of accumulated depreciation. Compared to the prior year, capital assets increased by approximately $23.4 million for the year ended December 31, 2018. Depreciable capital acquisitions for 2018 were approximately $16.7 million with a net loss on retirement of capital assets totaling $425,000 recognized during 2018. Net increase in construction in progress was $23.9 million for 2018, which is primarily the result of IPTC's significant expansion of services in process at December 31, 2018. 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 2018 included 17 low floor 40 ft. buses totaling approximately $7.5 million and continued development of the Red Line and Purple Line totaling approximately $20 million.

Percentage allocation invested in net capital assets:



Debt Disclosures

As of December 31, 2018, IPTC had approximately $28.8 million of bonds and notes payable. In November 2018, IPTC issued bonds in the amount of $26 million primarily to be used for capital projects. During 2018, bonds and notes payable were repaid pursuant to the maturity schedule of each issue. As of December 31, 2018, IPTC had no financial restrictive covenants associated with its outstanding debt other than holding minimum debt service funds. Please refer to Note 6 of the financial statements included in the 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. Throughout 2018 and 2017, the IPTC's Board of Directors awarded several contracts related to the Marion County Transit Plan (Plan) to significantly expand services to the community.

Indianapolis Public Transportation Corporation
A Component Unit of the Consolidated City of Indianapolis-Marion County
Statement of Net Position
December 31, 2018

Assets and Deferred Outflows of Resources

Current Assets	
Cash and cash equivalents	
Unrestricted - working capital	$ 19,925,886
Designated - capital asset acquisitions	9,376,215
Unrestricted - liability reserve	828,344
Restricted - debt service and unpsent bond proceeds	29,486,412
Total cash and cash equivalents	59,616,857
Receivables	
Federal grants	20,762,117
Operations receivables, net	363,929
Total receivables	21,126,046
Other current assets	
Materials and supplies inventory	3,560,172
Deposits and prepaid expenses	43,469
Total other current assets	3,603,641
Total current assets	84,346,544
Noncurrent Assets	
Restricted investments - capital asset acquisitions	6,951,727
Capital assets	
Nondepreciable assets	
Land	6,975,654
Construction in progress	41,400,443
Total nondepreciable assets	48,376,097
Depreciable assets	
Buildings and improvements	84,761,423
Revenue vehicles and equipment	98,065,781
Other equipment	17,565,557
Shelters and signs	4,853,880
Total depreciable assets	205,246,641
Total capital assets	253,622,738
Accumulated depreciation	(119,319,924)
Capital assets, net of depreciation	134,302,814
Total noncurrent assets	141,254,541
Total assets	225,601,085
Deferred Outflows of Resources	
Deferred outflows - pensions	499,972
Total assets and deferred outflows of resources	$ 226,101,057

Liabilities, Deferred Inflows of Resources and Net Position

	2018
Current Liabilities	
Accounts and contract services payable	$ 15,289,522
Accrued payroll and benefits	1,477,104
Unearned fare revenue	350,997
Notes payable	284,265
Bonds payable, current portion	1,995,000
Risk management - unpaid claim estimates	900,464
Other unearned revenue	89,845
Total current liabilities	20,387,197
Noncurrent Liabilities	
Risk management - unpaid claim estimate	117,985
Bonds payable, net of current portion	26,564,064
Net pension liability	1,955,044
Other postemployment benefit liability (OPEB)	1,020,739
Total noncurrent liabilities	29,657,832
Total liabilities	50,045,029
Deferred Inflows of Resources	
Deferred inflows - pensions	46,162
Net Position	
Net investment in capital assets	125,655,042
Restricted for capital assets acquisitions	6,951,727
Restricted for debt service	1,000,000
Unrestricted	42,403,097
Total net position	176,009,866
Total liabilities and net position	$ 226,101,057

Indianapolis Public Transportation Corporation
A Component Unit of the Consolidated City of Indianapolis-Marion County
Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2018

Operating Revenues	
Passenger fares	$ 10,287,454
Advertising	636,540
Total operating revenues	10,923,994
Operating Expenses	
Transportation	45,696,369
Maintenance of equipment, including fuel	21,471,248
Administrative and general	17,453,459
Claims and insurance	1,754,005
Depreciation	12,052,443
Total operating expenses	98,427,524
Operating Loss	(87,503,530)
Nonoperating Revenues (Expenses)	
Operating assistance	
Property, income and excise tax	91,732,257
Municipalities	11,386,129
Federal and local operating and planning grants, and preventative maintenance funding	5,243,143
Loss on disposal of capital assets	(425,054)
Other net revenues	161,846
Total nonoperating revenue	108,098,321
Change in Net Position Before Capital Contributions	20,594,791
Contributions - capital grants	31,355,362
Change in Net Position	51,950,153
Net Position, Beginning of Year, as previously reported	125,653,202
Change in Accounting Principle	(1,593,489)
Net Position, Beginning of Year, as restated	124,059,713
Net Position, End of Year	$ 176,009,866

Indianapolis Public Transportation Corporation
A Component Unit of the Consolidated City of Indianapolis-Marion County
Statement of Cash Flows
Year Ended December 31, 2018

Cash Flows From Operating Activities	
Receipts from customers	$ 10,489,551
Payments for transportation	(40,559,560)
Payments for maintenance of equipment, including fuel	(21,779,717)
Payments for administrative and general	(17,596,720)
Claims and insurance paid to external parties	(2,271,654)
Net cash used in operating activities	(71,718,100)
Cash Flows From Noncapital Financing Activities	
Property, income and excise tax distributions	91,732,257
Assistance from municipalities	11,221,555
Federal operating assistance	5,243,143
Borrowings on line of credit	7,000,000
Repayments on line of credit	(7,000,000)
Other noncapital financing	88,533
Net cash provided by noncapital financing activities	108,285,488
Cash Flows From Capital and Related Financing Activities	
Capital grant receipts	13,888,453
Purchases of capital assets	(30,598,393)
Proceeds from sale of capital assets	125,873
Proceeds from issuance of bonds	28,590,522
Interest paid	(102,815)
Net cash provided by (used in) capital and related financing activities	11,903,640
Cash Flows From Investing Activities	
Purchases of investments	(4,689,060)
Proceeds from sale of investments	4,800,000
Interest received on cash and cash equivalents	90,702
Net cash provided by investing activities	201,642
Net Change in Cash and Cash Equivalents	48,672,670
Cash and Cash Equivalents, Beginning of Year	10,944,187
Cash and Cash Equivalents, End of Year	$ 59,616,857

Indianapolis Public Transportation Corporation

A Component Unit of the Consolidated City of Indianapolis-Marion County

Statement of Cash Flows (Continued)

Year Ended December 31, 2018

Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	$	(87,503,530)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation expense		12,052,443
Changes in assets and liabilities		
Other receivables		(80,669)
Materials and supplies inventory		(308,469)
OPEB liability		(143,261)
Deferred outflows of resources - pensions		(423,111)
Deferred inflows of resources - pensions		(540,704)
Net pension asset/liability		2,961,157
Accounts and contract services payable		2,485,555
Accrued payroll and benefits		316,200
Unearned fare revenue		(16,062)
Risk management		(517,649)
Net cash used in operating activities	$	(71,718,100)
Noncash Investing, Capital and Financing Activities		
Capital assets in accounts payable	$	6,703,819
Payment of note payable via transfer of other assets		350,146
Loss on disposal of capital assets		425,054
Capital grants/contributions included in receivables		17,466,909

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations and Reporting Entity

Indianapolis Public Transportation Corporation (IPTC) operates in the public transportation industry with the purpose of acquiring, providing and maintaining an urban mass transportation system for the metropolitan Indianapolis area. IPTC d/b/a IndyGo was formed on August 7, 1973 by City-Council General Ordinance No. 36 as a municipal corporation, which has no stockholder, under the provisions of IC 36-9-4. Management of the Consolidated City of Indianapolis-Marion County has determined that IPTC is a component unit of the Consolidated City of Indianapolis-Marion County, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 and amended by Statement No. 61 and IPTC 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 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 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 issuance of debt.

Basis of Accounting and Presentation

IPTC is accounted for as a single-purpose, business-type entity since its operations are financed and operated in a manner similar to a private business. IPTC’s financial statements have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows and outflows of resources from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated or voluntary nonexchange transactions (principally federal and state grants and government appropriations) are recognized when all applicable eligibility requirements are met. Operating revenues are primarily the result of passenger fares, as well as fees collected from advertisements on IPTC property. Operating expenses for IPTC include the costs of operating the transit system, administrative expenses and depreciation on capital assets. Government-mandated or voluntary nonexchange transactions that are not program specific (such as government appropriations), property taxes, and income taxes, investment income and interest on capital assets-related debt are included in nonoperating revenues and expenses. IPTC first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

Newly Issued Accounting Pronouncements

GASB Statement No. 75 - During 2018, IPTC implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB). This statement requires governments to recognize their unfunded accrued OPEB liability on the face of their financial statements along with incorporating more extensive note disclosures and required supplementary information about their OPEB liabilities and related information. The adoption of GASB Statement No. 75 resulted in a $1,593,489 decrease in beginning net position as of January 1, 2018. Refer to Note 9 for more information regarding IPTC's OPEB.

During 2018, IPTC also implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement requires that interest costs incurred before the end of a construction period be recognized as an expense in the period it occurs rather than reporting as part of the historical cost of a capital asset. Adoption of this standard did not result in a restatement. IPTC ceased capitalizing interest in 2018.

Use of Estimates

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, liabilities and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

IPTC considers all liquid investments (including restricted assets) with original maturities of three months or less to be cash equivalents. At December 31, 2018, cash equivalents consisted of demand and money market deposit accounts.

Property and Income 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 1st. 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 the record as of the assessed valuation date. Taxes are payable to the Treasurer in equal installments on or before May 10th and November 10th of the year subsequent to assessment. The Marion County Treasurer remits collections to IPTC and other governmental units within the county.

Risk Management

IPTC is exposed to various risks of loss from torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than personal injury claims. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

IPTC is self-insured for a portion of its exposure to risk of loss from property damage claims ($50,000 deductible) and personal injury matters. Annual estimated provisions are accrued for the self-insured portion of claims and include an estimate of the ultimate costs for both reported claims and claims incurred but not yet reported.

Investments

In accordance with Indiana Code, it is the policy of IPTC to deposit public funds into the depositories approved by the Marion County Board of Finance. IPTC is further authorized by statute to invest in obligations of the U.S. obligations and issues of federal agencies, secured repurchase agreements fully collateralized by the U.S. Government or U.S. Government agency securities, municipal securities of Indiana issuers that have not defaulted during the previous 20 years, and open-ended money market mutual funds. 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. Investments are stated at fair value.

Receivables

IPTC reports receivables for amounts due and unpaid as of year-end and receivable balances are shown net of allowance, if any, for uncollectible balances. IPTC provides an allowance for uncollectible accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions. Management has recorded an allowance of $193,000 for potentially uncollectible operating receivable balances at December 31, 2018. Management has not made a provision for an allowance for uncollectible property tax receivables or federal grants receivable.

Restricted and Designated Assets

Certain cash, cash equivalents and investment balances are restricted or designated as follows:

- Debt Service: Funds deposited in these accounts are set aside to be used for the purpose of payment on outstanding debt.
- Liability Reserve (designated only): Funds 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.

- Capital Asset Acquisition: 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.

Supplies

Supply inventories are stated at cost, determined using the first-in, first-out method. Management reviews supply inventories regularly for obsolete inventory, which is written off when determined to no longer be of value to IPTC.

Capital Assets

Major items of capital assets acquired with federal, state and local funds are capitalized at cost. IPTC adheres to the Federal Transit Administration (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) homogenous and not individually identifiable; (b) may or may not have a unit 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. 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

Deferred Outflows and Inflows of Resources

IPTC reports a consumption of net position that is applicable to a future reporting period as deferred outflows of resources in a separate section of its statement of net position.

IPTC reports an acquisition of net position that is applicable to a future reporting period as deferred inflows of resources in a separate section of its statement of net position.

Compensated Absences

IPTC policies permit essentially all employees to accumulate benefits for vacation, holidays, illness and certain other qualifying absences that may be realized as paid time off or, in limited circumstances, as a cash payment. The number of days compensated for the various categories of absence is based generally on length of service. Expense and the related liability are recognized as vacation benefits are earned and vested whether the employee is expected to realize the benefit as time off or in cash. Expense and the related liability for sick leave benefits are recognized when earned to the extent the employee is expected to realize the benefit in cash determined using the termination payment method. Compensation for holiday and other qualifying absences is not accrued in the accompanying financial statements because rights to compensation amounts either do not accumulate or they do not vest. Accumulated unused sick leave benefits are nonvesting and are only paid out upon retirement. The maximum accumulation per employee is 1,800 hours and the maximum paid out per employee is 540 hours. Accumulated unused sick leave benefits are accrued based upon historical experience, for employees with at least one year of service regardless of age. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the balance sheet date plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

Defined-Benefit Pension Plan

IPTC has a single-employer defined-benefit pension plan known as the Indianapolis Public Transportation Corporation Pension Plan (Plan). For purposes of measuring the net pension (asset) liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

IPTC has a single-employer defined benefit other postemployment benefit (OPEB) plan, Postemployment Medical and Life Benefits Plan (the OPEB Plan). For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, amounts have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with benefit terms.

Net Position

Net position of IPTC is classified in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Restricted net position consists of external constraints placed on net position imposed by creditors, grantors, donors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted net position. If both restricted and unrestricted resources are to be used for the same purpose, restricted resources will be applied first.

Revenue and Expense Recognition

Passenger fare revenues 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.

IPTC receives a significant portion of their revenues from 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 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 by IPTC when earned.

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

Future Adoption of New Accounting Standards

GASB has issued Statement No. 83, *Certain Asset Retirement Obligations*; Statement No. 84, *Fiduciary Activities*; Statement No. 87, *Leases*; Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*; and Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61*. IPTC intends to adopt these GASB Statements, as applicable, on their respective effective dates.

Note 2: Deposits and Investments

Summary of Carrying Values

The carrying values of deposits and investments included in the statement of net position are classified as follows:

Current Assets	
Cash and cash equivalents	
Unrestricted - working capital	$ 19,925,886
Unrestricted - liability reserve	828,344
Designated - capital asset acquisitions	9,376,215
Restricted - debt service and unspent bond proceeds	29,486,412
Noncurrent Assets	
Restricted investments - capital asset acquisitions	6,951,727
	$ 66,568,584
Cash and Cash Equivalents	$ 59,616,857
Investments	6,951,727
	$ 66,568,584

The carrying amount of deposits and investments, by type of holding are:

Deposits	
Cash deposits	$ 59,616,857
Investments	
Government-backed mortgage notes	6,951,727
Total deposits and investments	$ 66,568,584

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. IPTC's deposit policy for custodial credit risk requires compliance with the provisions of Indiana statutes.

IPTC's cash deposits are insured up to $250,000 at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Any cash deposits in excess of the $250,000 FDIC limits are partially or fully collateralized by the depository institution and insured by the Indiana Public Deposits Insurance Fund (IPDIF) via the pledged collateral from the institutions securing deposits of public funds. IPDIF is a multiple financial institution collateral pool as provided under Indiana Code, Section 5-13-12-1.

Investment Policy

Indiana statutes generally authorize IPTC to invest in U.S. obligations and issues of federal agencies, secured repurchase agreements fully collateralized by the U.S. Government or U.S. Government agency securities, municipal securities of Indiana issuers that have not defaulted during the previous 20 years, certificates of deposit and open-ended money market mutual funds. It is the policy of IPTC to deposit public funds into the depositories approved by the Marion 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.

At December 31, 2018, IPTC had the following investments and maturities:

		Maturities (in Years)	
	Fair Value	**Less Than 1**	**1 to 5**
Government-backed mortgage notes	$ 6,951,727	$ 3,976,040	$ 2,975,687

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, IPTC is limited to investing in municipal securities of Indiana issuers that have not defaulted during the previous 20 years and other securities with a stated maturity of not more than two years after the date of purchase or entry into a repurchase agreement, as defined by Indiana Code.

Credit Risk - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. IPTC complies with the provisions of Indiana statutes. At December 31, 2018, IPTC's investments were rated by Moody's Investor Services or Standard and Poor's as follows:

	Fair Value	AAAm	Not Rated
Government-backed mortgage notes	$ 6,951,727	$ 6,951,727	$ -

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, IPTC will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At December 31, 2018, IPTC's investments in government-backed mortgage notes were exposed to custodial credit risk. These investments were uninsured and the collateral was held by the pledging financial institution's trust department or agent but not in IPTC's name. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized or collateralized with securities held by the pledging financial institution.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss that may arise in the event of default by a single issuer. IPTC places no limit on the amount that may be invested in any one issuer. The following table shows investment in issuers and the representative percentage of total investments at December 31, 2018.

	Fair Value	% Rounded
Government-backed mortgage notes	$ 6,951,727	100.0%

Foreign Currency Risk - This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. All IPTC deposits and investments are denominated in United States currency and is prohibited from investing in foreign investments.

Note 3: Capital Assets

Capital assets activity for the year ended December 31 was:

	January 1, 2018	Additions/ Transfers	Disposals/ Transfers	December 31, 2018
Capital Assets Cost				
Nondepreciable capital assets				
Land	$ 6,975,654	$ -	$ -	$ 6,975,654
Construction in progress*	17,510,647	27,435,686	(3,545,890)	41,400,443
Total nondepreciable capital assets	24,486,301	27,435,686	(3,545,890)	48,376,097
Depreciable capital assets				
Buildings and improvements	89,025,732	329,415	(4,593,724)	84,761,423
Revenue vehicles and equipment	91,316,883	9,809,369	(3,060,471)	98,065,781
Other equipment	16,187,550	1,734,775	(356,768)	17,565,557
Shelters and signs	-	4,853,880	-	4,853,880
Total depreciable capital assets	196,530,165	16,727,439	(8,010,963)	205,246,641
Less: accumulated depreciation for				
Buildings and improvements	(47,796,892)	(3,660,262)	4,294,773	(47,162,381)
Revenue vehicles and equipment	(48,056,594)	(7,050,570)	2,507,764	(52,599,400)
Other equipment	(14,294,669)	(1,341,611)	356,768	(15,279,512)
Shelters and signs	-	-	(4,278,631)	(4,278,631)
Total accumulated depreciation	(110,148,155)	(12,052,443)	2,880,674	(119,319,924)
Total depreciable capital assets, net	86,382,010	4,674,996	(5,130,289)	85,926,717
Total capital assets, net	$ 110,868,311	$ 32,110,682	$ (8,676,179)	$ 134,302,814

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

Note 4: Tax Abatements

The City of Indianapolis (City) promotes a series of real and personal property tax abatement programs available under Indiana law, including:

Real Property Tax Abatement (I.C. 6-1.1-12.1)

Real property tax abatements are achieved through the phase-in of real property tax obligations from the improvements being made. The phase-in can span a period of one to ten years and is based on a declining percentage of the increase in assessed value of such improvements.

Personal Property Tax Abatement (I.C. 6-1.1-12.1)

Similarly, personal property tax abatements for manufacturing, research and development, information technology and logistics/distribution equipment are accomplished through the phase-in of personal property tax obligations over a one to ten year period, based on a declining percentage of the assessed value of the newly installed equipment.

Tax abatement is granted based on qualifying new investment, retained and committed jobs, wages and the economic impact of the project. MDC and, in certain circumstances, the City-County Council approval is required and must occur prior to the equipment being operational and the MDC determines the time period for the abatement.

Tax Exemption for Enterprise Information Technology Equipment (I.C. 6-1.1-10.44)

The City may grant up to a ten-year, 100% personal property tax exemption to a business engaged in computing, networking or data storage for new investments in qualified enterprise information technology equipment.

The tax exemption requires a minimum investment of $10 million in qualifying investment by an eligible business located in a High Technology District Area, as designated by the City-County Council. The average wage of employees must be at least one hundred twenty-five percent (125%) of the county average wage. Examples of non-eligible activities are call centers, back office operations, customer service operations and credit/claims processing operations. City-County Council approval is required to grant the exemption.

Vacant Building Abatement (I.C. 6-1.1-12.1)

Up to a two-year real property tax abatement is available to a company, according to local qualifications, based on occupying a building that has been vacant for more than a year.

The building must be used for commercial or industrial purposes and be located in a designated Economic Revitalization Area, as designated by the MDC. Prior approval of the MDC must occur before occupying the facility and the MDC determines the time period for the abatement.

All of these programs are designed to spur job creation and retention, grow the income and property tax base, support the redevelopment of areas experiencing a cessation of growth, attract and retain businesses in targeted industries, and assist distressed businesses, among other objectives. Minimum eligibility criteria for such abatements vary by program, as noted above, but generally require that an investment in real or personal property be projected to increase assessed value, create or retain jobs and/or promote economic revitalization.

In return for such abatements, the City generally commits to permit, zoning and job training assistance. Included in each abatement agreement are provisions specifying certain damages, among which may include a clawback of some or all of the taxes previously abated. If a company ceases operations or announces the cessation of operations at the facility for which the abatement was granted, termination of the abatement agreement is warranted and 100% clawback is required. Other clawbacks are calculated based on the highest level of noncompliance among the measured categories for that project.

Impact of Abatements on Revenues

Indiana property tax laws complicate the calculation of the exact impact of property tax abatements on the tax revenues of a given unit of local government. Constraints on the growth of the annual tax levy and constitutional limitations on taxes (also known as property tax caps) are the chief complicating factors. The increase in the annual tax levy is limited to the growth in the six-year moving average of nonfarm personal income growth, which is known as the Assessed Value Growth Quotient (AVGQ). Statutory property tax caps for homesteads, agricultural and other residential, and commercial are equal to 1%, 2% and 3%, respectively, of associated assessed valuations.

The tax rate, which is established for each taxing unit by the Department of Local Government Finance, is based on the tax levy requested by the taxing unit (as limited by the AVGQ) divided by the net assessed value of the property in a physical taxing district. The theory behind the AVGQ is that the costs of government should not be increasing at a greater rate than taxpayer incomes.

Tax abatements are granted on the assessed value of the property abated. The taxpayer's taxes are then calculated based on this reduced assessment, thus resulting in a lower tax liability. But because a given district's tax rate is calculated based on the total net assessed value in the district (net of abatements and other adjustments), the certified levy of each unit in the district is the same as if the abatements had not been granted.

Additionally, to the extent that parcels have reached the constitutional limit of tax liability as a percentage of gross assessed value, the property tax rate caps (circuit breaker credits) reduce the property tax collections of the affected taxing units. The degree to which property tax abatements exacerbate circuit breaker losses differs by parcel and is dependent on the proportion of abated assessed value to total gross assessed value, as well as prevailing property tax rates.

The estimated gross amount, on an accrual basis, by which IPTC's property tax revenues were reduced as a result of the aforementioned City abatement programs totaled $600,000. However, the actual extent of lost revenues is something less than this amount and cannot be easily determined due to the application of circuit breaker credits.

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 third-party insurance and retains certain risks. IPTC is self-insured for workers' compensation without limitation. Detail of the estimated claims liability is provided below, which is made up of claims reported before the issuance of the financial statements for which 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. It is reasonably possible that IPTC's estimate will change by a material amount in the near term. There were no significant reductions in insurance coverage during 2018 and there were no settlements that exceeded insurance coverage during the past three years for those risks that IPTC purchased insurance. Activity for the year ended December 31, 2018 was as follows for those risks for which IPTC bears risk:

	2018	2017
Unpaid claims, beginning of year	$ 1,536,098	$ 879,839
Incurred claims and changes in claim estimates	2,569,318	2,388,675
Claim payments	(3,086,967)	(1,732,416)
Unpaid claims, end of year	$ 1,018,449	$ 1,536,098
Current portion	$ 900,464	$ 1,202,941
Noncurrent portion	117,985	333,157
Unpaid claims, end of year	$ 1,018,449	$ 1,536,098

During 1986, IPTC's Board of Directors approved the establishment of a nonreverting fund (Liability Reserve Account) 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.

Note 6: Long-Term Obligations

The following is a summary of long-term obligation transactions for IPTC for the year ended December 31:

	January 1, 2018 (as Restated)	Additions	Reductions	December 31, 2018	Current	Noncurrent
Long-Term Debt						
Series 2018A bonds payable	$ -	$ 26,000,000	$ -	$ 26,000,000	$ 1,995,000	$ 24,005,000
Unamortized bond premium	-	2,590,522	(31,458)	2,559,064	-	2,559,064
City of Indianapolis notes payable	621,977	12,434	(350,146)	284,265	284,265	-
Total bonds and notes payable	621,977	28,602,956	(381,604)	28,843,329	2,279,265	26,564,064
Other Long-Term Liabilities						
Risk management payable	1,536,098	2,569,318	(3,086,967)	1,018,449	900,464	117,985
OPEB liability	1,164,000	40,208	(183,469)	1,020,739	-	1,020,739
Net pension liability (asset)	(1,006,113)	3,022,966	(61,809)	1,955,044	-	1,955,044
Total other long-term liabilities	1,693,985	5,632,492	(3,332,245)	3,994,232	900,464	3,093,768
Total long-term obligations	$ 2,315,962	$ 34,235,448	$ (3,713,849)	$ 32,837,561	$ 3,179,729	$ 29,657,832

Series 2018A Bonds Payable

The Indianapolis Local Public Improvement Bond Bank Local Income Tax Revenue Bonds, Series 2018A, dated November 21, 2018, were issued in the aggregate principal amount of $26,000,000. The Series 2018A bond proceeds are planned to be used for IPTC's rapid transit plan as well as paratransit infrastructure and bus replacement. The bonds bear interest at 5.0%, payable on January 15 and July 1 annually, beginning in 2019 and ending January 15, 2028. The trust indenture includes minimum debt service reserve requirements to be held on deposit.

At December 31, 2018, bonds payable consisted of the following:

Series 2018A bonds payable	$ 26,000,000
Plus: net unamortized premium	2,559,064
Total bonds payable	28,559,064
Less: current maturities	(1,995,000)
	$ 26,564,064

The scheduled debt service requirements on the bonds payable for years subsequent to December 31, 2018 are as follows:

	Principal	Interest	Total
2019	$ 1,995,000	805,890	$ 2,800,890
2020	2,345,000	1,144,350	3,489,350
2021	2,460,000	1,025,725	3,485,725
2022	2,590,000	901,100	3,491,100
2023	2,710,000	783,425	3,493,425
2024 - 2028	13,900,000	1,794,625	15,694,625
	$ 26,000,000	$ 6,455,115	$ 32,455,115

City of Indianapolis Notes Payable

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 to passengers affected by planned route changes, and to review existing routes to plan for needed service change. Through various extensions and amendments to the original loan agreement, the maturity date of the loan was extended to December 31, 2019. During 2018, IPTC provided $349,486 in the form of passenger bus tickets for the benefit of the City of Indianapolis, which reduced the outstanding loan balance.

Line of Credit

IPTC has a $15 million line of credit agreement with a financial institution to fund future operating costs. The line matures on December 31, 2019 and interest is payable upon maturity at a rate of the 30-day LIBOR rate plus 0.75%. IPTC borrowed and repaid $7,000,000 on the line during 2018. No balance existed as of December 31, 2018.

Note 7: Benefit Plans - Defined-Contribution and Deferred Compensation

Defined-Contribution Plan

IPTC maintains a defined-contribution 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 to participate in the plan.

(a) Nonunion Employees. Are eligible to participate in the plan upon the first day of the month following 30 days of employment or at any time during their employment.

(b) Eligible Union Employees. A Union Employee will become a participant upon employment pursuant to the collective bargaining agreement with the Union, which is the first of the month following six months of employment.

The defined-contribution plan is administered by the Pension Fund Committee (Committee), a joint labor-management body and is subject to collective bargaining. It is comprised of four members, two labor and two management, and has historically been chaired by the ranking Labor member. The current plan requirements for union employees is governed by an arbitration award effective until June 30, 2018. Prior to July 1, 2017, the award required union employees to contribute 3.5% of their compensation in order to receive the 3.0% employer match, with 0.50% directed to fund the defined-benefit plan until such time the fund ratio met the 110% requirement to return the 0.50% back to the employee. Currently, union and nonunion employees contribute 3.5% of their compensation to the 401(a) in order to receive the 3.5% employer match. Employer contributions to the defined-contribution plan during 2018 were $900,509.

Deferred Compensation Plan

IPTC maintains an IRS Code Section 457 plan for the benefit of substantially all of its employees. 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 and plan assets are held in a trust separate from IPTC's assets.

Note 8: Benefit Plan - 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 (Plan). The Plan is part of the collective bargaining agreement between IPTC and the Amalgamated Transit Union (ATU), Local 1070. All full-time IPTC employees who agree to make employee contributions in accordance with the Plan are covered by the Plan after working 60 days of continuous employment. After December 31, 1997, no new employees entered the Plan. Effective December 31, 1997, all benefits were frozen by plan amendment, and effective December 31, 1997, the Plan was amended to remove the disability benefit provisions. Current requirements for administering both the Defined Benefit Pension Plan and the Defined Contribution Plan for union employees are governed by an arbitration award issued by Samuel Stone that was effective until June 30, 2018. The Plan issues a separate audit report that includes financial statements and required supplementary information for the Plan, which can be obtained by writing to Indianapolis Public Transportation Corporation, 1501 West Washington Street, Indianapolis Indiana 46222.

Benefits Provided

The Plan provides retirement and death benefits to plan members and their beneficiaries. The retirement benefit is payable monthly during the life of the retired employee. If, at death, the retired employee has not received total benefits at least equal to his/her contributions to the Plan (plus interest accumulated at 2% per year), his/her beneficiary or estate will be paid a sum equal to his/her total contributions plus interest, less the aggregate of the benefits he/she has received. Death benefits or termination of employment prior to retirement, result in the return of all employee contributions plus interest at 2% to be made. 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 with 20 years of continuous employment as of January 1, 2006 who have not attained age 65.

The employees covered by the Plan at December 31, 2018, are:

Inactive employees or beneficiaries currently receiving benefits	127
Inactive employees entitled to but not yet receiving benefits	2
Active employees	28
	157

Contributions

The Pension Fund Committee has the authority to establish and amend the contribution requirements of the IPTC and active employees only through negotiation or arbitration. As of January 2006, all vested active union employees who remain in the Plan will contribute 4.5% of the total compensation received by such employee and IPTC will contribute 3.5% of their pay, as documented in the arbitration award in effect through and until June 30, 2018, which shall automatically continue in effect for successive periods of three years each after June 30, 2018. Employer contributions for 2018 were $61,809.

Net Pension Liability (Asset)

IPTC's net pension liability (asset) was measured as of December 31, 2018, for the year ended December 31, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by actuarial valuation as of December 31, 2018.

For the total pension liability (asset) at December 31, 2018, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.3%
Salary increases	3%, average, including inflation
Ad hoc cost of living adjustments	none
Investment rate of return	6.5%, net of pension plan investment expense, including inflation
Retirement age	65 years
Turnover	Crocker-Sarson T4 table

Mortality rates were based on the RP-2014 Blue Collar Mortality for Employees, Healthy Annuitants and Disabled Annuitants set forward one year with generational projection per Scale MP-2018.

The actuarial assumptions used in the December 31, 2018 valuations were not based on the results of an actuarial experience study.

The building-block method which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The long-term expected rate of return on pension plan investments was based primarily on historical returns on plan assets, adjusted for changes in target portfolio allocations and recent changes in long-term interest rates based on publicly available information. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	74%	4.97%
Non-US equity	10%	6.38%
Fixed income	11%	2.13%
Cash	5%	0.34%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 5.46%, for the year ended December 31, 2018. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that IPTC contributions will be made at contractually determined contribution rates. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate (4.10%) applied to benefit payment, to the extent that the plan's fiduciary net position is not projected to be sufficient.

Changes in the total pension liability, plan fiduciary net position and the net pension liability (asset) for 2018 are:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at January 1, 2018	$ 9,311,944	$ 10,318,057	$ (1,006,113)
Changes for the year			
Interest	575,531	-	575,531
Service cost	21,125	-	21,125
Effect of economic/demographic gains (losses)	(183,410)	-	(183,410)
Effect of plan changes	1,567,592	-	1,567,592
Effect of assumptions, changes or inputs	705,896	-	705,896
Benefit payments, including refunds of employee contributions	(972,804)	(972,804)	-
Contributions - employer	-	61,809	(61,809)
Contributions - employee	-	79,473	(79,473)
Net investment income	-	(362,116)	362,116
Administrative expense	-	(53,589)	53,589
Net changes	1,713,930	(1,247,227)	2,961,157
Balances at December 31, 2018	$ 11,025,874	$ 9,070,830	$ 1,955,044

The net pension liability (asset) of IPTC has been calculated using a discount rate of 5.46% at December 31, 2018. The following presents the net pension liability using a discount rate of 1% higher and 1% lower than the current rate.

	1% Decrease (4.46%)	Current Discount Rate (5.46%)	1% Increase (6.46%)
IPTC's net pension liability	$ 2,752,761	$ 1,955,044	$ 1,244,659

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position, or fair value of Plan assets, at December 31, 2018 is as follows:

Cash and cash equivalents	$	353,220
Receivable investment income		7,569
Fixed income investments		1,038,671
Domestic equities		7,671,370
	$	9,070,830

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2018, IPTC recognized pension expense of $2,059,151. At December 31, 2018, IPTC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2018			
	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	$	-	$	45,407
Changes of assumptions		-		755
Net difference between projected and actual earnings on pension plan investments		499,972		-
	$	499,972	$	46,162

Amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2018, related to pensions will be recognized in pension expense (reduction in pension expense) as follows:

Year Ending December 31:	Amount
2019	$ 133,421
2020	38,369
2021	81,124
2022	200,896

Payable to the Pension Plan

At December 31, 2018, IPTC had no outstanding amount of contributions owed to the pension plan required for the year.

Note 9: Other Postemployment Benefit Plan

IPTC adopted GASB Statement No. 75 for the December 31, 2018 year-end and all applicable disclosures are included below.

Plan Description and Benefits Provided

IPTC maintains and provides postemployment medical and life insurance benefits (OPEB) to retirees, through a single-employer defined-benefit plan, which IPTC administers. 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 IPTC 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 quality 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 plan does not issue a stand-alone financial report and no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The employees covered by the benefit terms at the measurement date of December 31, 2018 are:

Inactive employees or beneficiaries currently receiving benefit payments	99
Active employees	28
	127

Total OPEB Liability

The IPTC's total OPEB liability of $1,020,739 was measured as of December 31, 2018 for the year ended December 31, 2018, and was determined by an actuarial valuation as of that date. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.30%
Discount rate	4.10%
Salary increases	n/a
Employee turnover/withdrawal	Crocker-Sarason T-4 Table
Life insurance premium	$4.07/mo./$1,000 of coverage

Retirement rates are shown below:

Age	Rates
55	2.5%
56-59	1.0%
60	5.0%
61	1.0%
62	30.0%
63	10.0%
64	20.0%
65+	100.0%

The discount rate was based on the Bond Buyer General Obligation 20 – Bond Municipal Index.

Mortality rates were based on the RP 2014, as appropriate with adjustments for mortality improvements based on MP-2018.

Changes in the Total OPEB Liability

Changes in the total OPEB liability are:

	Total OPEB Liability 2018
Balance, beginning of year	$ 1,164,000
Changes for the year:	
Service cost	1,238
Interest	38,970
Effect of economic/demographic losses	(59,107)
Effect of assumption changes or inputs	(59,000)
Benefit payments	(65,362)
Net change	(143,261)
Balance, end of year	$ 1,020,739

Changes of assumptions and other inputs reflect a change in the discount rate from 3.44% at December 31, 2017 to 4.10% at December 31, 2018.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Health Care Cost Trend Rates

The total OPEB liability of the IPTC has been calculated using a discount rate of 4.10%. The following presents the total OPEB liability using a discount rate 1% higher and 1% lower than the current discount rate.

	1% Decrease (3.10%)	Current Discount Rate (4.10%)	1% Increase (5.10%)
IPTC's net OPEB liability	$ 1,105,463	$ 1,020,739	$ 946,909

Health Care Cost Trend Rates, the rates of change in per capita health claims over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments, are not applicable due to the nature of the plan benefits.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, IPTC recognized OPEB expense of $77,899. At December 31, 2018, IPTC did not have any reported deferred outflows of resources or deferred inflows of resources related to OPEB because the closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period was less than one year for the applicable OPEB items.

Note 10: Disclosures About Fair Value of Assets and Liabilities

IPTC categorizes fair value measurements (investments) within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the investments. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

IPTC has the following recurring fair value measurements as of December 31, 2018:

- Government-backed mortgage notes totaling $6,951,727 as of December 31, 2018 are valued using significant other observable inputs and are deemed to fall within Level 2 of the fair value hierarchy.

Note 11: Other Nonoperating Revenue (Expense)

Other nonoperating revenue and expense consisted of the following for 2018:

Other Revenues	
Investment income	$ 144,670
Miscellaneous	88,533
Pass-through grants for subrecipients	292,992
	526,195
Other Expenses	
Interest payable from restricted debt service assets	71,357
Pass-through grants to subrecipients	292,992
	364,349
	$ 161,846

Note 12: Contingencies

Litigation

In the normal course of business, IPTC is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by IPTC's self-insurance program or by commercial insurance. IPTC evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

Note 13: Commitments

In late 2017 and 2018, the IPTC Board of Directors awarded a number of contracts related to the Marion County Transit Plan - Red Line·BRT Phase 1 project. The table below is a breakout of the contract activity and amount awarded (in millions).

Red Line BRT Phase 1

Construction	$ 53.8
Construction management	9.3
Construction support	0.9
Fare collection	0.7
Professional services/ROW	12.0
Transit signal priority	1.6
Vehicles	16.1
	$ 94.4


THE FASHION MALL
86TH STREET
CROSSTOWN
0139

Indianapolis Public Transportation Corporation

A Component Unit of the Consolidated City of Indianapolis-Marion County

Schedule of Required Supplementary Information

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

	2018	2017	2016	2015
Total Pension Liability				
Interest on total pension liability	$ 575,531	$ 605,983	$ 602,323	$ 623,493
Service cost	21,125	-	-	-
Effect of plan changes	1,567,592	-	-	-
Effect of economic/demographic gains or losses	(183,410)	(85,848)	(499,484)	(268,255)
Effect of assumptions, changes or inputs	705,896	(81,629)	(8,303)	333,067
Benefit payments, including refunds of employee contributions	(972,804)	(884,818)	(999,235)	(964,637)
Net change in total pension liability	1,713,930	(446,312)	(904,699)	(276,332)
Total pension liability - beginning	9,311,944	9,758,256	10,662,955	10,939,287
Total pension liability - ending (a)	11,025,874	9,311,944	9,758,256	10,662,955
Plan Fiduciary Net Position				
Contributions - employer	61,809	124,276	159,746	164,076
Contributions - employee	79,473	88,269	88,923	96,872
Net investment income (loss)	(362,116)	1,214,040	823,838	(44,197)
Benefit payments, including refunds of employee contributions	(972,804)	(884,818)	(999,235)	(964,637)
Administrative expense	(53,589)	(37,156)	(29,504)	(21,917)
Net change in plan fiduciary net position	(1,247,227)	504,611	43,768	(769,803)
Plan fiduciary net position - beginning	10,318,057	9,813,446	9,769,678	10,539,481
Plan fiduciary net position - ending (b)	9,070,830	10,318,057	9,813,446	9,769,678
IPTC's Net Pension Liability (Asset) - Ending (a) - (b)	$ 1,955,044	$ (1,006,113)	$ (55,190)	$ 893,277
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	82.27%	110.80%	100.57%	91.62%
Covered Payroll	$ 1,936,383	$ 2,069,769	$ 2,106,365	$ 1,994,058
IPTC's Net Pension Liability (Asset) as a Percentage of Covered Payroll	100.96%	-48.61%	-2.62%	44.80%

Notes to Schedule:

Required supplementary information is not available for the preceding six years. IPTC is presenting information for those years for which information is available until a full ten years of information is available.

Benefit changes. No significant changes

Changes of assumptions. Discount rate changed from 6.5% at December 31, 2017 to 5.46% at December 31, 2018

Indianapolis Public Transportation Corporation
A Component Unit of Consolidated City of Indianapolis-Marion County
Schedule of Required Supplementary Information
Schedule of IPTC Pension Contributions

	2018	2017	2016	2015
Contractually required contribution	$ 61,809	$ 124,276	$ 159,746	$ 164,076
Contributions in relation to the contractually required contribution	(61,809)	(124,276)	(159,746)	(164,076)
Annual contribution deficiency (excess)	$ -	$ -	$ -	$ -
IPTC's contributions as a percentage of contractually required contribution for pension	100%	100%	100%	100%
IPTC's covered payroll	$ 1,936,383	$ 2,069,769	$ 2,106,365	$ 1,994,058
Contributions as a percentage of covered payroll	3.2%	6.0%	7.6%	8.2%

Notes to Schedule:

Required supplementary information is not available for the preceding six years. IPTC is presenting information for those years for which information is available until a full ten years of information is available.

Valuation date: January 1, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age normal

Amortization method: Level dollar

Remaining amortization period: N/A

Asset valuation method: Zero years smoothing period with no corridor

Inflation: 2.30%

Salary increases: 3.00%

Investment rate of return: 6.5%

Retirement age: 65

Mortality: RP-2014 Blue Collar Mortality for Employees, Healthy annuitants, and Disabled Annuitants set forward one year with generational projection per Scale MP-2018

Indianapolis Public Transportation Corporation
A Component Unit of the Consolidated City of Indianapolis-Marion County
Schedule of Required Supplementary Information
Schedule of Changes in IPTC's Total OPEB Liability and Related Ratios

		2018
Total OPEB Liability		
Service cost	$	1,238
Interest		38,970
Effect of economic/demographic losses		(59,107)
Effect of assumption changes or inputs		(59,000)
Benefit payments		(65,362)
Net Change in Total OPEB Liability		(143,261)
Total OPEB Liability - Beginning		1,164,000
Total OPEB Liability - Ending	$	1,020,739
IPTC's Covered-Employee Payroll	$	1,739,898
Total OPEB Liability as a Percentage of Covered-Employee Payroll		58.7%

Notes to Schedule:

Required supplementary information is not available for the preceding nine years. IPTC is presenting information for those years for which information is available until a full ten years of information is available.

Benefit changes. No significant changes

Changes of assumptions. Discount rate changed from 3.44% at December 31, 2017 to 4.10% at December 31, 2018

Trust: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75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Statistical Section (Unaudited)

Indianapolis Public Transportation Corporation
(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Statistical Section (Unaudited)
Table of Contents

The statistical section of this report presents detailed information in order to understand what the information in the financial statements, note disclosures and required supplementary information says about the government's overall financial health.

Financial Trends

Tables I-III contain trend information to help the reader understand how the IPTC's financial performance and well-being have changed over time.

Revenue Capacity

Tables IV-VII contain information to help the reader assess one of the IPTC's most significant sources of revenue, property taxes.

Debt Capacity

Tables VIII - Table X contain information to help the reader assess IPTC's ability to take on debt and service it over time.

Demographic and Economic Information

Tables XI - Table XIII offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

Tables XIV-XVI contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the IPTC provides and the activities it performs.

Indianapolis Public Transportation Corporation

(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table I

Net Position by Component - Accrual Basis of Accounting

Last Ten Years

(amounts in thousands)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net investment in capital assets	$ 25,481	$ 33,867	$ 33,985	$ 33,289	$ 36,110	$ 42,647	$ 80,425	$ 98,024	$ 109,604	$ 125,655
Restricted	16,066	17,716	17,268	18,281	16,092	17,760	14,655	9,530	7,589	7,952
Unrestricted	5,682	3,507	6,177	10,473	13,578	12,961	15,456	14,152	8,460	42,403
Total IPTC activities net position	$ 47,229	$ 55,090	$ 57,430	$ 62,043	$ 65,780	$ 73,368	$ 110,536	$ 121,706	$ 125,653	$ 176,010

Note: 2018 reflects the impact of adoption of GASB Statement No. 75. 2015 and forward reflects the impact of adoption of GASB Statement No. 68.

Indianapolis Public Transportation Corporation
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Table II
Operating Expenses by Type
Last Ten Years

Calendar Year	Transportation	Maintenance of Equipment Including Fuel	Administrative and General	Claims and Insurance	Subtotal Expenses Before Depreciation	Depreciation	Total Operating Expenses
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
2013	29,733,176	17,098,609	10,208,449	1,334,836	58,375,070	7,293,959	65,669,029
2014	32,424,781	18,932,576	10,311,180	1,566,982	63,235,519	7,883,516	71,119,035
2015	29,787,891	16,952,267	9,833,426	1,322,196	57,895,780	7,750,331	65,646,111
2016	35,205,033	16,837,683	11,842,475	1,547,474	65,432,665	9,105,197	74,537,862
2017	38,377,545	16,708,390	12,123,381	2,288,866	69,498,182	10,303,582	79,801,764
2018	45,696,369	21,471,248	17,453,459	1,754,005	86,375,081	12,052,443	98,427,524

Indianapolis Public Transportation Corporation

(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table III

Changes in Net Position

Last Ten Years

Calendar Year	Operating Revenue	Operating Expense	Operating Loss	Nonoperating Revenue (Expense)	Income (Loss) Before Capital Contributions	Capital Contributions	Change in Net Position
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
2013	11,738,207	65,669,029	(53,930,822)	54,831,342	900,520	2,836,387	3,736,907
2014	12,136,882	71,119,035	(58,982,153)	54,548,834	(4,433,319)	12,021,795	7,588,476
2015	11,724,021	65,646,111	(53,922,090)	58,447,464	4,525,374	33,040,761	37,566,135
2016	11,105,202	74,537,862	(63,432,660)	64,881,873	1,449,213	9,721,628	11,170,841
2017	10,628,556	79,801,764	(69,173,208)	63,216,860	(5,956,348)	9,903,586	3,947,238
2018	10,923,994	98,427,524	(87,503,530)	108,098,321	20,594,791	31,355,362	51,950,153

Indianapolis Public Transportation Corporation

(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table IV

Operating Revenues by Source

Last Ten Years

Calendar Year	Passenger Fares	Special Service	Advertising	Total
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
2013	11,354,576	-	383,631	11,738,207
2014	11,617,150	-	519,732	12,136,882
2015	11,232,694	-	491,327	11,724,021
2016	10,387,232	-	717,970	11,105,202
2017	9,990,230	-	638,326	10,628,556
2018	10,287,454	-	636,540	10,923,994

Indianapolis Public Transportation Corporation
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Table V
Nonoperating Revenues and Expenses
Last Ten Years

Calendar Year		Property and Excise Tax	Municipalities	FTA Operating Assistance	Other, net	Total Nonoperating Revenue and Expenses
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	12,320,606	32,003	50,265,991
2013		33,105,656	10,842,244	11,017,598	(134,156)	54,831,342
2014		31,729,423	10,877,058	11,855,317	87,036	54,548,834
2015		34,110,139	10,996,469	13,265,041	75,815	58,447,464
2016		39,000,284	11,021,036	11,792,142	3,068,411	64,881,873
2017		39,254,016	11,002,081	13,331,008	(370,245)	63,216,860
2018	(1)	91,732,257	11,386,129	5,243,143	(263,208)	108,098,321

(1) Effective 2018, IPTC began receiving additional local income tax for public transportation via ordiance.

Indianapolis Public Transportation Corporation

(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table VI

Assessed Value and Estimated Actual Value of Taxable Property

Last 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 % of Actual Taxable Value
2009	$ 31,212,260,953	$ 4,915,058,533	$ 36,127,319,486	0.0609 %	100 %
2010	28,961,103,856	4,921,541,600	33,882,645,456	0.0610	100
2011	29,737,227,003	2,189,862,781	31,927,089,784	0.0696	100
2012	30,767,449,975	4,966,628,437	35,734,078,412	0.0803	100
2013	28,895,562,176	5,076,078,757	33,971,640,933	0.1031	100
2014	29,672,648,271	5,152,942,345	34,825,590,616	0.0938	100
2015	29,582,373,258	5,148,642,743	34,731,016,001	0.0983	100
2016	30,090,249,074	5,471,602,908	35,561,851,982	0.1120	100
2017	31,662,059,780	5,816,440,516	37,478,500,296	0.1074	100
2018	33,189,915,211	5,641,338,056	38,831,253,267	0.1044	100

Indianapolis Public Transportation Corporation

(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table VII

Property Tax Levies and Collections (1 & 2)

Last Ten Years

Year Ended December 31	Taxes Levied for the Year (3)	Collected Within the Fiscal Year of the Levy: Amount	Collected Within the Fiscal Year of the Levy: Percentage of Levy	Collections of Taxes Levied in Prior Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2009	$ 21,134,612	$ 20,546,163	97.22%	$ 845,384	$ 21,391,547	101.22%
2010	20,668,415	19,671,063	95.17%	413,368	20,084,431	97.17%
2011 (4)	24,680,645	23,740,201	96.19%	940,444	24,680,645	100.00%
2012	25,732,422	25,055,800	97.37%	957,259	26,013,059	101.09%
2013	28,011,096	26,490,971	94.57%	1,157,889	27,648,860	98.71%
2014 (5)	25,292,892	26,426,781	104.48%	1,001,691	27,428,472	108.44%
2015	29,823,911	28,690,763	96.20%	1,025,882	29,716,645	99.64%
2016	33,521,071	33,164,540	98.94%	942,355	34,106,895	101.75%
2017	33,174,179	32,980,034	99.41%	1,144,468	34,124,502	102.86%
2018	33,975,127	33,582,649	98.84%	958,308	34,540,957	101.67%

(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.
(9) The Tax Levy for 2014 was cut $3.9 million.

Indianapolis Public Transportation Corporation

(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table VIII

Ratio of General Bonded Debt Outstanding

Last Ten Years

Calendar Year	Total General Bonded Debt Outstanding	Total Notes Payable Outstanding	Less: Amounts Available in Debt Service Fund	Total	Per Capita Debt (1)	Per Capita Personal Income (3)	Total Debt as a Percentage of Per Capita Personal Income	Actual Taxable Value of Property (2)	Percentage of Actual Taxable Value of Property
2009	$ 10,625,000	$ 7,003,988	$ -	$ 17,628,988	$ 22.26	$ 38,532	0.00058	$ 36,127,319,486	0.049%
2010	9,265,000	6,872,906	-	16,137,906	20.38	37,232	0.00055	33,882,645,456	0.048%
2011	7,835,000	6,674,153	5,543	14,503,610	16.02	37,232	0.00043	32,045,358,660	0.045%
2012	6,425,000	6,621,748	5,543	13,041,205	14.19	38,309	0.00037	33,823,881,794	0.039%
2013	4,675,000	1,549,420	-	6,224,420	7.86	40,132	0.00020	32,196,661,823	0.019%
2014	2,925,000	1,336,688	-	4,261,688	4.56	39,936	0.00010	34,825,590,616	0.012%
2015	1,680,000	967,155	-	2,647,155	2.82	40,998	0.00007	34,731,016,001	0.008%
2016	1,680,000	719,124	-	2,399,124	2.78	43,492	0.00006	35,561,851,982	0.007%
2017	-	621,977	-	621,977	0.72	48,253	0.00001	37,478,500,296	0.002%
2018	26,000,000	284,265	3,859,052	22,425,213	25.86	50,957	0.00049	38,831,253,267	0.058%

(1) Based on 2015 population of Consolidated City (939.020) for 2016. 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) Data presented are per the U.S. Department of Commerce, Bureau of Economic Analysis. Per capita personal income is compiled using Census Bureau midyear population estimates. Estimates reflect county population estimates available as of March 2017.

Indianapolis Public Transportation Corporation

(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table IX

Direct and Overlapping Property Tax Rates (1 & 3)

Last Ten Years

	Direct Rates (2)				Overlapping Rates						Total (2)
Year	Basic Rate	Debt Service	Cumulative Capital	Total Direct Rate	City	County	Other Muni Corp	School	State	Other	Total
2009	0.0460	0.0049	0.0100	0.0609	0.7093	0.4842	0.2645	1.1569	0.0024	0.0578	2.7360
2010	0.0461	0.0049	0.0100	0.0610	0.8673	0.3534	0.2672	1.3692	0.0000	0.0615	2.9796
2011	0.0538	0.0058	0.0100	0.0696	0.9525	0.3665	0.2989	1.4065	0.0000	0.0615	3.1555
2012	0.0656	0.0051	0.0096	0.0803	1.0034	0.4007	0.3155	1.2711	0.0000	0.0670	3.1380
2013	0.0870	0.0061	0.0100	0.1031	0.9802	0.3932	0.3283	1.4829	0.0000	0.0607	3.3484
2014	0.0781	0.0057	0.0100	0.0938	0.7667	0.4034	0.3402	1.2889	0.0000	0.0620	2.9550
2015	0.0847	0.0044	0.0092	0.0983	0.7069	0.3825	0.3222	1.3504	0.0000	0.0607	2.9210
2016	0.0983	0.0044	0.0093	0.1120	0.7136	0.3883	0.3334	1.4170	0.0000	0.0630	3.0273
2017	0.0981	0.0000	0.0093	0.1074	0.7316	0.3940	0.3443	0.9735	0.0000	0.0619	2.6127
2018	0.0951	0.0000	0.0093	0.1044	1.0279	0.3893	0.3444	0.8300	0.0000	0.0587	2.7547

(1) Rate is per $100 of assessed valuation.

(2) Rate of District 101 (Indpls-Center Township), which rate includes all major service.

(3) Taxable property was assessed at thirty-three and one-third of this assessed value as per the Marion County Auditor's abstract. In 2002, a change in State law modified the use of free market value as taxable assessed value. The effect of this change reduced the effective tax rate by two-thirds.

(4) The IPTC Board of Directors established a Cumulative Capital Fund with a one-cent tax rate adjustment in 2004 to provide for future capital funding. At the same time, the IPTC Board of Directors increased the general fund tax rate approximately one and one-half cents.

(5) The property tax rates for State fair and State forestry were repealed in 2010.

Indianapolis Public Transportation Corporation

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Table X

Direct and Overlapping Bonded Debt and Bonding Limit

December 31, 2018

(amounts in thousands)

	Bonded Debt Limit (1)	Bonds Outstanding (2)
Overlapping Debt		
City of Indianapolis	$ 2,381,194	$ 124,440
Marion County	272,942	-
Other Municipal Corporations	1,338,488	252,172
Public Schools	275,963	146,602
Other Cities and Towns	17,099	8,858
Other Misc City and Town Township	271,367	2,876
Total Overlapping Debt	4,557,053	534,948
Direct Debt		
Indianapolis Public Transportation Corporation	258,739	26,000
Total Direct and Overlapping Debt	$ 4,815,792	$ 560,948
IPTC's Percentage of Total Direct and Overlapping Debt	5.37%	4.64%

(1) Source: Marion County Auditor's Abstract.

(2) Source: Indianapolis City Controller's Office.

Indianapolis Public Transportation Corporation

(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table XI

Demographic and Economic Statistics

Last Ten Years

Calendar Year	Population (1)	Per Capita Personal Income (2)	Median Age (3)	Student Enrollment (4)	Unemployment Rate (5)
2009	808,466	$ 38,532	35.8	131,678	9.4 %
2010	807,584	37,232	33.6	131,886	9.9
2011	820,445	37,232	33.0	132,475	9.4
2012	834,852	38,309	33.7	130,796	7.7
2013	843,393	40,132	33.7	128,478	8.7
2014	848,799	39,963	34.0	130,007	6.3
2015	862,781	40,998	34.3	130,371	5.0
2016	855,164	43,492	34.3	131,754	4.4
2017	863,002	48,253	34.3	132,596	3.1
2018	867,125	50,957	34.5	132,838	3.4

(1) Source: Hoosierdata.in.gov as provided by Indiana Department of Workforce Development.

(2) Data presented are per the U.S. Department of Commerce, Bureau of Economic Analysis. Per capita personal income was computed using Census Bureau midyear population estimates. Estimates reflect county population estimates available as of March 2019.

(3) Data presented are per U.S. Census Bureau. Source: 2010-2014 American Community Survey 5-Year Estimates.

(4) Data presented is for All Marion County 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 and Hoosierdata.in.gov as provided by Indiana Department of Workforce Development, December 2017.

Indianapolis Public Transportation Corporation

(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table XII

Principal Employers

Current Year and Nine Years Ago

2018				2009			
Employer (2)	Employees	Rank	Percentage of Total City Employment (1)	Employer (3)	Total Employees	Rank	Percentage of Total City Employment (1)
Indiana University Health	23,187	1	2.44%	Clarian Health Partners, Inc.	12,763	1	1.43%
St. Vincent Hospitals & Health Services	17,398	2	1.83%	Eli Lilly and Company	11,550	2	1.30%
Community Health Network	11,328	3	1.19%	St. Vincent Hospitals & Health Services	10,640	3	1.19%
Eli Lilly and Company	10,005	4	1.05%	IUPUI	7,066	4	0.79%
Wal-Mart	8,926	5	0.94%	Federal Express	6,311	5	0.71%
Kroger	7,675	6	0.81%	Community Health Network	5,341	6	0.60%
Federal Express	5,000	7	0.53%	Rolls Royce	4,300	7	0.48%
Anthem	4,866	8	0.51%	WellPoint Inc.	3,950	8	0.44%
Meijer	4,594	9	0.48%	Allison Transmission/Div of GMC	3,800	9	0.43%
Roche Diagnostics	4,500	10	0.47%	AT&T	3,000	10	0.34%
		Total	10.25%			Total	7.71%

(1) Percentage of total City employment is calculated using total Employment Labor Force, which can be found at www.stats.indiana.edu.
(2) Largest employers can be found at www.indypartnership.com (Indy Partnership).
(3) 2009 largest employers data can be found in IPTC 2009 Annual Report.

Indianapolis Public Transportation Corporation

(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table XIII

Principal Property Tax Payers (3)

Current Year and Nine Years Ago

(amounts in thousands)

	2018				2009			
	Taxpayer	Taxable Assessed Value (1)	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value (2) (3) (4)	Rank	Percentage of Total City Taxable Assessed Value
1	Eli Lilly and Company	$ 1,218,912	1	2.635%	Eli Lilly and Company	$ 1,312,077	1	3.575%
2	Citizens Energy Group	469,516	2	1.015%	Indianapolis Power and Light Company	381,597	2	1.040%
3	Indianapolis Power and Light Company	400,796	3	0.866%	Indiana Bell	283,297	3	0.772%
4	Federal Express Corporation	245,092	4	0.530%	Federal Express	191,132	4	0.521%
5	Conventional Headquarters Hotels, LLC	189,133	5	0.409%	Citizens Gas & Coke Utility	183,985	5	0.501%
6	Hertz Indianapolis 111 Monument, LLC	154,583	6	0.334%	Macquarie Office Monument	181,809	6	0.495%
7	American United Life Insurance Company	114,781	7	0.248%	Allison Engine Co.	148,011	7	0.403%
8	SVC Manufacturing	92,792	8	0.201%	Simon Property Group, Inc.	144,640	8	0.394%
9	Castleton Square, LLC	81,858	9	0.177%	American United Life	140,114	9	0.382%
10	IMD2 LLC	76,250	10	0.165%	Community Hospital Foundation	130,201	10	0.355%
		$ 3,043,713		6.580%		$ 3,096,863		8.438%

(1) Represents the March 1, 2017 valuations for taxes due and payable in 2018 and represented by the taxpayer.

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

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

(4) Data presented as originally published in the IPTC 2009 annual report.

Indianapolis Public Transportation Corporation
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Table XIV
Operating Information
Last Ten Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
EMPLOYEE DATA										
Number of Employees (1)										
Full Time										
Operators	408	379	327	332	341	380	301	271	277	308
Other Transportation	87	68	59	47	35	7	19	-	-	-
Maintenance	100	101	96	88	85	69	79	76	78	83
Administrative & Other	83	71	52	43	43	41	58	38	37	46
Total full-time employees	678	619	534	510	504	497	457	385	392	437
Part Time										
Operators	2	2	2	2	2	4	5	-	-	-
Other	2	4	4	5	6	5	4	-	-	-
Total part-time employees	4	6	6	7	8	9	9	-	-	-
Total Employees	682	625	540	517	512	506	466	385	392	437
PASSENGER DATA										
Passengers (2)	9,115,875	9,064,093	9,494,784	9,951,627	10,574,895	10,526,681	10,248,603	9,512,408	8,778,098	8,437,450
Number of Fixed Routes (3)	31	31	31	31	31	31	30	30	30	32
Annual Vehicle Miles (2)	12,738,058	11,719,245	11,510,632	11,359,866	11,535,338	11,062,831	10,759,404	10,816,574	10,907,886	11,377,274
Annual Vehicle Hours (2)	758,689	562,192	764,275	739,029	635,693	710,253	624,219	679,805	691,203	710,637
Number of Coaches (4)	262	257	268	243	220	233	227	228	224	235
Number of ADA Accessible vehicles (4)	262	257	268	243	220	233	227	228	224	235
Fare (Single Ride) (3)	$ 1.75	$ 1.75	$ 1.75	$ 1.75	$ 1.75	$ 1.75	$ 1.75	$ 1.75	$ 1.75	$ 1.75

(1) Source: National Transportation Database (NTD) Form 8-10. Includes both motor bus and demand response modes.
(2) Source: NTD Form 5-10. 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.

Indianapolis Public Transportation Corporation

(A Component Unit of the Consolidated City of Indianapolis - Marion County)

Table XV

Schedule of Insurance in Force

December 31, 2018

Type of Coverage	Company	Term	Expiration Date	Limit	Deductible
GL, AL, Public Officials:	The Princeton Excess and Surplus Lines Insurance Company	1 year	January 1		
General Liability				$ 5,000,000	$ 1,000,000
Wrongful Acts				$ 5,000,000	$ 1,000,000
Auto Liability				$ 5,000,000	$ 1,000,000
Employee Benefits Liability				$ 5,000,000	$ 1,000,000
Sexual Abuse				$ 5,000,000	$ 1,000,000
Public Official	RSUI	1 year	January 1	$100,000 - $2,000,000	$0-$35,000
Fiduciary Liability	Travelers	1 year	January 1	$100,000 - $2,000,000	$ -
Property:	Continental Casualty Company	1 year	January 1		
Building & Contents				$ 168,349,006	
Property Damage - Per Occurrence					$ 50,000
Bus					$ 50,000
Lease Goodyear Tires					$ 1,000
Property Off Premises (Inland Marine)					$ 5,000
Earthquake				$ 25,000,000	$ 100,000
Flood				$ 25,000,000	$ 100,000
Crime:	National Union	1 year	January 1		
Employee Theft				$ 1,000,000	$ 15,000
Forgery or Alteration				$ 1,000,000	$ 15,000
Inside of Premises - Theft of Money & Securities				$ 1,000,000	$ 15,000
Inside of Premises - Robbery & Safe Burglary				$ 1,000,000	$ 15,000
Outside of Premise				$ 1,000,000	$ 15,000
Computer Fraud				$ 1,000,000	$ 15,000
Funds Transfer Fraud				$ 1,000,000	$ 15,000
Money Orders and Counterfeit Paper Currency				$ 1,000,000	$ 15,000

**For more information, refer to Note 5 (Risk Management) accompanying the basic financial statements.

Indianapolis Public Transportation Corporation
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Table XVI
Schedule of Transit Vehicles
December 31, 2018

No. of Vehicles	Year (2)	Manufacturer	Engine Type	Seating Capacity	Lift/Ramp Equipped
Large Bus					
11	1997	New Flyer	Diesel	44+2wc	Yes(Lift)
5	1999	Nova	Diesel	39+2wc	Yes(Lift)
29	2001	New Flyer	Diesel	39+2wc	Yes(Lift)
11	2002	New Flyer	Diesel	54+2wc	Yes(Lift)
21	2003	Gillig	Diesel	38+2wc	Yes(Lift)
10	2007	Gillig	Diesel	38+2wc	Yes(Lift)
22	2010	Gillig	Diesel	38+2wc	Yes(Lift)
4	2013	Gillig	Diesel Hybrid	38+2wc	Yes(Lift)
13	2014	Gillig	Diesel	38+2wc	Yes(Lift)
13	2015	Gillig	Diesel	38+2wc	Yes(Lift)
21	2015	Gillig	Electric	38+2wc	Yes(Lift)
13	2016	Gillig	Diesel	38+2wc	Yes(Lift)
16	2017	Gillig	Diesel	38+2wc	Yes(Lift)
189	Total Large Buses				
Body on Chassis					
10	2009	Chevrolet	Gasoline	10+2wc	Yes(Lift)
4	2012	VPG	Gasoline	3+1wc	Yes(Lift)
1	2012	Ford	Gasoline	3+1wc	Yes(Lift)
2	2014	Chevrolet	Gasoline	12	Yes(Lift)
40	2015	Starcraft/Allstar	Gasoline	8+4wc	Yes(Lift)
16	2017	Ford	Gasoline	10+2wc	Yes(Lift)
73	Total Body on Chassis				
262	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 9.5 years.

(3) Please refer to Note 3 of the financial statements for additional information regarding capital assets.

1501 West Washington Street, Indianapolis, IN 46222
317.615.2100
www.INDYGO.net