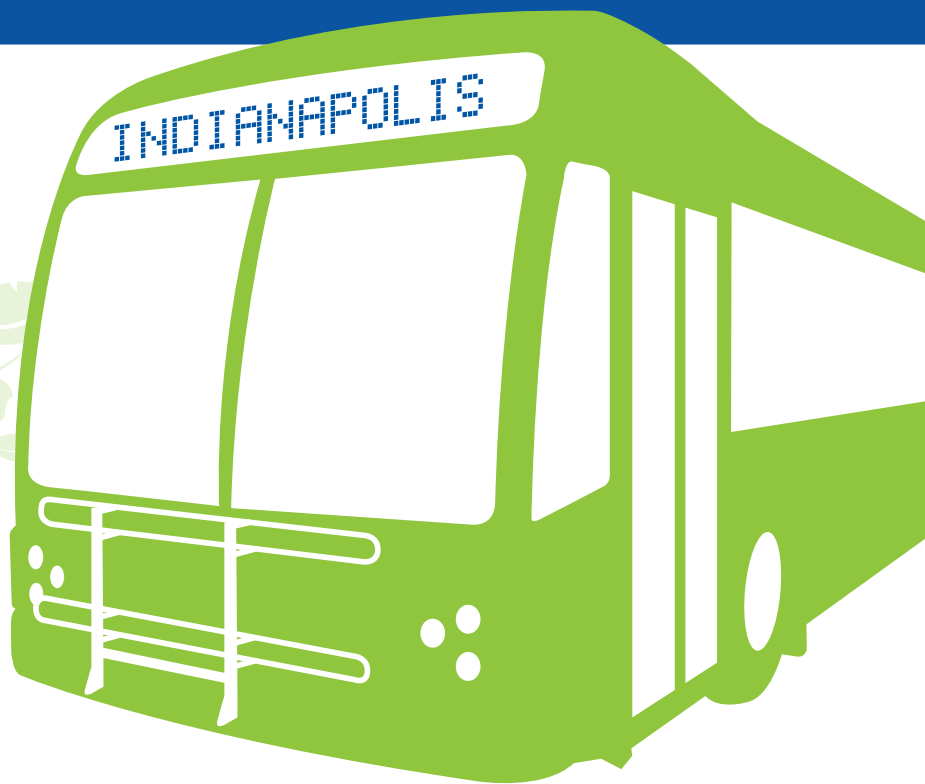




2011 Comprehensive Annual Financial Report

Indianapolis
Air Sustainability
Award Winner!



Indianapolis Public Transportation Corporation, State of Indiana.
Comprehensive Annual Financial Report for the year ending December 31, 2011.
A component unit of the consolidated City of Indianapolis-Marion County
Government Reporting Entity.

COMPREHENSIVE ANNUAL 2011 FINANCIAL REPORT



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

Michael A. Terry, President & CEO

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
INDIANAPOLIS, INDIANA
FOR THE YEAR ENDING
DECEMBER 31, 2011



Rolled Out New Hybrids

In 2011, IndyGo introduced 22 new vehicles into its fleet – 11 of them are hybrid electric/diesel buses. IndyGo has been recognized by the city for its aggressive efforts in advancing sustainability.

TABLE OF CONTENTS

SECTION ONE - INTRODUCTORY

Letter of Transmittal	II
GFOA Certificate of Achievement.....	VII
Organizational Chart.....	VIII
Principal Officials and Management.....	IX
Service Area and Routes	X
Taxing Districts	XI

SECTION TWO - FINANCIAL

Report of Independent Auditors.....	1
Management's Discussion and Analysis	3
Financial Statements	
Statements of Net Assets	10
Statements of Revenue, Expense and Changes in Net Assets	11
Statements of Cash Flows.....	13
Notes to Financial Statements	15
Schedule of Funding Progress	32

SECTION THREE - STATISTICAL (Unaudited)

Financial Trends	
Net Assets by Component.....	35
Operating Expenses by Type	36
Changes in Net Assets	37
Revenue Capacity	
Operating Revenue by Source	38
Non-operating Revenues and Expenses	39
Assessed Value and Estimated Actual Value of Taxable Property.....	40
Debt Capacity	
Property Tax Levies and Collections	41
Ratios of General Bonded Debt Outstanding	42
Direct and Overlapping Property Tax Rates.....	43
Direct and Overlapping Bonded Debt and Bonding Limit.....	44
Demographic and Economic Information	
Demographic and Economic Statistics	45
Principal Employers	46
Principal Property Tax Payers	47
Operating Information	
Operating Information	48
Schedule of Insurance in Force	49
Transit Vehicles.....	50

SECTION ONE – INTRODUCTORY

Letter of Transmittal	II
GFOA Certificate of Achievement.....	VII
Organizational Chart.....	VIII
Principal Officials and Management.....	IX
Service Area and Routes	X
Taxing Districts.....	XI

May 25, 2012

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



We are pleased to submit for your information and consideration the Comprehensive Annual Financial Report (CAFR) of the Indianapolis Public Transportation Corporation (IPTC, IndyGo or the Company) for the year ended December 31, 2011.

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

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

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

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

The independent audit of the accompanying basic financial statements of 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

In 2011, IndyGo showed a strong commitment to sustainability, operational efficiencies and improved customer service, resulting in increased ridership and several other significant milestones. Below are some of the corporation’s accomplishments and enhancements for the year.

Ridership

IndyGo ridership showed an upward trend for 2011. The company delivered more than 9.5 million passenger trips in 2011, a 10.16% increase over the previous year.

- Local Service (30 fixed routes): 9,207,465 trips
- Open Door (paratransit): 257,368 trips
- Green Line Downtown/Airport Express: 45,919 trips

Green Initiatives

· Twenty-two new IndyGo buses hit the streets in 2011, eleven of which use hybrid electric technology. An alternative energy grant made available by Indiana Senator Richard Lugar in 2010 allowed IndyGo to upgrade and procure eleven new hybrid buses.

· IndyGo was awarded \$2,000,000 in Congestion Mitigation Air Quality (CMAQ) funds that will allow IndyGo to upgrade and procure four additional new hybrid buses.

Operational Efficiencies

· Open Door para transit service consistently operated under budget, by as much as 12% in some months, due to efficiencies in operations, including needs assessments done at agency locations and self-certifications.

- Improved management of staffing levels for fixed route operators led to a reduction of more than 50% in lost service and a reduction of approximately 10% in total overtime hours worked.

- The vehicle maintenance department's continuing education program keeps our technicians current on newest technology that helps to reduce mechanical incidents on our aging fleet, many of which are beyond their useful life.

Facility Upgrades

- IndyGo used State of Good Repair federal grant dollars to begin making upgrades within its 8.5-acre facility, including:

- Mid-life rebuilds of 2003 year buses.
- Design of Phase II Facility upgrade.

Customer Service

- IndyGo web site (IndyGo.net) received a facelift in 2011. With more than 40,000 visits per month, this overhaul improved communications with commuters and visitors throughout Marion County.

- IndyGo's schedules are now integrated with GOOGLE Maps. GOOGLE Trip Planner is a free user tool providing easy-to-understand bus trip plans based on inputs such as origin, destination and time.

Achievements & Milestones

- IndyGo was the recipient of the Mayor's 2011 Indianapolis Sustainability Award for its community collaborations program.

- IndyGo has earned the Transportation Security Administration's (TSA) highest rating of "Gold Standard" on the agency's 2011 Baseline Assessment for Security Enhancement (BASE) for their dedication to building a strong security program.

- IndyGo proudly recognized 136 drivers who put safety first through the Safe Driver's Award Program. Seventeen of these individuals had 20-plus years of safe driving on their records.

Collaborations

- IndyGo has multiple collaborations through the year, which provide reciprocal promotional support for specific events and organizations. IndyGo collaborations in 2011 included IndyCOG, Indiana State Fair, People for Urban Progress, Children's Museum Guild, and many other agencies around Indianapolis.

Factors Affecting Financial Condition

Local Economy

The recession from 2008 lingered through 2011 although Marion County continued to slowly recover, with unemployment rates declining and a general economic rebound. While average wages grew 4.3%, poor job growth has unemployment still higher than 8%. The year 2011 can be characterized as a period of slow recovery, increased wages, a shrinking labor force, and rising fuel costs.

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

In April of 2011, legislation was enacted that eliminated the dedicated funded Public Mass Transportation Fund (PMTF), which distributes state sales tax revenue to Indiana public transportation service providers. While amounts for 2012 and 2013 are listed in the State's budget, it is now a budget line item instead of a dedicated source of state transit funding subject to reductions and the biennial budget process.

Similar effects are impacting the government at the Federal level with high national unemployment, lower fuel tax receipts, and cost to wage conflicts, continued budget deficits and debt ceiling limitations. Normally, there is a six-year authorization bill that establishes Section 5309 funding which IndyGo has relied on for bus replacement and other capital improvements. This bill is two years late being enacted with the last bill "Safe, Accountable, Flexible, and Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU)" being enacted in 2005. Similarly, during 2011, the Section 5307 Federal Formula Allocation was late being enacted with several continuing resolutions and a threat to shut down the government prior to final passage.

The instability of the world's economy and conflicts has impacted IndyGo's purchasing power in regards to diesel fuel. The availability and price fluctuation of crude oil and distillates has placed financial pressures on a major operating expense for diesel fuel. The world markets are too volatile to project with certainty the financial impact on future budgets.

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

Financial policies

During 2011, IndyGo maintained excess idle cash for capital projects in high interest bank accounts and certificates of deposit, averaging a yield of approximately fifteen basis points. IPTC engaged investment advisors and implemented a plan to increase the yield on excess cash while maintaining the security of the investments. The plan includes investments in government backed securities and additional investments in certificates of deposit. The goal for 2012 is to earn seventy-five basis points on invested excess cash while reducing bank fees.

The budget for 2011 included matching the cost of preventative maintenance and the capital cost of contracting with purchased transportation providers with cash from the capital cumulative fund in the amount of \$2.2 M. Previously, cumulative funds were only used for the acquisition of long-lived assets. These measures were taken to preserve the levels of service during a period of rising costs and shrinking revenue.

While the cost of labor for bargaining unit personnel has risen 1.5% during 2010 and 2.25% in 2011 pursuant to the collective bargaining unit agreement, wages for non-bargaining unit employees had remained unchanged for the last four years. Consequently, turnover of key management personnel has been experienced.

IndyGo has been unable to sustain funding for financial reserves. The focus has been to maintain as much transit service on the street as possible. With nearly 75% of riders categorized as "transit dependent," it is imperative that service be preserved. This strategy is not without ramifications. With an aging bus fleet, the capital funds used for operations are not allowing IndyGo to maintain a bus replacement program. The cost to operate and maintain the aging bus fleet is impacting the operating

budget. Efforts to secure additional capital funding from federal, state and local sources continues, but regarded as “one time” funds and not recurring.

Recognition

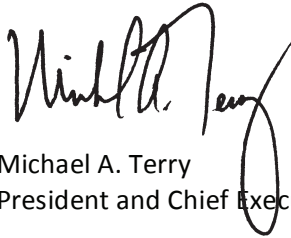
For the ninth straight year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to IndyGo for its Comprehensive Annual Financial Report for the year ended December 31, 2010.

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

Acknowledgments

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael A. Terry". The signature is fluid and cursive, with a large loop at the end.

Michael A. Terry
President and Chief Executive Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to
Indianapolis Public Transportation
Corporation - IndyGo, Indiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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



Linda C. Danison

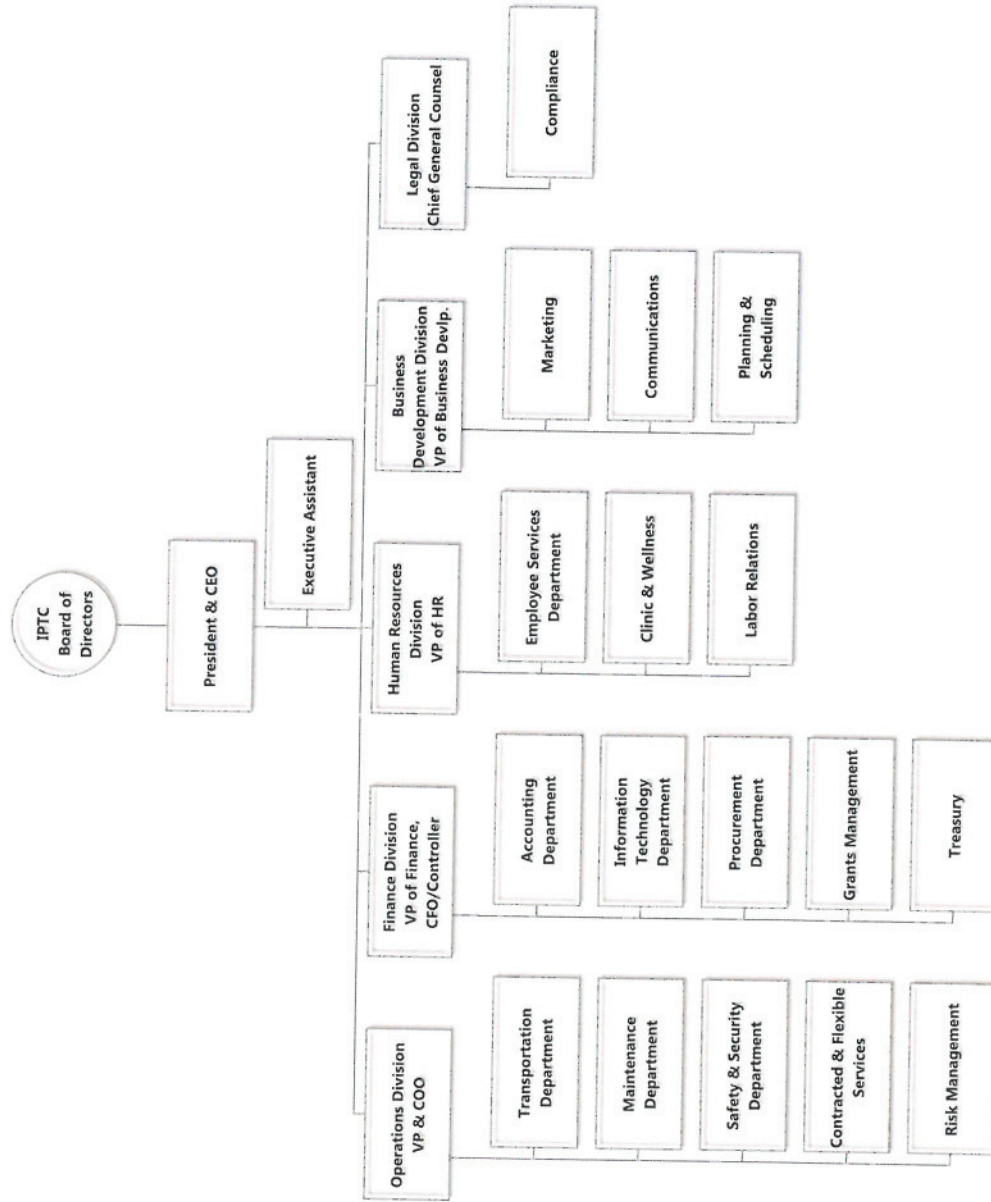
President

Jeffrey R. Enen

Executive Director



Indianapolis Public Transportation Corporation



INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION - IndyGo
Board of Directors, Principal Officials and Management

<u>Name</u>	<u>Approximate Length of Service</u>	<u>Occupation</u>
<u>Appointed Board of Directors</u>		
Danny M. Crenshaw, Chair (Council)	8-1/2 yrs	President Crenshaw Insurance Agency
Alan Rowland, Vice Chair (Council)	3-1/2 yr	Business Development Manager CompTIA
Juan Gonzalez, Treasurer/Sec'y (Mayor)	2 yr.	Vice President - Sr. Business Banking Relationship Manager Key Bank
Tommie L. Jones, (Council)	11-1/2 yrs	Retired Professional Educator Decatur Township School District
Gregory Bedan (Council)	5-1/2 yrs	Consultant Kreative Konnections LLC
Jason Konesco (Mayor)	1 yr.	President, Harrison College
David Wu (Mayor)	1 yr.	Vice President Business Intelligence & Analytics, Angie's List

IPTC Principal Management Staff

Michael A. Terry	8-1/2 yrs	President/CEO
Janice E. Kreuscher	8 1/2 yrs	General Counsel
Wayne Oteham	10 yrs	VP/CFO/Controller
Samantha Cross	6 yrs	Dir. Business Development
Trevor Ocock	4 yrs	VP/ COO
Mike Birch	2 mos	Dir. Human Resources

Above information is as of 12/31/11



7 days a week Monday - Sunday

- Route 2 - East 34th Street
- Route 3 - Michigan Street
- Route 5 - E. 25th/North Harding
- Route 8 - Washington Street
- Route 10 - 10th Street
- Route 12 - Minnesota
- Route 13 - Raymond
- Route 14 - Prospect
- Route 15 - Riverside
- Route 17 - College
- Route 19 - Castleton
- Route 28 - St. Vincent
- Route 31 - Greenwood
- Route 37 - Park 100
- Route 38 - Lafayette Square
- Route 39 - East 38th Street
- Route 205 - Green Line Downtown/Airport Express*

6 days a week Monday - Saturday

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

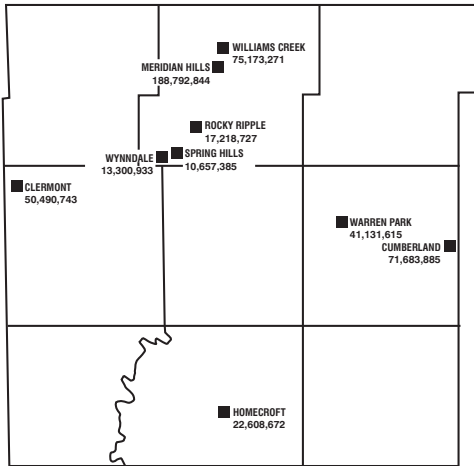
5 days a week Monday - Friday

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

Indianapolis Public Transportation Corporation Taxing Districts

MAP 1

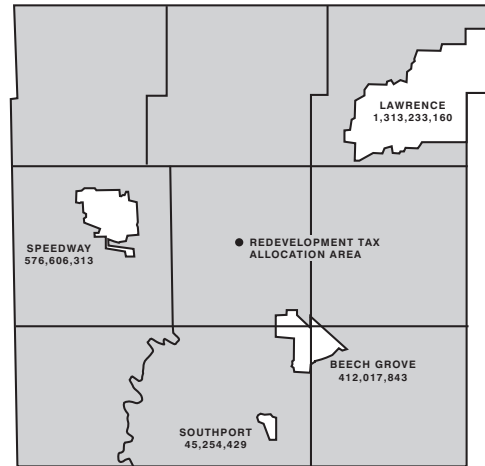
(In Thousands)



MARION COUNTY AND INCLUDED TOWNS

	True Value
	Assessed Valuation
Marion County	34,203,195,277
Included towns (9)	491,058,075

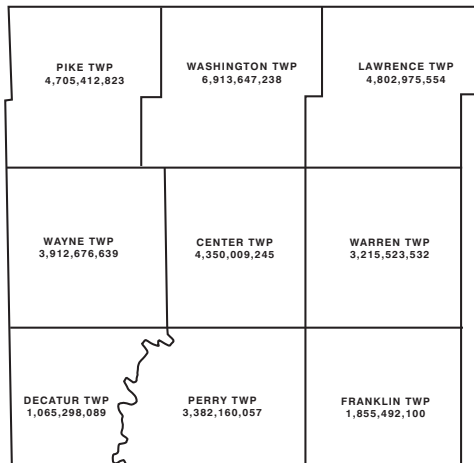
MAP 2



CONSOLIDATED CITY OF INDIANAPOLIS

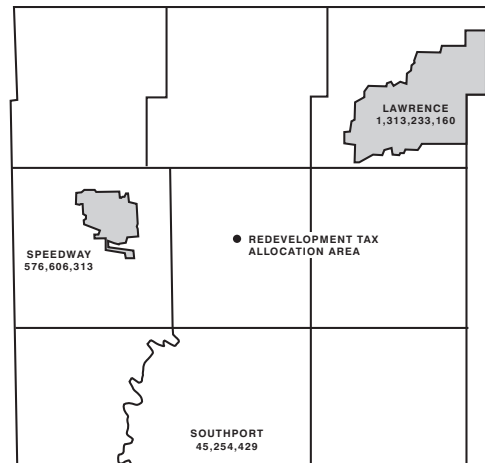
	Assessed Valuation
City of Indianapolis	31,856,083,532
Excluded Cities and Towns	2,347,111,745

MAP 3



TOWNSHIP (ASSESSED VALUATIONS)

MAP 4



IPTC TAXING DISTRICT

IPTC	32,268,101,375
Excluded Cities and Towns	1,935,093,902

[1] The assessed value figures are those certified by Marion County Auditor Abstract as of 2011.

[2] Map 4 represents the taxing district of IPTC, not including excluded cities and towns.

SECTION TWO – FINANCIAL

Report of Independent Auditors.....	1
Management’s Discussion and Analysis.....	3
Financial Statements	
Statements of Net Assets.....	10
Statements of Revenue, Expense and Changes in Net Assets	11
Statements of Cash Flows	13
Notes to Financial Statements.....	15
Schedule of Funding Progress	32

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

FINANCIAL STATEMENTS

December 31, 2011

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

FINANCIAL STATEMENTS
December 31, 2011

CONTENTS

REPORT OF INDEPENDENT AUDITORS	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	2
FINANCIAL STATEMENTS	
STATEMENT OF NET ASSETS	9
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS	11
STATEMENT OF CASH FLOWS	12
NOTES TO FINANCIAL STATEMENTS	14
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
SCHEDULE OF FUNDING PROGRESS	32

REPORT OF INDEPENDENT AUDITORS

Board of Directors
Indianapolis Public Transportation Corporation
Indianapolis, Indiana

We have audited the accompanying statement of net assets of Indianapolis Public Transportation Corporation (IPTC) (a municipal corporation and a component unit of the consolidated City of Indianapolis-Marion County Government Reporting Entity) as of December 31, 2011, and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the IPTC's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IPTC at December 31, 2011, and the respective changes in its financial position and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 2 through 8 and the Schedule of Funding Progress on page 32 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


Crowe Horwath LLP

Indianapolis, Indiana
May 25, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended December 31, 2011

This section of the annual financial report presents a discussion and analysis of the Indianapolis Public Transportation Corporation's (IPTC's) financial performance for the year ended December 31, 2011. Please read this section in conjunction with the IPTC financial statements in the section that follows. For more detailed information on long-term debt activity and capital asset activity please refer to the relevant disclosures in the notes accompanying the basic financial statements.

FINANCIAL HIGHLIGHTS

- IPTC's assets exceeded its liabilities at December 31, 2011 by \$57 million (net assets). Of this amount, \$6 million (unrestricted net assets) may be used to meet IPTC's ongoing obligations arising from providing transportation service to the community.
- Fare revenues for 2011 increased 7 percent over that of the prior year.
- FTA capital contributions for 2011 decreased 42 percent from that of the prior year.
- FTA local operating and planning grants and preventative maintenance funding for 2011 decreased by 20 percent under that of the prior year.
- Operating expenses before depreciation decreased 6 percent from the prior year.
- Net assets increased approximately \$2.3 million or 4 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended December 31, 2011

FINANCIAL STATEMENT ANALYSIS

Net Assets

The IPTC's total assets at December 31, 2011 were approximately \$80 million. This represents a decrease of approximately 4 percent from the prior year. Liabilities approximated \$22 million, a decrease of 20 percent for 2011. The overall decrease in liabilities is attributed to payment of ongoing obligations with no additional debt issued during the year.

Approximately \$34 million, or 59 percent, of the net assets reflects investments in capital assets, less any related debt. Approximately \$17 million, or 30%, of the net assets is restricted for the future acquisition of capital assets. Approximately \$6 million, or 11%, may be used to meet IPTC's ongoing obligations arising from providing transportation services to the community.

TABLE 1 - NET ASSETS

	<u>2011</u>	<u>2010</u>
Assets:		
Current assets	\$ 33,792,358	\$ 39,233,400
Capital assets (net)	42,027,359	43,391,298
Other non-current assets	<u>4,039,516</u>	<u>393,461</u>
Total Assets	<u>\$ 79,859,233</u>	<u>\$ 83,018,159</u>
Liabilities:		
Current liabilities	\$ 8,944,238	\$ 12,239,425
Non-current liabilities	<u>13,485,332</u>	<u>15,688,055</u>
Total liabilities	<u>22,429,570</u>	<u>27,927,480</u>
Net assets:		
Invested in capital assets, net of related debt	33,984,607	33,867,492
Restricted	17,268,294	17,716,406
Unrestricted	<u>6,176,762</u>	<u>3,506,781</u>
Total net assets	<u>57,429,663</u>	<u>55,090,679</u>
Total liabilities and net assets	<u>\$ 79,859,233</u>	<u>\$ 83,018,159</u>

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended December 31, 2011

Changes in Net Assets

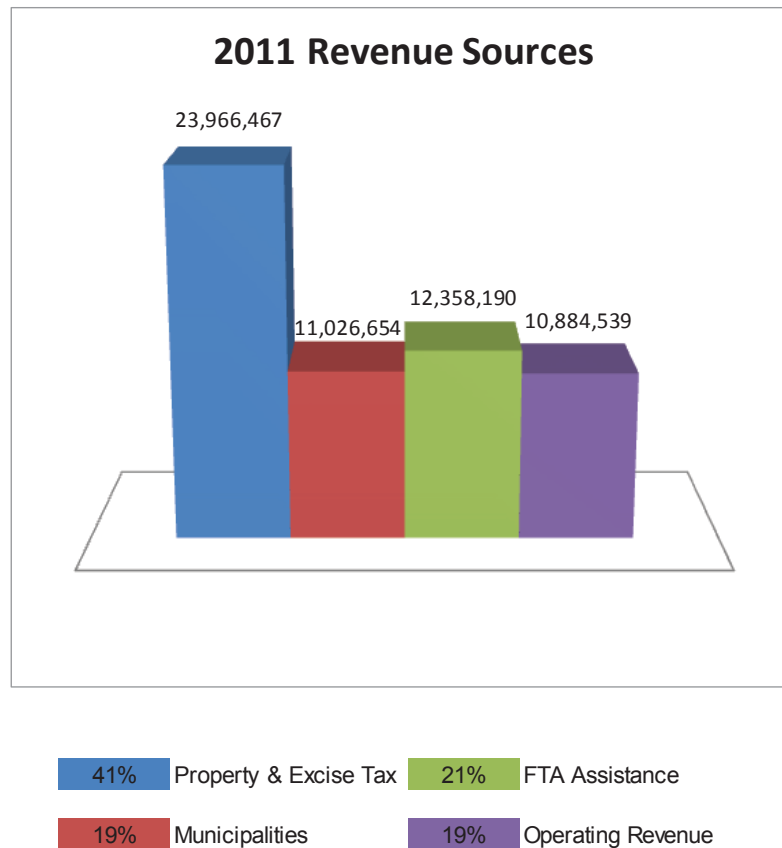
The change in net assets for 2011 represents an increase of approximately \$2 million, or 4 percent. Of this amount, total revenues decreased approximately \$6 million, or 9 percent. This decrease is mainly attributed to a \$3 million decrease, or 25 percent, in federal operating assistance and a \$5 million decrease, or 42%, in federal capital grants. Overall operating expenses, excluding depreciation decreased \$3.3 million, or 6 percent. This decrease is attributed in part to an environmental remediation expenditure of \$2 million incurred in 2010.

TABLE 2 - CHANGES IN NET ASSETS

	<u>2011</u>	<u>2010</u>
Operating revenues		
Passenger fares	\$ 10,401,922	\$ 9,707,471
Advertising	<u>482,617</u>	<u>289,068</u>
Total operating revenues	<u>10,884,539</u>	<u>9,996,539</u>
Non-operating revenues (expenses)		
Property and excise tax	23,966,467	23,879,654
Municipalities	11,026,654	11,798,407
FTA Assistance	12,358,190	15,457,006
Contributions – capital grants	7,022,467	12,186,098
Other net revenues (expenses)	<u>(31,543)</u>	<u>(1,913,323)</u>
Total non-operating revenues	<u>54,342,235</u>	<u>61,407,842</u>
Total revenues	65,226,774	71,404,381
Operating expenses		
Transportation	28,378,033	30,175,698
Maintenance of equipment, including fuel	15,409,628	15,820,401
Administrative and general	7,362,450	8,377,011
Claims and insurance	1,860,421	1,968,982
Depreciation	<u>9,877,258</u>	<u>7,200,405</u>
Total operating expenses	<u>62,887,790</u>	<u>63,542,497</u>
Change in net assets	2,338,984	7,861,884
Total net assets, beginning of year	<u>55,090,679</u>	<u>47,228,795</u>
Total assets, end of year	<u>\$ 57,429,663</u>	<u>\$ 55,090,679</u>

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended December 31, 2011

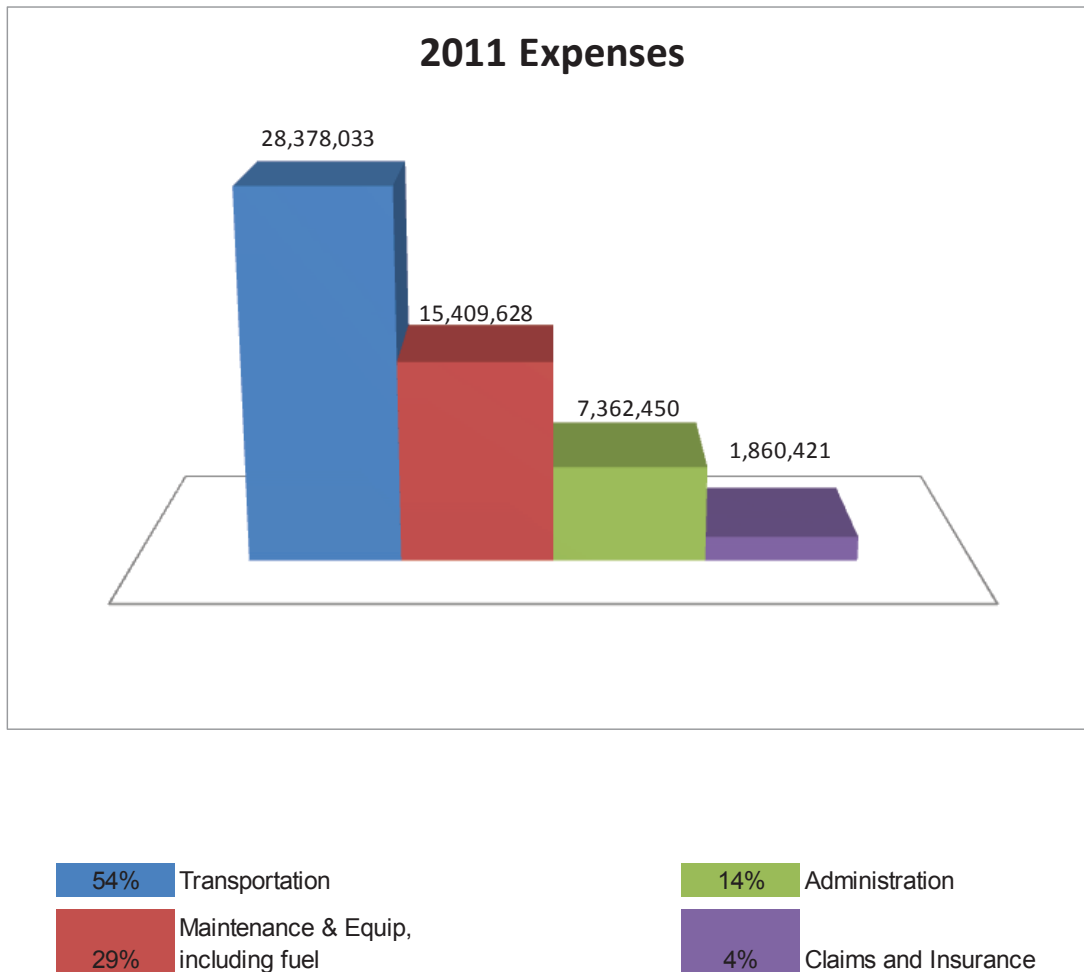
Revenues: For 2011, total operating revenues increased approximately \$888,000, or 9 percent. Non-operating revenue, excluding capital grant contributions and other revenue (expenses), decreased approximately \$3.8 million, or 7 percent.



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

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended December 31, 2011

Expenses: Total operating expenses, excluding depreciation, are approximately \$53 million for 2011. This is a decrease of \$3.3 million, or 6 percent from prior year. This decrease is attributed in part to a nonrecurring environmental remediation expenditure of \$2 million incurred in 2010.



The expenses and percentages presented exclude “depreciation” expense.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

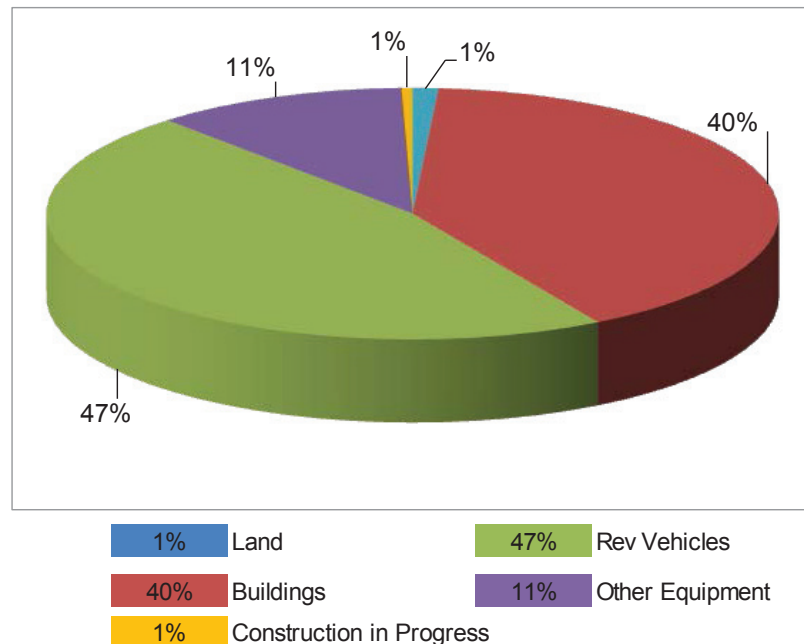
As of December 31, 2011, IPTC had invested approximately \$42 million in capital assets, net of accumulated depreciation. Compared to the prior year, this amount represents a decrease of approximately \$1 million. The decrease is due to annual depreciation expense exceeding capital asset acquisitions during the year. Please refer to Note 3 of the financial statements included in the next section of this report for additional information regarding capital assets activity.

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

Significant capital asset acquisitions during 2011 included the following:

- Over \$900 thousand was utilized to upgrade and enhance the facility, route sidewalks and shelters
- IPTC acquired 22 new Fixed Route Coaches at a combined cost of approximately \$10.6 million

Percentage allocation invested in capital assets:



INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended December 31, 2011

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

- For several years, IPTC has been working with local officials and consulting teams to identify the best location to operate a downtown transit center. In 2009, a site evaluation was conducted at a location in close proximity to current multimodal services (i.e. trains, buses, park and ride, pedestrian and bike). Operational plans for transit services from this site were considered and validated for future development. However, due to issues with relocation plans with the current tenant, a new site will have to be identified. Preliminary plans for updated milestones should be complete by fall of 2012. Federal and Local match funding is available at this time.

Debt Disclosures

As of December 31, 2011, IPTC had approximately \$14.7 million of notes and bonds payable. During 2011, bonds and notes payable were repaid pursuant to the maturity schedule of each issue. As of December 31, 2011, IPTC management reported compliance with all restrictive covenants on its borrowing agreements. Please refer to Note 4 of the financial statements included in next section of this report for additional information regarding debt activity.

CURRENTLY KNOWN FACTS

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

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

FINANCIAL STATEMENTS

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
STATEMENT OF NET ASSETS
December 31, 2011

ASSETS

Current Assets

Cash and cash equivalents (Note 2):

Working capital	\$ 12,127,653
Capital asset acquisition	9,873,399
Liability reserve accounts	<u>2,001,420</u>
Total cash and cash equivalents	24,002,472

Investments – Capital asset acquisition (Note 2) 3,776,587

Receivables:

Federal grants	2,592,709
Operations receivables, net	<u>747,734</u>
Total receivables	3,340,443

Other Current Assets:

Materials and supplies inventory, net	2,192,196
Deposits and prepaid expenses	<u>480,660</u>
Total other current assets	<u>2,672,856</u>

Total current assets 33,792,358

Noncurrent assets

Investments – Capital asset acquisition (Note 2) 3,618,308

Bond issue cost, unamortized 159,155

Net other post-employment benefit asset (Note 10) 262,053

Capital assets (Note 3):

Non-depreciable assets:

Land	1,375,654
Construction in progress	<u>583,098</u>
Total non-depreciable assets	1,958,752

Depreciable assets:

Buildings and improvements	48,400,538
Revenue vehicles and equipment	56,008,322
Other equipment	<u>13,396,697</u>
Total depreciable assets	<u>117,805,557</u>

Total capital assets 119,764,309

Accumulated depreciation (77,736,950)

Capital assets, net of depreciation 42,027,359

Total noncurrent assets 46,066,875

Total assets \$ 79,859,233

See accompanying notes to financial statements.

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
STATEMENT OF NET ASSETS
December 31, 2011

LIABILITIES AND NET ASSETS

Current liabilities

Accounts and contract services payable	\$ 2,064,689
Accrued payroll and benefits	1,766,579
Deferred fare revenue	334,231
Notes payable (Note 4)	1,674,153
Bonds payable (Note 4)	1,510,000
Risk management - unpaid claim estimates (Note 5)	792,086
Federal grantor reimbursement payable	189,500
Pension arbitration liability (Note 9)	135,000
Environmental remediation liability (Note 8)	<u>478,000</u>
Total current liabilities	<u>8,944,238</u>

Noncurrent liabilities

Notes payable (Note 4)	5,000,000
Bonds payable, net of premium (Note 4)	6,532,752
Risk management – unpaid claim estimate (Note 5)	139,780
Pension arbitration liability (Note 9)	405,000
Environmental remediation liability (Note 8)	<u>1,407,800</u>
Total noncurrent liabilities	<u>13,485,332</u>
Total liabilities	<u>22,429,570</u>

Net assets

Invested in capital assets, net of related debt	33,984,607
Restricted for capital assets acquisition	17,268,294
Unrestricted	<u>6,176,762</u>
Total net assets	<u>57,429,663</u>

Total liabilities and net assets	<u>\$ 79,859,233</u>
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See accompanying notes to financial statements.

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Year ended December 31, 2011

Operating revenues	
Passenger fares	\$ 10,401,922
Advertising	<u>482,617</u>
Total operating revenues	<u>10,884,539</u>
Operating expenses	
Transportation	28,378,033
Maintenance of equipment, including fuel	15,409,628
Administrative and general	7,362,450
Claims and insurance	1,860,421
Depreciation	<u>9,877,258</u>
Total operating expenses	<u>62,887,790</u>
Operating loss	(52,003,251)
Non-operating revenues (expenses)	
Operating assistance:	
Property and excise tax	23,966,467
Municipalities	11,026,654
FTA and local operating and planning grants, and preventative maintenance funding	12,358,190
Other net revenues (expenses) (Note 7)	<u>(31,543)</u>
Total non-operating revenue	<u>47,319,768</u>
Change in net assets before capital contribution	(4,683,483)
Contributions - capital grants	<u>7,022,467</u>
Change in net assets	2,338,984
Net assets, beginning of year	<u>55,090,679</u>
Net assets, end of year	<u>\$ 57,429,663</u>

See accompanying notes to financial statements.

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
STATEMENT OF CASH FLOWS
Year ended December 31, 2011

Cash flows from operating activities	
Receipts from customers	\$ 10,525,033
Payments for transportation	(28,378,033)
Payments for maintenance of equipment, including fuel	(16,120,686)
Payments for administrative and general	(7,426,474)
Claims and insurance paid to external parties	<u>(1,954,801)</u>
Net cash used by operating activities	(43,354,961)
Cash flows from noncapital financing activities	
Property and excise tax distributions	23,966,468
Assistance from municipalities	11,026,654
FTA operating assistance	12,310,565
Interest paid on notes payable	(99,455)
Payments on pension arbitration	<u>(135,000)</u>
Net cash provided by noncapital financing activities	47,069,232
Cash flows from capital and related financing activities	
Capital grant receipts	9,063,412
Purchases of capital assets	(10,938,786)
Proceeds from sale of capital assets	63,139
Principal paid on debt	(1,430,000)
Interest paid on debt	<u>(362,381)</u>
Net cash used by capital and related financing activities	(3,604,616)
Cash flows from investing activities	
Purchases of investments	(7,416,438)
Interest received on cash and cash equivalents	<u>63,885</u>
Net cash used by investing activities	<u>(7,352,553)</u>
Net decrease in cash and cash equivalents	(7,242,898)
Cash and cash equivalents, beginning of year	<u>31,245,370</u>
Cash and cash equivalents, end of year	<u>\$ 24,002,472</u>

See accompanying notes to financial statements.

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
STATEMENT OF CASH FLOWS
Year ended December 31, 2011

**Reconciliation of operating loss to net cash used by
operating activities:**

Operating loss	\$ (52,003,251)
Adjustments to reconcile income (loss) to net cash:	
Depreciation expense	9,877,258
Changes in assets and liabilities:	
Other receivables	(363,889)
Materials and supplies inventory	(53,367)
Deposits and prepaid expense	16,182
Accounts and contract services payable	(453,658)
Accrued payroll and benefits	(108,017)
Deferred fare revenue	4,382
Risk management	(94,380)
Other post-employment benefit obligation (asset)	(64,021)
Environmental remediation	<u>(112,200)</u>
Net cash used by operating activities	<u>\$ (43,354,961)</u>

**Supplemental schedule of noncash investing
and financing activities:**

Capital assets in accounts payable	\$ 74,362
Forgiveness of debt	\$ 233,799

See accompanying notes to financial statements.

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: IPTC operates in one business segment, public transportation, as an enterprise fund. IPTC's purpose is to acquire, provide and maintain an urban mass transportation system for the metropolitan Indianapolis area. Indianapolis Public Transportation Corporation (IPTC) d/b/a IndyGo was formed on August 7, 1973 by City-County Council General Ordinance No. 36 as a municipal corporation, which has no stockholders, under the provisions of IC 36-9-4. Management of IPTC has determined that it is a component unit of the Consolidated City of Indianapolis-Marion County Government Reporting Entity in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 and is considered financially accountable to such reporting entity.

The Board of Directors of IPTC consists of seven members, three of whom are appointed by the Mayor of the City of Indianapolis (Mayor) and four of whom are appointed by the City of Indianapolis-Marion County Council (Council). The IPTC Board designates the management of IPTC, namely the General Manager, the Assistant General Managers and the other principal members of the management staff. The IPTC Board adopts the budget, tax levy, and the issuance of debt. In addition, the Council approves the budget, tax levy, and the issuance of debt.

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

Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, IPTC applies Financial Accounting Standards Board pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails, and all of the GASB pronouncements issued subsequently.

Use of Estimates in Preparation of Financial Statements: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(Continued)

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

Cash Equivalents: For purposes of the statement of cash flows, IPTC considers all liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash equivalents. At December 31, 2011, cash equivalents consisted of demand and money market deposit accounts.

(Continued)

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

- **Capital Asset Acquisition Accounts**: Proceeds from the sale of the Indianapolis Local Public Improvement Bond Bank Bonds, Series 1999C (subsequently refunded with the 2011C issue) and Series 2002C issued by the Indianapolis Local Public Improvement Bond Bank and capital asset acquisition funds generated as a separate tax (cumulative funds) are restricted to expenditures for the acquisition of additional revenue vehicles and other capital equipment. In 2004, IPTC established a cumulative transportation fund under IC 36-9-4-48 setting forth a separate tax levy for the acquisition of capital assets.
- **Liability Reserve Accounts**: Funds deposited in these accounts are set aside from the general operations of IPTC and used only for the payment of claims arising from accidents involving IPTC that exceed \$100,000.

Receivables: Management has recorded an allowance of \$10,000 for operating receivables. Management has not made a provision for an allowance for uncollectible property tax receivables or federal grants receivables.

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

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

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

(Continued)

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Commitments: IPTC entered into fixed unit cost fuel contracts for the purchase of 1,515,000 gallons of fuel. Total fuel cost commitment under these contracts was \$4,061,580 at December 31, 2011.

Subsequent to December 31, 2011, IPTC entered into construction commitments not to exceed \$4.475 million for Phase II upgrade, bus shelter and sign service work.

(Continued)

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2011

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments are reported in the accompanying statements of net assets as of December 31, 2011 as follows:

	<u>2011</u>
Current assets	
Cash and cash equivalents	
Working capital	\$ 12,127,653
Capital asset acquisition	9,873,399
Liability reserve	2,001,420
Investments – Capital asset acquisition	3,776,587
Noncurrent assets:	
Investments – Capital asset acquisition	<u>3,618,308</u>
	<u>\$ 31,397,367</u>
Cash and cash equivalents	\$ 24,002,472
Investments	<u>7,394,895</u>
	<u>\$ 31,397,367</u>

Deposits: IPTC maintains cash and cash equivalents deposits with area financial institutions. A summary of these deposits at December 31, 2011 is as follows:

	----- <u>2011</u> -----	
	Carrying Value	Bank Balance
On hand	\$ 1,000	\$ -
Cash deposits:		
Insured by FDIC	2,105,829	2,114,802
Insured by Indiana Public Deposits Insurance Fund	<u>21,895,643</u>	<u>22,091,967</u>
	<u>\$ 24,002,472</u>	<u>\$ 24,206,769</u>

During the year ended December 31, 2011, IPTC held interest bearing demand deposit accounts and interest bearing savings accounts with Indiana financial institutions. Demand deposits are fully insured by the Federal Depositary Insurance Corporation or by the Indiana Public Deposits Insurance Fund.

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

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

(Continued)

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2011

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

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investments. The nature of IPTC deposits and investments do not present high exposure to interest rate market risks due to their short term nature. At December 31, 2011, IPTC had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>----- Maturities (in Years) -----</u>	
		<u>Less than 1</u>	<u>1 - 3</u>
Certificates of Deposit	\$ 1,510,088	\$ 1,008,790	\$ 501,298
Government-backed Mortgage Notes	<u>5,884,807</u>	<u>2,767,798</u>	<u>3,117,009</u>
	<u>\$ 7,394,895</u>	<u>\$ 3,776,588</u>	<u>\$ 3,618,307</u>

Credit Risk and Custodial Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Custodial credit risk is the risk that the IPTC will not be able to recover the value of its deposits, investments or collateral securities that are in the possession of an outside party if the counter party fails. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized or collateralized with securities held by the pledging financial institution. At December 31, 2011, the IPTC's investments, along with their respective ratings from Moody's Investor Services, were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Certificates of Deposit	\$ 1,510,088	Unrated
Government-backed Mortgage Notes	<u>5,884,807</u>	Aaa
	<u>\$ 7,394,895</u>	

Concentration of Credit Risk: Concentration of credit risk is the risk of loss that may arise in the event of default by a single issuer. IPTC places no limit on the amount IPTC may invest in any one issuer. The following table shows investment in issuers and the representative percentage of total investments at December 31, 2011:

<u>Investment Type</u>	<u>Fair Value</u>	<u>% (rounded)</u>
Certificates of Deposit		
Ally Bank	\$ 250,795	3%
BMW Bank North America	250,503	3%
Beal Bank	250,042	3%
Wright Express Financial Services Corp	250,280	3%
National Bank of Indianapolis	508,468	7%
Government-back Mortgage Notes		
Federal Home Loan Banks	2,066,490	28%
Freddie Mac	1,758,487	24%
Fannie Mae	<u>2,059,830</u>	28%
	<u>\$ 7,394,895</u>	

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

(Continued)

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2011

NOTE 3 - CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets as follows:

	Balance January 1, 2011	Changes During Year		Balance December 31, 2011
		Additions	Reductions	
<u>Capital Assets Cost:</u>				
<u>Non-Depreciable Assets:</u>				
Land	1,375,654	-	-	1,375,654
Construction in progress*	<u>3,990,141</u>	<u>8,461,394</u>	<u>(11,868,437)</u>	<u>583,098</u>
	5,365,795	8,461,394	(11,868,437)	1,958,752
<u>Depreciable Assets:</u>				
Buildings and improvements	\$ 49,184,035	\$ 940,462	\$ (1,723,959)	\$ 48,400,538
Revenue vehicles and equipment	48,848,325	11,002,340	(3,842,343)	56,008,322
Other equipment	<u>15,057,959</u>	<u>-</u>	<u>(1,661,262)</u>	<u>13,396,697</u>
	<u>113,090,319</u>	<u>11,942,802</u>	<u>(7,227,564)</u>	<u>117,805,557</u>
	<u>\$ 118,456,114</u>	<u>\$ 20,404,196</u>	<u>\$ (19,096,001)</u>	<u>\$ 119,764,309</u>
	Balance January 1, 2011	Changes During Year		Balance December 31, 2011
		Additions	Reductions	
<u>Accumulated Depreciation:</u>				
<u>Depreciable Assets:</u>				
Buildings and improvements	\$ (31,033,223)	\$ (2,285,516)	\$ 1,723,959	\$ (31,594,780)
Revenue vehicles and equipment	(35,627,440)	(5,463,380)	3,819,903	(37,270,917)
Other equipment	<u>(8,404,153)</u>	<u>(2,128,362)</u>	<u>1,661,262</u>	<u>(8,871,253)</u>
	<u>\$ (75,064,816)</u>	<u>\$ (9,877,258)</u>	<u>\$ 7,205,124</u>	<u>\$ (77,736,950)</u>
	Balance January 1, 2011	Changes During Year		Balance December 31, 2011
		Additions	Reductions	
<u>Capital Assets, Net:</u>				
<u>Non-Depreciable Assets:</u>				
Land	1,375,654	-	-	1,375,654
Construction in progress*	<u>3,990,141</u>	<u>8,461,394</u>	<u>(11,868,437)</u>	<u>583,098</u>
	5,365,795	8,461,394	(11,868,437)	1,958,752
<u>Depreciable Assets:</u>				
Buildings and improvements	\$ 18,150,812	\$ (1,345,054)	\$ -	\$ 16,805,758
Revenue vehicles and equipment	13,220,885	5,538,960	(22,440)	18,737,405
Other equipment	<u>6,653,806</u>	<u>(2,128,362)</u>	<u>-</u>	<u>4,525,444</u>
	<u>38,025,503</u>	<u>2,065,544</u>	<u>(22,440)</u>	<u>40,068,607</u>
	<u>\$ 43,391,298</u>	<u>\$ 10,526,938</u>	<u>\$ (11,890,877)</u>	<u>\$ 42,027,359</u>

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

(Continued)

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2011

NOTE 4 - DEBT OBLIGATIONS

The following disclosure provides detail on IPTC debt obligations. At December 31, 2011, IPTC noncurrent debt consisted of bonds payable and notes payable. Changes were as follows:

	Balance January 1, 2011	Changes During Year		Balance December 31, 2011	Noncurrent	Current
		Additions	Reductions			
Bonds payable	\$ 9,265,000	\$ -	\$ (1,430,000)	\$ 7,835,000	\$ 6,325,000	\$ 1,510,000
Bond premium	258,805	-	(51,053)	207,752	207,752	-
Notes payable	6,872,906	35,046	(233,799)	6,674,153	5,000,000	1,674,153
	<u>\$ 16,396,711</u>	<u>\$ 35,046</u>	<u>\$ (1,714,852)</u>	<u>\$ 14,716,905</u>	<u>\$ 11,532,752</u>	<u>\$ 3,184,153</u>

Bonds Payable: Bonds consist of the Indianapolis Local Public Improvement Bond Bank Bonds, Series 2009C and 2002C. The amounts outstanding at December 31, 2011 are as follows:

	2011
Series 2002C	\$ 3,000,000
Series 2009C	<u>4,835,000</u>
	7,835,000
Less: Current portion	<u>1,510,000</u>
Noncurrent portion	<u>\$ 6,325,000</u>

Series 2002C Bonds - The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2002C, dated December 18, 2002, were issued in the aggregate principal amount of \$5,000,000, at a premium of \$49,626. The Series 2002C Bonds are being used to provide local matching funds for FTA grants to acquire capital assets. Bond proceeds were also used to redeem the 2001 Bond Anticipation Note. The Series 2002C Bonds bear interest rates varying from 4% to 5.125%, payable on January 10 and July 10 commencing July 10, 2004 and have serial maturities from 2006 through 2017. The Series 2002C Bonds maturing on or after January 10, 2013 may be redeemed on or after January 10, 2012, at the redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the date of redemption.

Effective February 15, 2012, IPTC executed an agreement to refund the Series 2002C bonds with Series 2012 bonds. There was a change in interest rate but no change in maturities of bonds.

(Continued)

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2011

NOTE 4 - DEBT OBLIGATIONS (Continued)

Debt service requirements for the bonds are:

<u>Years Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 280,000	\$ 145,206	\$ 425,206
2013	275,000	133,726	408,726
2014	265,000	121,764	386,764
2015	305,000	109,971	414,971
2016	<u>1,875,000</u>	<u>96,094</u>	<u>1,971,094</u>
	<u>\$ 3,000,000</u>	<u>\$ 606,761</u>	<u>\$ 3,606,761</u>

Bond interest expense on Series 2002C Bonds was \$157,206 for the year ended December 31, 2011.

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

The Series 2009C Bonds bear interest rates varying from 2.75% to 4%, payable on January 10 and July 10 commencing January 10, 2010 and have serial maturities through 2015. The Bonds are not subject to optional redemption prior to maturity dates. Debt service requirements to maturity for the outstanding bonds are as follows:

<u>Years Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,230,000	\$ 174,100	\$ 1,404,100
2013	1,315,000	131,050	1,446,050
2014	1,415,000	91,600	1,506,600
2015	<u>875,000</u>	<u>35,000</u>	<u>910,000</u>
	<u>\$ 4,835,000</u>	<u>\$ 431,750</u>	<u>\$ 5,266,750</u>

Bond interest expense on Series 2009C Bonds was \$205,175 for the year ended December 31, 2011.

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

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

(Continued)

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2011

NOTE 4 - DEBT OBLIGATIONS (Continued)

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

<u>Years Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ -	\$ 100,000	\$ 100,000
2013	<u>5,000,000</u>	<u>100,000</u>	<u>5,100,000</u>
	<u>\$ 5,000,000</u>	<u>\$ 200,000</u>	<u>\$ 5,200,000</u>

Note interest expense on this obligation was \$99,455 for the year ended December 31, 2011.

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

In 2007, an agreement was executed to extend the loan. As extended, the loan was payable no later than December 31, 2010. Concurrent with the extension of the agreement, the City expressly waived repayment of interest that had been accrued from date of origination through the date of extension of the agreement amounting to \$105,500.

During 2010, IPTC entered into an agreement with the City of Indianapolis that replaces the 2007 loan extension agreement. The new loan agreement extends the due date to no later than December 31, 2011, provides for interest at 2% per annum and provides a mechanism for repayment by investing in capital assets that are mutually beneficial to the City of Indianapolis and IPTC. An amendment to this agreement was effective in 2011 which changed due date to no later than December 31, 2012. Interest expense for the year ended December 31, 2011 was \$35,046 and has been accrued in the balance of the loan. During 2011, IPTC paid expenditures totaling \$233,799 for the completion of improvement projects to the benefit of the City of Indianapolis. The balance of the loan at December 31, 2011 was \$1,674,153. Principal and interest of \$1,674,153 and \$34,000, respectively, are due in 2012.

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

Legislation enacted under HEA 1001-2008 led to widespread changes in property tax law. Under this law, the amount of property taxes a parcel is liable for is limited to 1.5% of its assessed value (for residential), 2.5% (non-homestead residential), 3.5% (all other property) for Pay 2010, dropping to 1%, 2%, and 3% respectively for Pay 2011.

(Continued)

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2011

NOTE 4 - DEBT OBLIGATIONS (Continued)

While the terms of HEA 1001-2008 were being finalized, the state also phased in "trending" where property values are to be adjusted on an annual basis so that the next general reassessment would not be as arduous. Trending began in 2007 which caused new collection delays, and in a few counties – including Marion – continued questions of reliability caused the governor to order a reassessment in questionable counties. In 2010, IPTC issued tax anticipation warrants series 2010D for the first 6 months of the year, to provide short-term operating cash at an interest rate of 1.48%. There was no tax anticipation warrant activity for the last 6 months for the year ended December 31, 2010. There was no tax anticipation warrant activity during 2011.

NOTE 5 - RISK MANAGEMENT

IPTC is exposed to various risks of loss related to theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which IPTC carries commercial insurance and maintains certain risks. Detail of the claims liability, based upon the requirements of GASB Statement No. 10, is provided below. This requires that a liability for claims be reported if information before the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the liability can be reasonably estimated. The liability is estimated based upon historical experience. There is no significant incremental claim adjustment expense, salvage, or subrogation attributable to this liability. Activity for the year ended December 31, 2011 and 2010 was as follows:

	<u>2011</u>	<u>2010</u>
Unpaid claims, beginning of year	\$ 1,026,246	\$ 1,014,680
Incurred claims and changes in claim estimates	1,151,356	960,497
Claim payments	<u>(1,245,736)</u>	<u>(948,931)</u>
Unpaid claims, end of year	\$ <u>931,866</u>	\$ <u>1,026,246</u>
Current portion	792,086	876,496
Noncurrent portion	<u>139,780</u>	<u>149,750</u>
Unpaid claims, end of year	\$ <u>931,866</u>	\$ <u>1,026,246</u>

(Continued)

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2011

NOTE 5 - RISK MANAGEMENT (Continued)

On December 23, 1986, IPTC's Board of Directors approved the establishment of a non-reverting fund (Liability Reserve Accounts) for payment of personal injury and property damage claims in excess of \$100,000. For claims in excess of \$100,000, the amount of the claim exceeding \$100,000 will be paid out of the liability reserve accounts. Claims up to \$100,000 will be paid out of the general accounts of IPTC. IPTC is self-insured for worker's compensation without limitation and is entirely self-insured for personal injury. It is completely self-insured for property damage to coaches.

Estimates of expected losses to IPTC resulting from personal injuries for which claims have been filed or for which it is anticipated claims will be filed, have been recorded in the financial statements. Litigation occasionally results from such claims. When, in the opinion of management, such litigation will result in a loss to IPTC, provision is made in the financial statements for loss expected upon resolution. There were no significant reductions in insurance coverage during 2011 and there were no settlements that exceeded insurance coverage during 2011 for those risks that IPTC purchased insurance.

NOTE 6 - OPERATING LEASES

IPTC is obligated under certain leases through June 2014 for the Transit Store premise, parking premises and maintenance and office equipment that are accounted for as operating leases. Lease rental expense for the year ended December 31, 2011 was \$147,349. A schedule of future minimum operating lease payments required that have initial or remaining lease terms in excess of one year as of December 31, 2011:

Year Ending December 31:

2012	\$ 75,762
2013	61,306
2014	15,407
2015	-
Thereafter	-
	<u>\$ 152,475</u>

(Continued)

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2011

NOTE 7 - OTHER NON-OPERATING REVENUE (EXPENSE)

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

	<u>2011</u>
Other revenues:	
Investment income	\$ 100,071
Miscellaneous	301,636
Gain on sale of capital assets	59,847
Pass-through grants for sub-recipients	<u>828,450</u>
	1,290,004
Other expenses:	
Interest - payable from restricted debt service assets	(311,328)
Interest - payable from unrestricted assets	(134,501)
Amortization of bond issue costs	(36,273)
Bad debt expense	(10,995)
Pass-through grants to sub-recipients	<u>(828,450)</u>
	<u>(1,321,547)</u>
	<u>\$ (31,543)</u>

NOTE 8 - ENVIRONMENTAL REMEDIATION LIABILITY

The IPTC has had discussions with the Indiana Department of Environmental Management regarding a contamination remediation issue traced to leaking underground storage tanks. The cost of remediation is based upon current site knowledge/conditions, past remediation experience of site's with similar environmental issues, and the current IDEM regulations. The estimate is based on the expectation that a remediation system(s) will be required from the site to meet closure criteria under the IDEM RISC Program's Industrial Closure Criteria with an environmental deed restriction placed on the property. Activity for the year ended December 31, 2011 was as follows:

	<u>2011</u>
Environmental remediation liability, beginning of year	\$ 1,998,000
Decreases/Payments	<u>(112,200)</u>
Unpaid claims, end of year	<u>\$ 1,885,800</u>
Current portion	\$ 478,000
Noncurrent portion	<u>1,407,800</u>
Unpaid claims, end of year	<u>\$ 1,885,800</u>

(Continued)

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2011

NOTE 9 - BENEFIT PLANS

Defined Contribution Plan: IPTC maintains a defined-contribution plan, the Indianapolis Public Transportation Corporation Pension Plan, for the benefit of substantially all of its employees. All employees who are regularly scheduled to work at least 30 hours per week become eligible for the Plan on the first day of the month following commencement of employment or completion of any applicable probationary period. The Plan may be amended by action of IPTC's Board of Directors, subject to any applicable collective bargaining agreement obligations. The plan requires the employees to contribute 3.5% of their compensation. For some employees, the employer contributes 3.5% to this plan and for other employees the employer contributes 3% to this plan and .5% to the defined benefit plan pursuant to an arbitration award. Participant contributions for 2011 were \$636,681. Employer contributions for 2011 were \$548,148.

Deferred Compensation Plan: IPTC maintains an IRS Code Section 457 plan, the Indianapolis Public Transportation Corporation Deferred Compensation Plan. Employees become eligible to participate in the Plan on the first day of the second month following commencement of employment or completion of any applicable probationary period. The Plan allows for employee contributions only. Plan assets are held in a trust separate from IPTC's assets. Contributions by employees to the Plan were approximately \$202,958 for the year ended December 31, 2011.

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

IPTC, prior to this award, was not obligated to make any further contributions to this plan. Subsequent to this award, IPTC was obligated to contribute \$1,500,000 to the plan over a ten-year period ending 2015. IPTC contributed \$135,000 to the plan in 2011 and has reported a pension arbitration liability totaling \$540,000 at December 31, 2011.

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

Current portion	\$ 135,000
Noncurrent portion	<u>405,000</u>
	<u>\$ 540,000</u>

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

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

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

(Continued)

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2011

NOTE 9 - BENEFIT PLANS (Continued)

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

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

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

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

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

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

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

Annual Pension Cost and Net Pension Obligation: Because the Plan was frozen as of December 31, 1997, and because, before the freeze, the contribution requirements were not actuarially determined, many of the accounting and disclosure requirements of GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, are not applicable. There are no annual required contributions for 2011 and no annual pension cost. IPTC has determined that it has no pension liability (asset) at transition as defined by GASB Statement No. 27.

(Continued)

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2011

NOTE 9 - BENEFIT PLANS (Continued)

The Plan's obligations exceeded the market value of its assets by approximately \$808,081 at December 31, 2011. This obligation remains that of the Plan rather than of IPTC. In the event that the Plan does not attain full funding, pursuant to the Plan agreement, the net assets of the Plan will first be applied to repay individual employee contributions in excess of any employee contributions previously disbursed. The remainder of net assets will be distributed in the proportion that each employee's actuarially determined accrued benefit has to the accrued benefits of all covered employees.

The Plan's obligation was determined as part of the December 31, 2011 actuarial valuation using the aggregate actuarial cost method. The actuarial assumptions included an 8% investment rate of return (net of administrative expenses) and projected salary increases of 0% due to the Plan's freeze as of December 31, 1997. No inflation component has been considered. The projected benefit equals the employee's actual benefit (based on total compensation through December 31, 1997) with no future benefit accruals. Three-year trend information for the plan reflects that IPTC has no annual pension cost or net pension obligation.

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

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

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

<u>Year Ended December 31</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution Made</u>	<u>Percentage Contributed</u>
2011	\$ 68,660	\$ 132,400	193%
2010	79,447	156,700	197%
2009	89,377	149,700	167%

(Continued)

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2011

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

Annual OPEB Cost and net OPEB Obligation (Asset): The other post-employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the annual cost for the year, the amount actually contributed to the plan and changes in the net OPEB obligation (asset):

Annual required contribution	\$ 68,660
Interest on net OPEB obligation (asset)	(7,921)
Adjustment to annual required contribution	<u>7,640</u>
Annual OPEB cost	68,379
Contributions made	<u>132,400</u>
Increase in net OPEB obligation (asset)	(64,021)
Net OPEB obligation (asset) – beginning of year	<u>(198,032)</u>
 Net OPEB obligation (asset) – end of year	 <u>\$ (262,053)</u>

Funded Status and Funding Progress: As of December 31, 2011, the actuarial accrued liability for benefits was \$1,546,200 and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability (UAAL) of \$1,546,200. The covered payroll (annual payroll of active employees covered by the plan) was not applicable, and the ratio of the UAAL to the covered payroll was not applicable.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial valuation of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Since 2007, the first year that an actuarial valuation was performed, the schedule of funding progress reflects only the transition year's data.

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

(Continued)

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
NOTES TO FINANCIAL STATEMENTS
Year ended December 31, 2011

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

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

Measurement Date:	December 31, 2011	
Discount Rate:	4.0% effective annual rate	
Inflation Rate:	0.0%	
Compensation Increases:	Compensation amounts are assumed to increase 3% per year	
Retirement Rates:	<u>Age</u>	<u>%</u>
	55-59	5%
	60-61	10%
	62	30%
	63-64	15%
	65-69	40%
	70+	100%
Spouse Coverage:	80% of employees and retirees are assumed to have a covered spouse in retirement (no dependent children are assumed)	
Spouse Age:	Female spouses are assumed to be three years younger than male spouses	

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

INDIANAPOLIS PUBLIC TRANSPORTATION CORPORATION
(A COMPONENT UNIT OF THE CONSOLIDATED CITY OF INDIANAPOLIS
MARION COUNTY GOVERNMENT REPORTING ENTITY)
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
DECEMBER 31, 2011

Schedule of Funding Progress: Retiree Health and Life Insurance Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a percentage of Covered Payroll ((b-a)/c)
12/31/2011	\$ 0	\$ 1,546,200	\$ 1,546,200	0%	N/A	N/A
12/31/2010	0	1,582,900	1,582,900	0%	N/A	N/A
12/31/2009	0	1,784,400	1,784,400	0%	N/A	N/A



GOOGLE Maps

IndyGo routes and schedules are now available through GOOGLE. Riders can use the online Quick Trip Planner at IndyGo.net, or the maps app on most Smartphones to plan a transit trip around Indianapolis.



Dump the Pump Open House

In honor of National Dump the Pump Day, IndyGo welcomed people to get a behind-the-scenes look at its bus operations. Guests received a tour of the facility, got a close look at the new hybrid buses, and learned how public transportation benefits our community.

SECTION THREE – STATISTICAL (Unaudited)

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

Schedule		Page
	Financial Trends	
	These schedules contain trend information to assess how the Company's financial performance and well-being have changed over time.	
1	Net Assets by Component.....	35
2	Operating Expenses by Type	36
3	Changes in Net Assets	37
	Revenue Capacity	
	These schedules contain information on the Company's revenue sources and their fluctuation over time	
4	Operating Revenue by Source	38
5	Nonoperating Revenues and Expenses.....	39
6	Assessed Value and Estimated Actual Value of Taxable Property.....	40
	Debt Capacity	
	These schedules contain information about the Company's debt activity and remaining ability to borrow	
7	Property Tax Levies and Collections	41
8	Ratios of General Bonded Debt Outstanding	42
9	Direct and Overlapping Property Tax Rates.....	43
10	Direct and Overlapping Bonded Debt and Bonding Limit.....	44
	Demographic and Economic Information	
	These schedules offer demographic and economic indicators regarding the environment within the Company's financial activities take place.	
11	Demographic and Economic Statistics	45
12	Principal Employers	46
13	Principal Property Tax Payers	47
	Operating Information	
	These schedules contain information about services the Company provides and the activities it performs	
14	Operating Information	48
15	Schedule of Insurance in Force	49
16	Transit Vehicles.....	50

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

	Year 1 Actual 2003	Year 2 Actual 2004	Year 3 Actual 2005	Year 4 Actual 2006	Year 5 Actual 2007	Year 6 Actual 2008	Year 7 Actual 2009	Year 8 Actual 2010	Year 9 Actual 2011
Business-type activities									
Invested in capital assets, net of related debt	20,127,507	19,972,455	19,509,341	19,620,481	15,860,987	14,846,493	25,481,285	33,867,492	33,984,607
Restricted	5,385,503	4,601,899	4,848,101	8,240,635	12,137,992	11,486,965	16,065,599	17,716,406	17,268,294
Unrestricted	(2,959,541)	(3,718,098)	1,388,090	1,195,747	1,435,264	11,003,189	5,681,911	3,506,781	6,176,762
Total business-type activities net assets	<u>22,553,469</u>	<u>20,856,256</u>	<u>25,745,532</u>	<u>29,056,863</u>	<u>29,434,243</u>	<u>37,336,647</u>	<u>47,228,795</u>	<u>55,090,679</u>	<u>57,429,663</u>

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

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

Calendar Year	Maintenance of		Administrative and General	Claims and Insurance	Subtotal		Total
	Transportation	Equipment Including Fuel			Expenses before Depreciation	Depreciation	
2003	23,823,482	9,104,044	5,016,828	997,305	38,941,659	5,421,162	44,362,821
2004	22,074,833	9,768,175	5,671,190	1,435,960	38,950,158	6,641,383	45,591,541
2005	22,884,668	11,679,630	6,076,300	771,249	41,411,847	7,389,612	48,801,459
2006	23,599,772	11,128,235	7,038,695	1,100,458	42,867,160	7,583,089	50,450,249
2007	26,994,527	13,383,447	6,516,194	756,182	47,650,350	8,121,358	55,771,708
2008	29,541,787	14,538,889	6,863,256	1,516,932	52,460,864	7,627,359	60,088,223
2009	30,259,567	15,218,097	7,864,376	2,226,549	55,568,589	7,869,927	63,438,516
2010	30,175,698	15,820,401	8,377,011	1,968,982	56,342,092	7,200,405	63,542,497
2011	28,378,033	15,409,628	7,362,450	1,860,421	53,010,532	9,877,258	62,887,790

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

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

Fiscal Year	Operating Revenue	Operating Expense	Operating Loss	Nonoperating Revenue (Expense)	Income (Loss) before Capital Contributions	Capital Contributions	Change in Net Assets
2003	6,957,280	44,362,821	(37,405,541)	33,147,466	(4,258,075)	7,141,286	2,883,211
2004	8,025,603	45,591,541	(37,565,938)	32,735,238	(4,830,700)	3,133,487	(1,697,213)
2005	7,936,779	48,801,459	(40,864,680)	41,198,775	334,095	4,555,181	4,889,276
2006	8,776,427	50,450,249	(41,673,822)	40,482,368	(1,191,454)	4,502,785	3,311,331
2007	9,179,973	55,771,708	(46,591,735)	44,207,456	(2,384,279)	2,761,659	377,380
2008	10,355,343	60,088,223	(49,732,880)	50,360,436	627,556	5,430,248	6,057,804
2009	10,128,052	63,438,516	(53,310,464)	50,981,036	(2,329,428)	12,221,576	9,892,148
2010	9,996,539	63,542,497	(53,545,958)	49,221,744	(4,324,214)	12,186,098	7,861,884
2011	10,884,539	62,887,790	(52,003,251)	47,319,768	(4,683,483)	7,022,467	2,338,984

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

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

Calendar Year	Passenger Fares	Special Service	Advertising	Total
2003	6,340,099	335,323	281,858	6,957,280
2004	7,460,629	287,625	277,349	8,025,603
2005	7,439,435	266,104	231,240	7,936,779
2006	8,087,140	249,355	439,932	8,776,427
2007	8,535,060	242,918	401,995	9,179,973
2008	9,811,303	175,351	368,689	10,355,343
2009	9,823,052	0	305,000	10,128,052
2010	9,707,471	0	289,068	9,996,539
2011	10,401,922	0	482,617	10,884,539

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

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

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

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

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

Calendar Year	Real Property Assessed Value	Personal Property Assessed Value	Total Taxable Assessed Value	Direct Tax Rate	Taxable Assessed Value as a Percentage of Actual Taxable Value
2002 (2)	19,603,804,360	7,738,788,430	27,342,592,790	0.0371	100.000%
2003	30,931,008,790	8,634,108,770	39,565,117,560	0.0298	100.000%
2004	30,674,538,990	7,069,379,810	37,743,918,800	0.0285	100.000%
2005	30,518,267,250	6,903,098,503	37,421,365,753	0.0519	100.000%
2006	31,158,955,140	6,995,684,310	38,154,639,450	0.0523	100.000%
2007	40,509,313,606	4,239,080,975	44,748,394,581	0.0503	100.000%
2008 (3)	36,832,770,108	4,376,563,164	41,209,333,272	0.0504	100.000%
2009 (3)	31,212,260,953	4,915,058,533	36,127,319,486	0.0609	100.000%
2010 (3)	28,961,103,856	4,921,541,600	33,882,645,456	0.0610	100.000%
2011 (3)	29,737,227,003	2,189,862,781	32,268,101,375	0.0694	100.000%

- 1 Prior to 2002, taxable property was assessed at thirty three and one-third percent of the actual taxable value as per the Marion County Auditor's abstract.
- 2 In 2002, a change in State law mandated the use of true market value as taxable assessed value.
- 3 Beginning in 2008, the effect of property tax caps (State legislation) has impacted the value of taxes levied.

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

Year Ended December 31	Taxes Levied for the Year (3)	Collected within the Year of the Levy			Collections of Taxes Levied in Prior Years	Delinquent Tax Receipt in 2011 (8)	Total Collections to Date	
		Amount	Percentage of Levy	Year (7)			Amount	Percentage of Levy
2002	9,934,166	9,646,075	97.1%		234,100		9,880,175	99.5%
2003	9,829,549	9,893,131	100.6%	(7)	201,901		10,095,032	102.7%
2004	10,635,575	10,210,152	96.0%		212,178		10,422,330	98.0%
2005 (4)	19,298,119	17,865,005	92.6%		910,618	2,052	18,775,623	97.3%
2006	19,884,370	18,842,932	94.8%		535,198	4,880	19,378,130	97.5%
2007	21,220,606	20,396,002	96.1%		400,192	9,425	20,796,194	98.0%
2008 (5)	20,769,503	20,546,163	98.9%		226,008 (6)	30,331	20,772,171	101.0%
2009 (5)	21,134,612	19,447,275	92.0%		845,384 (6)	147,761	20,292,659	96.0%
2010 (5)	20,668,415	19,671,063	95.2%		413,368	745,996	20,084,431	97.0%
2011 (5)	24,680,645	23,740,201	96.2%		940,444	940,444	24,680,645	100.0%

- (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) Delinquent Tax that was paid with current tax in 2011.

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

Calendar Year	Total General Bonded Debt Outstanding		Total Notes Payable Outstanding		Less: Amounts Available in Debt Service Fund		Per Capita Personal Income		Total Debt as a Percentage of Per Capita Personal Income		Actual Taxable Value of Property		Percentage of Actual Taxable Value of Property	
2002	17,530,000		0		209,118		17,320,882	32,479	0.00188		27,342,592,790	0.063%		21.87
2003	16,780,000		0		99,174		16,680,826	33,142	0.00199		39,565,117,560	0.042%		21.06
2004	15,965,000		7,516,000		20,519		23,460,481	34,732	0.00148		37,743,918,800	0.062%		20.16
2005	15,085,000		7,301,000		125		22,385,875	36,286	0.00162		37,421,365,753	0.060%		19.05
2006	14,140,000		7,087,000		0		21,227,000	36,869	0.00174		38,154,639,450	0.056%		17.86
2007	13,120,000		7,018,500		157,519		19,980,981	37,936	0.00190		44,748,394,581	0.031%		16.67
2008	12,025,000		7,053,500		27,638		19,050,862	25,546	0.00134		41,209,333,272	0.046%		24.06
2009	10,625,000		7,003,988		0		17,628,988	38,532	0.00219		36,127,319,486	0.049%		22.26
2010	9,265,000		6,872,906		0		16,137,906	37,232	0.00231		33,882,645,456	0.048%		20.38
2011	7,835,000		6,674,153		5,543		14,503,610	37,232	0.00257		32,045,358,660	0.045%		24.26

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

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

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

Calendar Year	Direct Rates(2)				Overlapping Rates							Total Direct Rate	Total
	Basic Rate	Debt Service	Cumulative Capital		City	County	Other Muni Corp	School	State	Other			
2002	0.0328	0.0043	0.0000		1.2254	0.5354	0.3938	1.9594	0.0033	0.0799		4.2343	
2003	0.0266	0.0032	0.0000		0.9457	0.4564	0.3257	1.5503	0.0033	0.1428		3.4540	
2004 (4)	0.0248	0.0037	0.0000		0.9580	0.4129	0.3157	1.7827	0.0024	0.0512		3.5514	
2005	0.0379	0.0040	0.0100		1.1670	0.4163	0.1114	1.6744	0.0024	0.0516		3.4750	
2006	0.0385	0.0038	0.0100		0.9546	0.4948	0.3228	1.7172	0.0024	0.0523		3.5964	
2007	0.0361	0.0042	0.0100		0.8770	0.5607	0.2917	1.8713	0.0000	0.0522		3.7032	
2008	0.0370	0.0034	0.0100		0.8920	0.4602	0.3017	1.7668	0.0024	0.0510		3.5490	
2009	0.0460	0.0049	0.0100		0.7093	0.4842	0.2645	1.1569	0.0024	0.0578		2.7360	
2010	0.0461	0.0049	0.0100		0.8673	0.3534	0.2672	1.3692	0.0000	0.0615	(5)	2.9796	
2011	0.0538	0.0058	0.0100		0.9525	0.3665	0.2989	1.4065	0.0000	0.0615		3.1555	

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

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

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

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

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

Schedule 10
Indianapolis Public Transportation Corporation
Direct and Overlapping Bonded Debt and Bonding Limit
As of December 31, 2011
(amounts expressed in thousands)

	Bonded Debt Limit (1)	Bonds Outstanding (2)
Overlapping Debt		
City of Indianapolis	3,222,071	180,298
Marion County	243,021	-
Other Municipal Corporations	965,464	348,965
Public Schools	2,169,367	136,931
Other Cities and Towns	15,801	5,715
Other Misc City and Town, Township	249,033	1,990
Total Overlapping Debt	6,864,757	673,899
Direct Debt		
Indianapolis Pubic Transportation Corporation	216,196	7,835
Total Direct and Overlapping Debt	7,080,953	681,734
IPTC's percentage of Total Direct and Overlapping Debt	3.05%	1.15%

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

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

Calendar Year	Per Capita		Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
	Population (1)	Personal Income (2)			
2002	791,926	32,479	33.9	172,328	5.3
2003	791,926	33,142	34.1	172,324	5.5
2004	791,926	34,732	34.4	174,569	5.4
2005	791,926	36,286	34.7	170,864	5.4
2006	791,926	36,869	35.0	160,732	4.9
2007	791,926	37,936	35.5	158,991	4.6
2008	791,926	25,546	35.6	162,678	5.6
2009	791,926	38,532	35.8	141,573	9.4
2010	905,393	37,232	33.6	133,084	9.9
2011	905,393	37,232	(6)	132,474	9.4

(1) Based on 2010 population of Marion County (905,393) for year 2011. Source: U.S. Department of Commerce, Bureau of Census.

(2) Data presented are per the U.S. Department of Commerce, Bureau of Economic Analysis.

(3) Data presented are per U.S. Census Bureau.

(4) Data presented is for Indianapolis Public Schools. Source: Indiana Department of Education.

(5) Data presented is for Unemployment rate, nonseasonally adjusted, annual average, Marion County, IN. Source: Bureau of Labor Statistics.

(6) The information for personal income will be released by the Bureau of Economic Analysis in August 2012; therefore, prior year numbers were utilized.

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

2011				2002			
<u>Employer (2)</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment (1)</u>	<u>Employer (3)</u>	<u>Total Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment (1)</u>
Clarian Health Partners, Inc.	12,763	1	3.13%	Clarian Health Partners, Inc.	11,237	1	2.53%
Eli Lilly and Company	11,550	2	2.84%	Community Hospitals of Indianapolis, Inc.	5,293	2	1.19%
St. Vincent Hospitals & Health Services	10,640	3	2.61%	IUPUI	5,000	3	1.13%
IUPUI	7,066	4	1.73%	Marsh Supermarkets, Inc.	4,620	4	1.04%
FedEx	6,311	5	1.55%	Allison Transmission/Div of GMC	4,139	5	0.93%
Community Health Network	5,341	6	1.31%	Anthem, Inc.	3,285	6	0.74%
Rolls-Royce	4,300	7	1.06%	Kroger Company	3,104	7	0.70%
St. Francis Hospital & Health Centers	4,152	8	1.02%	Visteon Corp. (Formerly Ford Motor Co.)	2,681	8	0.60%
WellPoint Inc.	3,950	9	0.97%	General Motors Corp.	2,452	9	0.55%
Allison Transmission/Div of GMC	3,800	10	0.93%	Amtran (ATA)	2,400	10	0.54%

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

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

-----2011-----			-----2002-----			
<u>Taxpayer</u>	<u>Taxable Assessed Value (1)</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value (2,4)</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Eli Lilly and Company	1,347,543(5)	1	6.089%	190,469	1	2.006%
Indianapolis Power & Light	361,036	2	0.972%	135,474	2	1.427%
Federal Express Corporation	191,197	3	0.515%	60,198	3	0.634%
Allison Transmission Inc.	184,486	4	0.497%	55,209	4	0.582%
Indiana Bell Telephone Co. Inc.	153,410	5	0.413%	41,059	5	0.433%
Circle Centre Devel Co.	152,746	6	0.411%	40,231	6	0.424%
Macquarie Office	138,940	7	0.374%	37,355	7	0.393%
VV USA City, LP	136,320	8	0.367%	37,182	8	0.392%
Keystone Investors, LLC	130,454	9	0.351%	35,461	9	0.374%
American United Life	116,215	10	0.313%	30,422	10	0.320%
	<u>1,564,804</u>		<u>10.302%</u>	<u>663,060</u>		<u>6.985%</u>

(1) Represents the March 1, 2009 valuations for taxes due and payable in 2010 and represented by the taxpayer.

(2) Represents the March 1, 2000 valuations for taxes due and payable in 2001 and represented by the taxpayer.

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

(4) Prior to 2002, taxable property was assessed at thirty three and one-third of the actual taxable value.

(5) There was error in the Marion County Treasurer's records in 2010 (1,333,480,680 due to Appeals & Abutment) of the true assessment

Schedule 14
Indianapolis Public Transportation Corporation
Operating Information
Ten Years

EMPLOYEE DATA:

Number of Employees (1) Full Time	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Operators	271	277	308	286	277	272	272	266	288	280
Other Transportation	0	0	0	37	67	75	75	79	53	46
Maintenance	76	78	83	79	80	76	75	70	72	73
Administrative & Other	38	37	46	41	42	36	36	37	38	55
Total full-time employees	385	392	437	443	466	459	458	452	451	454
Part Time										
Operators	0	0	0	0	0	0	0	0	12	12
Other	0	0	0	0	0	0	0	0	0	0
Total part-time employees	0	0	0	0	0	0	0	0	12	12
Total Employees	385	392	437	443	466	459	458	452	463	466

PASSENGER DATA:

Passengers (2)	9,512,408	8,778,098	8,437,450	9,890,098	9,409,066	10,033,477	8,810,183	9,299,751	11,324,573	10,247,493
Number of Fixed Routes (3)	30	30	32	31	31	29	28	28	37	37
Annual Vehicle Miles (2)	10,816,574	10,907,886	11,377,274	11,850,233	10,889,165	10,380,982	9,993,240	10,221,257	11,047,044	10,386,718
Annual Vehicle Hours (2)	679,805	691,203	710,637	727,301	690,293	678,382	644,795	663,115	712,180	659,007
Number of Coaches (4)	228	224	235	240	228	236	240	228	303	262
Number of ADA Accessible vehicles (4)	228	224	235	240	228	236	240	228	277	236
Fare (Single Ride) (3)	\$1.75	\$1.75	\$1.75	\$1.50	\$1.50	\$1.25	\$1.25	\$1.25	\$1.00	\$1.00

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

(2) Source: NTD Form S-10. Includes both motor bus and demand response modes.

(3) Source: IPTC Transportation Department.

(4) Source: NTD Form A-30. Includes both motor bus and demand response modes.

Schedule 15
Indianapolis Public Transportation Corporation
Schedule of Insurance in Force (1)
December 31, 2011

<u>Type of Coverage</u>	<u>Company</u>	<u>Term</u>	<u>Expiration Date</u>	<u>Limit</u>	<u>Deductible</u>
Public Official	National Union	1 year	January 1	\$1,000,000	\$25,000
Fiduciary Liability	Chartis	1 year	July 1	\$1,000,000	\$10,000
Property:	Travelers	1 year	January 1		
Building & Contents				\$34,946,250	\$50,000
Earthquake				\$20,000,000	2%
Flood				\$20,000,000	\$50,000
Stock				\$1,714,000	\$5,000
Computer Equipment				\$500,000	\$5,000
Crime:	Zurich	1 year	July 1		
Employee Theft				\$500,000	\$7,500
Forgery or Alteration				\$500,000	\$7,500
Inside of Premises - Theft of Money & Securities				\$500,000	\$7,500
Inside of Premises -Robbery & Safe Burglary				\$500,000	\$7,500
Outside of Premises				\$500,000	\$7,500
Computer Fraud				\$500,000	\$7,500
Funds Transfer Fraud				\$500,000	\$7,500
Money Orders and Counterfeit Paper Currency				\$500,000	\$7,500

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

Schedule 16
Indianapolis Public Transportation Corporation
Transit Vehicles
December 31, 2011

No. of Vehicles	Year (2)	Manufacture	Engine Type	Seating Capacity	Standing Capacity	Lift/Ramp Equipped
Large Bus:						
29	1997	Gillig	Diesel	43	59	29
9	1998	Gillig	Diesel	43	59	9
10	2000	Gillig	Diesel	23	34	10
24	2000	Gillig	Diesel	29	39	24
25	2001	Gillig	Diesel	38	46	25
24	2003	Gillig	Diesel	38	46	24
2	2004	Gillig	Hybrid	38	46	2
10	2007	Gillig	Diesel	38	46	10
11	2010	Gillig	Diesel	38	46	11
11	2010	Gillig	Hybrid	38	46	11
155	Total Large Bus					
Body on Chassis:						
3	2005	Ford	Diesel	14	(1)	3
1	2006	Dodge	Diesel	12	(1)	1
3	2008	Chevy	Diesel	14	(1)	3
10	2009	Dodge	Diesel	8	(1)	10
55	2009	Chevy	Diesel	12	(1)	55
1	2009	Chevy	Diesel	10	(1)	1
73	Total Body on Chassis					
228	Vehicles in Total Fleet					

- (1) Used exclusively for demand response and flexible service. IPTC policy precludes standees on these vehicles.
- (2) Average age of equipment is 6.8 years.
- (3)

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



IndyGo Races For A Cure

IndyGo was proud to have a team of more than 50 employees participate in the 2011 Susan G. Komen Race for the Cure.



Travel Training

Calvary Lutheran Church's older adult ministry rode IndyGo for a downtown excursion and party – the result of an IndyGo travel training workshop

IndyGo Dedicates Bus Stop for Loyal Patronage



In 2011, IndyGo dedicated the bus stop at East 42nd Street and College Avenue in Mr. Ernie Avery's honor for his loyal patronage.

Ernie Avery has put his trust in the IndyGo bus system for more than 30 years. Ernie commutes by public transit to his full-time job at CVS and a part-time job at Kroger. He has never been late or missed a day of work. He has always viewed IndyGo as a constant in his life, proving it's possible to raise a family and live a fruitful life without having to rely on a private vehicle.

On Mr. Avery's 70th birthday, Mayor Ballard and Mike Terry, IndyGo president & CEO, surprised Ernie at work presenting him with a proclamation from the City of Indianapolis, a year's worth of bus passes, and a dedication of a bus stop in his honor.



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