2016 Comprehensive Annual Financial Report

Indianapolis Public Transportation Corporation
State of Indiana
Comprehensive Annual Financial Report
For year ending December 31, 2016
A component unit of the consolidated
City of Indianapolis-Marion County Government Reporting Entity

Indianapolis Public Transportation Corporation

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

Comprehensive Annual Financial Report
For the Year Ended December 31, 2016

Michael A. Terry
President and Chief Executive Officer

Prepared by: Department of Finance

Indianapolis Public Transportation Corporation

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

December 31, 2016

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Indianapolis Public Transportation Corporation
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
December 31, 2016

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Indianapolis Public Transportation Corporation
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August 31, 2017

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

We are pleased to submit for your information and consideration the Comprehensive Annual Financial Report (CAFR) of the Indianapolis Public Transportation Corporation (IndyGo or the Company) for the year ended December 31, 2016.

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

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

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

These controls are designed to provide reasonable, but not absolute, assurance these objectives are met. The concept of reasonable assurance is to make certain the cost of the controls does not exceed the benefit received. It also recognizes 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 granter 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. The Company's MD&A can be found immediately following the report of the independent auditor.

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

<u>Ridership</u>

IndyGo's fixed route ridership reached nearly 9.2M passenger trips in 2016. This represents a decrease of 4.9% from 2015 ridership. Trips on paratransit increased 5.8%, to 301,484 rides in 2016.

Julia M. Carson Transit Center

On June 26, 2016, IndyGo opened the brand-new Julia M. Carson Transit Center for passenger service. Located at the Southeast Corner of Washington and Delaware Streets, the Transit Center is the new downtown transfer point for the full system. Amenities include a large public indoor waiting area, 19 covered bus bays, real time arrival information, customer service on site, public restrooms, security and free Wifi. With its proximity to the heart of downtown, the Cultural Trail and Bike Hub, the Transit Center serves pedestrians, cyclists and bus riders.

The Transit Center was packed for a ribbon-cutting event with special guests including Congressman Andre Carson, and was followed by 10 days of live music at the Transit Center for passengers to enjoy. IndyGo staff and volunteers worked from open to close to ensure passengers had the tools to navigate the site and learn new bus connections, answer questions, and celebrate the opening. A week of free rides was offered to encourage new riders while lessening the burden of learning a new system element for our every-day passengers.

The OTC project broke ground in September 2014 and construction continued through spring 2016. The project leveraged federal grants for passenger facilities in addition to local matching funds.

Red Line Rapid Transit

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

The Red Line is one of 3 proposed rapid transit lines in the Indy Connect plan, a long-term vision for transit in Central Indiana. In February 2016, the FTA recommended IndyGo for a $75M Small Starts grant to construct Phase 1 of the Red Line. Phase 1 stretches 13 miles from Broad Ripple through downtown Indianapolis to the University of Indianapolis. Construction is anticipated to begin January 2018 and the Red Line to be open for service spring 2019.

Awards

Team members and operations received several awards in 2016 for various types of work done inside the agency.

- The annual Rose Awards hosted by Visit Indy recognize Indianapolis' best service industry professionals. IndyGo Operator Calvin Jackson and Mechanic Dwight Sammy were recognized by Visit Indy for their work to make the experience of taking transit safe, reliable and enjoyable.
- The American Advertising Awards recognized IndyGo's Instagram and was awarded Judge's Choice. IndyGo's Instagram page has more than 1,600 followers.
- WFYI recognized IndyGo as an appreciated Mission Society Member. IndyGo regularly updates the public on Indy's transit system through public radio.
- IndyGo received the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR).

- Transit Center landscape designers Rundell Ernstberger Associates (REA) were recognized at the Indiana Chapter of the American Society of Landscape Architects (INASLA) Annual Meeting for their work on the Julia M. Carson Transit Center. REA received the Professional Design Award, which recognizes outstanding examples of landscape design. REA collaborated with Axis Architecture on the Transit Center to create a complementary building and site with an emphasis on transit rider experience.

Marion County Transit Plan

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

Factors Affecting Financial Condition

Marion County has shown continued recovery from the recession, which began in 2008. Unemployment continues to decrease, averaging 4.4% for 2016 and staying below the national average of 4.9%. The labor force in Marion County expanded again in 2016, growing by 2.3% over 2015 levels.

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. PMTF is now a budget line item instead of a dedicated source of state transit funding, subject to reductions and the biennial budget process. While no longer a dedicated source of funding, PMTF proceeds remain at a consistent level and have been budgeted accordingly.

Similar to Marion County, the Federal government continues to trend towards full employment. The Federal fuel tax rate remained unchanged and is not indexed to inflation, which for 2016 was 2.1%. Uncertainty relating to the federal debt limit continues to have political and policy implications, the effects of which have the potential to be felt at the local level. In 2016, the Federal government continued to allocate formula-based funding to transit, as well as offer opportunities to apply for competitive grants which can be used for innovating projects that deliver exceptional transportation benefits.

The economic environment in which IndyGo operates continues to present management with major challenges in sustaining the level and quality of transit service. However, with the excellent oversight of the IPTC Board of Directors along with the committed IndyGo team, we will implement investment and spending efficiencies which will allow IndyGo to provide the support and service our dedicated transit customers expect.

Financial Policies

During 2016, IndyGo maintained excess idle cash for capital projects in high interest bank accounts. IndyGo engaged investment advisors and implemented a plan to increase the yield of excess cash while maintaining the security of the investments. The plan includes investments in government-backed securities and additional investments in certificates of deposit. The goal for 2017 is to earn 75 basis points on invested excess cash while reducing bank fees.

The budget for 2016 included matching the cost of preventative maintenance and the capital cost of contracting with cash from the operating fund. These measures were taken to preserve the current level of cumulative funds for capital expenditures.

The cost of labor for bargaining unit personnel increase by 3.0% in 2016 pursuant to the collective bargaining unit agreement.

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

Recognition

For the fifteenth 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, 2015.

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

Acknowledgment

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

Respectfully Submitted,

Michael A. Terry
President and Chief Executive Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Indianapolis Public Transportation Corporation - IndyGo, Indiana

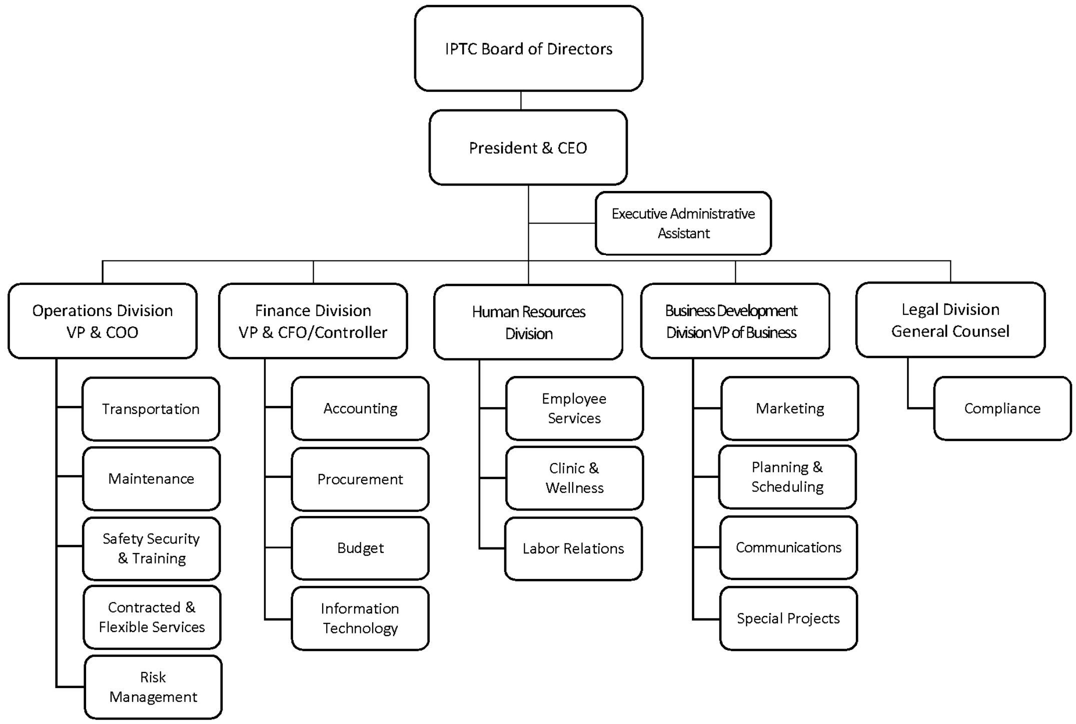
For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

Indianapolis Public Transportation Corporation

Organizational Chart



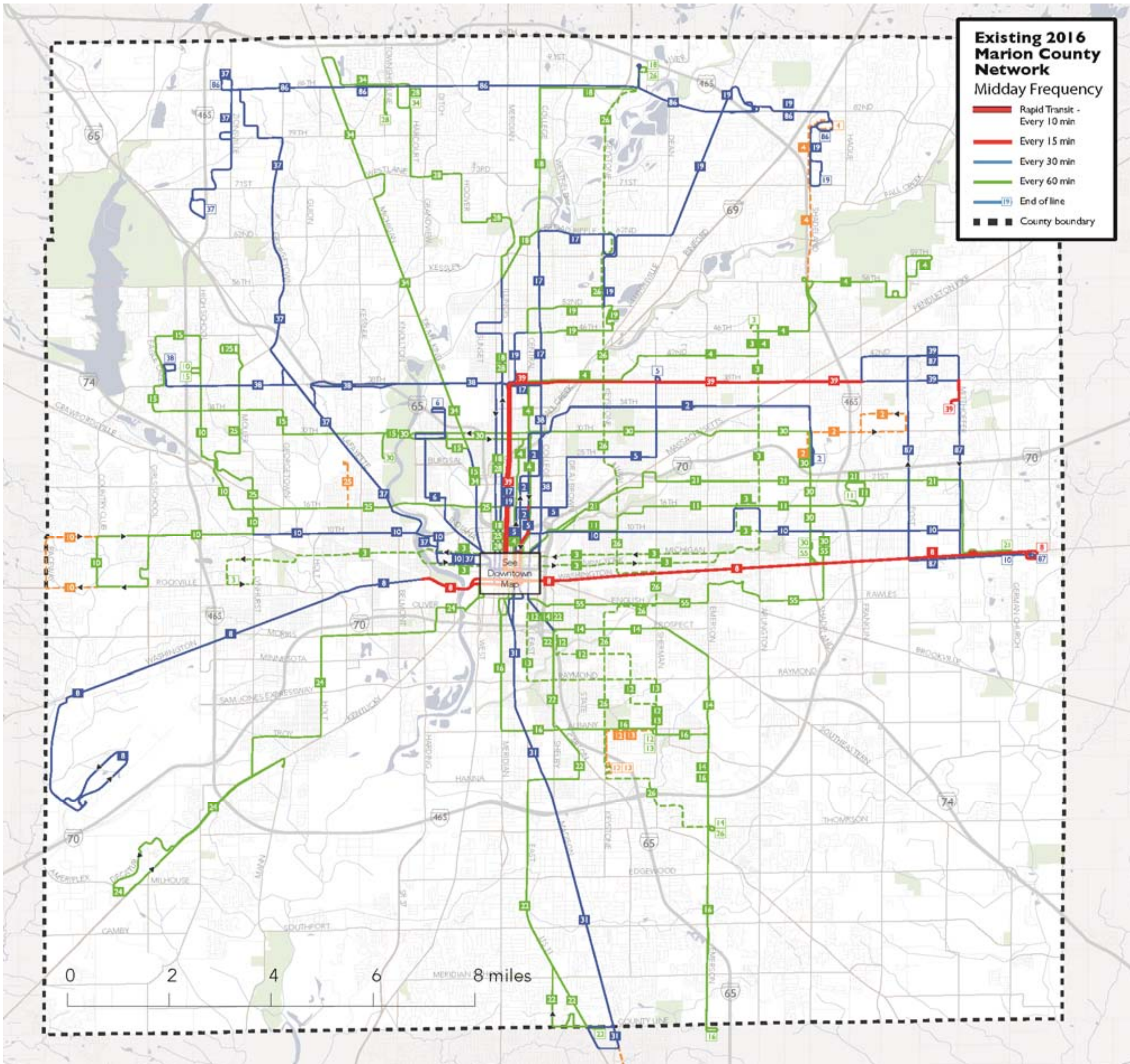
Indianapolis Public Transportation Corporation

Board of Directors, Principal Officials and Management

Name	Approximate Length of Service	Occupation
Appointed Board of Directors		
Danny M. Crenshaw, Chair (Council)	13 ½ years	President Crenshaw Insurance Agency
Alan Rowland, Vice Chair (Mayor)	8 ½ years	Business Development Manager CompTIA
Juan Gonzalez, Treasurer/Sec'y (Mayor)	7 years	Vice President – Sr. Business Banking Relationship Manager Key Bank
Tommie L. Jones (Council)	16 ½ years	Retired Professional Educator Decatur Township School District
Gregory Hahn (Council)	4 years	Partner Bose McKinney & Evans, LLP
Greg Bedan (Council)	2 years	Communications Specialist Indiana Department of Education
Mark Fisher	2 years	Vice President - Government (Mayor) Relations & Policy Development Indianapolis Chamber of Commerce
IPTC Principal Management Staff		
Michael A. Terry	13 ½ years	President/CEO
Jill D. Russell	12 years	General Counsel
Nancy E. Manley	2 years	VP/CFO/Controller
Roscoe Brown	18 years	VP of Operations/COO
Phalease Crichlow	6 years	VP of Human Resources

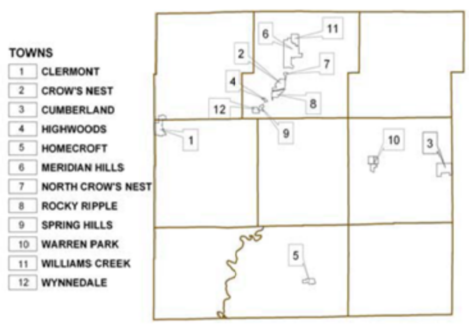
Indianapolis Public Transportation Corporation

2016 Systems Map - Service Area and Routes



Indianapolis Public Transportation Corporation
Taxing Districts

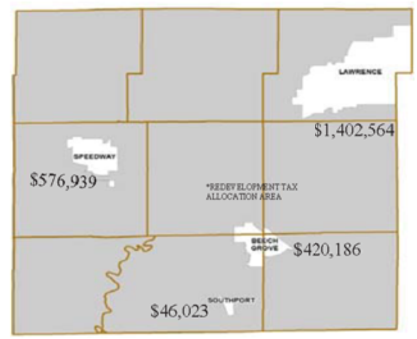
Map 1



MARION COUNTY AND OTHER INCLUDED TOWNS

Marion County $ 38,549,199

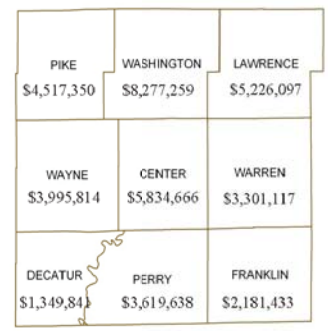
Map 2



CONSOLIDATED CITY OF INDIANAPOLIS

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

Map 3



TOWNSHIPS (ASSESSED VALUATION

Map 4

NOTE: See Statistical Schedule 13 of Section III of this annual report. The assessed valuation figures are for March 1, 2015 valuations for taxes collectible in 2016.


IndyGo
1007
DOWNTOWN

Financial Section


5 DOWNTOWN
1100

BKD LLP
CPAs & Advisors

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

Independent Auditor's Report

Board of Directors
Indianapolis Public Transportation Corporation
Indianapolis, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Indianapolis Public Transportation Corporation (IPTC), a component unit of the consolidated City of Indianapolis-Marion County, as of and for the year ended December 31, 2016, and the related notes to financial statements, which collectively comprise IPTC's basic financial statement as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IPTC as of December 31, 2016, and the respective changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2017, on our consideration of IPTC's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering IPTC's internal control over financial reporting and compliance.

BKD, LLP

Indianapolis, Indiana
August 31, 2017

Introduction

This section of the financial statements presents a discussion and analysis of the Indianapolis Public Transportation Corporation's (IPTC's) financial performance for the year ended December 31, 2016. Please read this section in conjunction with IPTC financial statements in the section that follows. For more detailed information on long-term debt activity and capital asset activity, please refer to the relevant disclosures in the notes accompanying the basic financial statements.

Financial Highlights

- IPTC's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at December 31, 2016 by $121.7 million (net position). Of this amount, $14.2 million (unrestricted net position) may be used to meet IPTC's ongoing obligations arising from providing transportation service to the community at December 31, 2016.
- Fare revenues for 2016 decreased 8% from 2015.
- FTA capital contributions for 2016 decreased 71% from 2015.
- FTA local operating and planning grants and preventative maintenance funding for 2016 decreased 11% from 2015.
- Operating expenses before depreciation for 2016 increased 13% from 2015.
- Net position increased by approximately $11.2 million or 10% in 2016.

Overview of the Financial Statements

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

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

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

Financial Statement Analysis

Net Position

IPTC's total assets and deferred outflows of resources at December 31, 2016 were approximately $134.1 million. These changes represent an increase of approximately 8% in 2016. Total liabilities and deferred inflows of resources approximated $12.4 million at December 31, 2016. These changes represent a decrease of 11% in 2016.

Approximately $98.0 million, or 81%, of the net position reflects investments in capital assets, less related debt at December 31, 2016. Approximately $9.5 million, or 8%, of the net position is restricted for future acquisition of capital assets at December 31, 2016. Approximately $14.2 million, or 12%, may be used to meet IPTC's ongoing obligations arising from providing transportation services to the community at December 31, 2016.

Table 1 - Net Position

	2016	2015
Assets		
Current assets	$ 22,296,037	$ 22,824,033
Capital assets (net)	101,456,879	85,815,547
Other noncurrent assets	9,924,565	15,014,978
Total assets	133,677,481	123,654,558
Deferred Outflows of Resources	414,885	812,507
Total assets and deferred outflows of resources	$ 134,092,366	$ 124,467,065
Liabilities		
Current liabilities	$ 11,275,560	$ 10,843,841
Noncurrent liabilities	626,241	2,888,629
Total liabilities	11,901,801	13,732,470
Deferred Inflows of Resources	484,601	199,472
Total liabilities and deferred inflows of resources	12,386,402	13,931,942
Net Position		
Net investment in capital assets	98,023,684	80,424,782
Restricted for capital assets acquisitions	9,474,994	14,654,766
Restricted for net pension asset	55,190	-
Unrestricted	14,152,096	15,455,575
Total net position	121,705,964	110,535,123
Total liabilities, deferred inflows of resources and net position	$ 134,092,366	$ 124,467,065

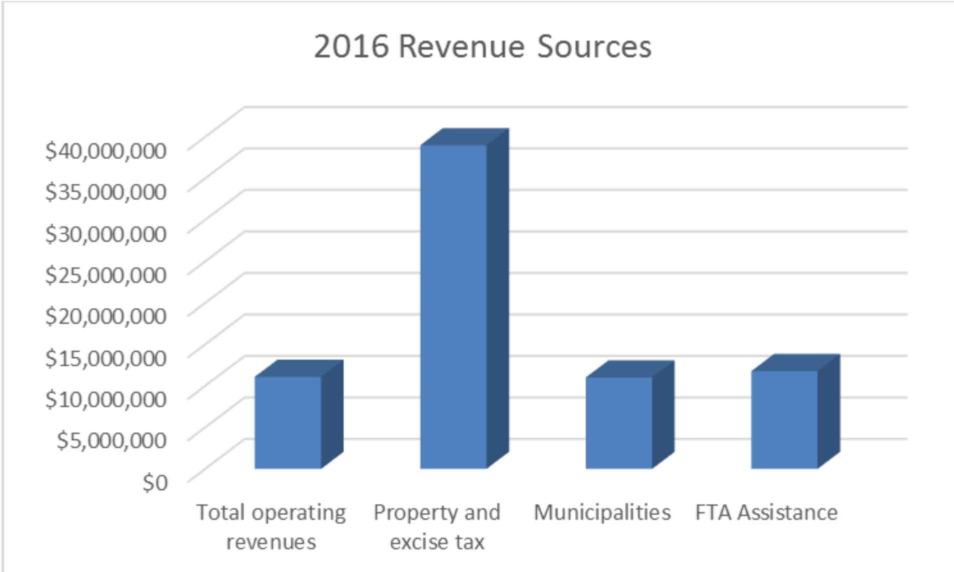
Changes in Net Position

The change in net position for 2016 represents an increase of approximately $11.2 million, or 10%. Total revenues for 2016 decreased approximately $11.2 million, or 17%. The decrease is mainly attributed to a $23.3 million decrease in capital grants. Overall operating expenses, excluding depreciation increased $7.5 million, or 13%, in 2016, which was primarily attributed to an increase in bus service during 2016.

Table 2 - Changes in Net Position

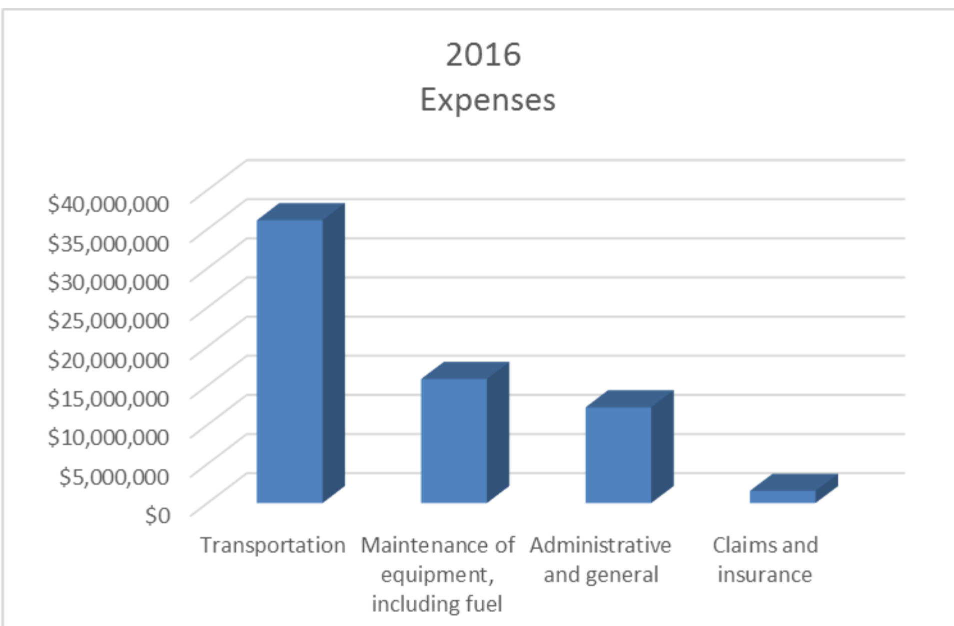
	2016	2015
Operating Revenues		
Passenger fares	$ 10,387,232	$ 11,232,694
Advertising	717,970	491,327
Total operating revenues	11,105,202	11,724,021
Nonoperating Revenues (Expenses)		
Property and excise tax	39,000,284	34,110,139
Municipalities	11,021,036	10,996,469
Federal assistance	11,792,142	13,265,041
Contributions - capital grants	9,721,628	33,040,761
Other net revenues (expenses)	3,068,411	75,815
Total nonoperating revenues	74,603,501	91,488,225
Total revenues	85,708,703	103,212,246
Operating Expenses		
Transportation	35,205,033	29,787,891
Maintenance of equipment, including fuel	16,837,683	16,952,267
Administrative and general	11,842,475	9,833,426
Claims and insurance	1,547,474	1,322,196
Depreciation	9,105,197	7,750,331
Total operating expenses	74,537,862	65,646,111
Change in Net Position	11,170,841	37,566,135
Net Position, Beginning of Year	110,535,123	72,968,988
Net Position, End of Year	$ 121,705,964	$ 110,535,123

Revenues: For 2016, total operating revenues decreased approximately $619,000 or 5%. For 2016, nonoperating revenues excluding capital grant contributions and other revenue (expenses), increased by approximately $6.4 million, or 11%.



The revenues and percentages presented above exclude "Contributions - capital grants" of $9,721,628 and "Other net revenues (expenses)" of $3,068,411 for 2016.

Expenses: During 2016, total operating expenses, excluding depreciation, are approximately $65.4 million. This is an increase of $7.5, or 13% from 2015. This increase is primarily attributed to an increase in transportation services in 2016.



The expenses and percentages presented above exclude "depreciation" expense of $9,105,197 for 2016.

Capital Asset and Debt Administration

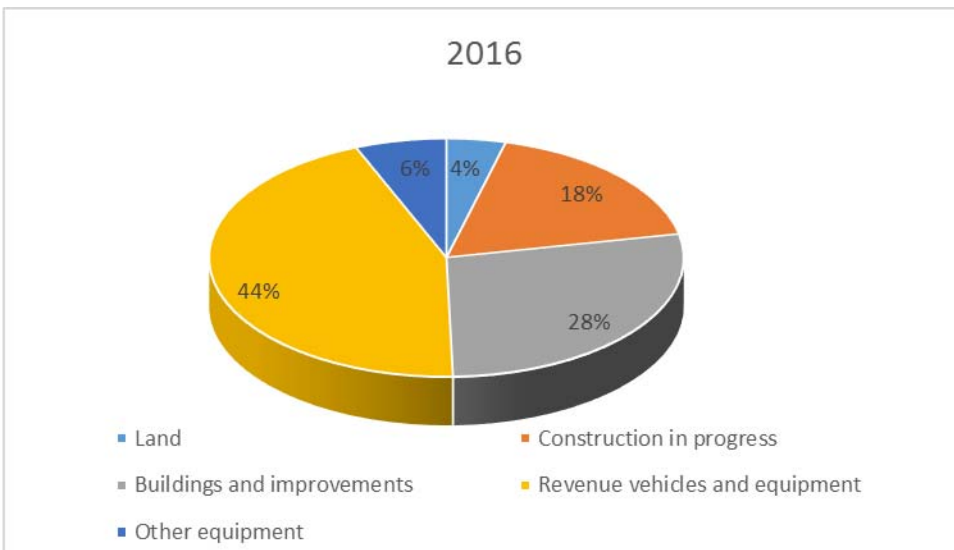
Capital Assets

As of December 31, 2016, IPTC had invested approximately $101.5 million in capital assets, net of accumulated depreciation. Compared to the prior year, capital assets increased by approximately $15.6 million for the year ended December 31, 2016. Depreciable capital acquisitions for 2016 were approximately $44.8 million with no retirements occurring. Net decrease in construction in progress was $20.1 for 2016. 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 2016 included 13 low floor 40 ft. buses totaling approximately $5.7 million and continued development of the downtown transit center totaling approximately $15.3 million.

Percentage allocation invested in capital assets:



For several years, IPTC has worked with local officials and consulting teams to identify the best location to operate a downtown transit center. In 2011, a site evaluation was conducted at a location in close proximity to current multimodal services (i.e. trains, buses, park and ride, pedestrian and bike). As of December 31, 2016, IPTC completed construction on the downtown transit center and the Julia M. Carson Transit Center was opened on June 26, 2016.

Debt Disclosures

As of December 31, 2016, IPTC had approximately $2.4 million of notes and bonds payable. During 2016, bonds and notes payable were repaid pursuant to the maturity schedule of each issue. As of December 31, 2016, IPTC had no financial restrictive covenants associated with its outstanding debt. Subsequent to year end (in January 2017), bonds payable totaling $1.7 million were repaid in full. Please refer to Note 4 of the financial statements included in the next section of this report for additional information regarding debt activity.

Currently Known Facts

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


WHEELCHAIR SEATING AREA.
SECUREMENTS ARE LOCATED

Indianapolis Public Transportation Corporation
A Component Unit of the Consolidated City of Indianapolis-Marion County
Statement of Net Position
December 31, 2016

Assets and Deferred Outflows of Resources

Current Assets	
Cash and cash equivalents	
Unrestricted - working capital	$ 8,469,962
Restricted - debt service	2,112,717
Restricted - liability reserve	5,041,658
Total cash and cash equivalents	15,624,337
Receivables	
Federal grants	3,103,153
Operations receivables, net	131,684
Total receivables	3,234,837
Other current assets	
Materials and supplies inventory	3,411,946
Deposits and prepaid expenses	24,917
Total other current assets	3,436,863
Total current assets	22,296,037
Noncurrent Assets	
Restricted cash - capital asset acquisitions	2,409,882
Restricted investments - capital asset acquisitions	7,065,112
Net pension asset	55,190
Net other postemployment benefit asset	394,381
Capital assets	
Nondepreciable assets	
Land	6,975,654
Construction in progress	7,893,257
Total nondepreciable assets	14,868,911
Depreciable assets	
Buildings and improvements	88,808,517
Revenue vehicles and equipment	92,522,413
Other equipment	13,002,020
Total depreciable assets	194,332,950
Total capital assets	209,201,861
Accumulated depreciation	(107,744,982)
Capital assets, net of depreciation	101,456,879
Total noncurrent assets	111,381,444
Total assets	133,677,481
Deferred Outflows of Resources	
Deferred outflows - pensions	414,885
Total assets and deferred outflows of resources	$ 134,092,366

Liabilities, Deferred Inflows of Resources and Net Position

Current Liabilities	
Accounts and contract services payable	$ 6,865,459
Accrued payroll and benefits	1,082,210
Unearned fare revenue	342,050
Notes payable	719,124
Bonds payable, net of premium	1,680,000
Risk management - unpaid claim estimates	253,598
Other unearned revenue	333,119
Total current liabilities	11,275,560
Noncurrent Liabilities	
Risk management - unpaid claim estimate	626,241
Total liabilities	11,901,801
Deferred Inflows of Resources	
Deferred inflows - pensions	484,601
Net Position	
Net investment in capital assets	98,023,684
Restricted for capital assets acquisitions	9,474,994
Restricted for net pension asset	55,190
Unrestricted	14,152,096
Total net position	121,705,964
Total liabilities and net position	$ 134,092,366

Indianapolis Public Transportation Corporation
A Component Unit of the Consolidated City of Indianapolis-Marion County
Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2016

Operating Revenues	
Passenger fares	$ 10,387,232
Advertising	717,970
Total operating revenues	11,105,202
Operating Expenses	
Transportation	35,205,033
Maintenance of equipment, including fuel	16,837,683
Administrative and general	11,842,475
Claims and insurance	1,547,474
Depreciation	9,105,197
Total operating expenses	74,537,862
Operating Loss	(63,432,660)
Nonoperating Revenues (Expenses)	
Operating assistance	
Property and excise tax	39,000,284
Municipalities	11,021,036
Federal and local operating and planning grants, and preventative maintenance funding	11,792,142
Other net revenues	3,068,411
Total nonoperating revenue	64,881,873
Change in Net Position Before Capital Contributions	1,449,213
Contributions - capital grants	9,721,628
Change in Net Position	11,170,841
Net Position, Beginning of Year	110,535,123
Net Position, End of Year	$ 121,705,964

Indianapolis Public Transportation Corporation
A Component Unit of the Consolidated City of Indianapolis-Marion County
Statement of Cash Flows
Year Ended December 31, 2016

Cash Flows From Operating Activities	
Receipts from customers	$ 11,542,422
Payments for transportation	(30,966,066)
Payments for maintenance of equipment, including fuel	(17,153,116)
Payments for administrative and general	(11,876,644)
Claims and insurance paid to external parties	(1,113,480)
Net cash used in operating activities	(49,566,884)
Cash Flows From Noncapital Financing Activities	
Property and excise tax distributions	39,000,284
Assistance from municipalities	12,540,469
Federal operating assistance	12,687,836
Principal paid on notes payable	(78,000)
Borrowings on line of credit	9,125,000
Repayments on line of credit	(9,125,000)
Other noncapital financing	1,024,328
Net cash provided by noncapital financing activities	65,174,917
Cash Flows From Capital and Related Financing Activities	
Capital grant receipts	11,316,059
Purchases of capital assets	(26,337,179)
Interest paid on bonds payable	(50,967)
Net cash used in capital and related financing activities	(15,072,087)
Cash Flows From Investing Activities	
Purchases of investments	(4,505,172)
Proceeds from sale of investments	4,251,731
Interest received on cash and cash equivalent	99,012
Net cash used in investing activities	(154,429)
Net Change in Cash and Cash Equivalents	381,517
Cash and Cash Equivalents, Beginning of Year	17,652,702
Cash and Cash Equivalents, End of Year	$ 18,034,219
Statement of Net Position Presentation	
Cash and cash equivalents - current assets	$ 15,624,337
Cash - noncurrent assets	2,409,882
Cash and cash equivalents, end of year	$ 18,034,219

Indianapolis Public Transportation Corporation
A Component Unit of the Consolidated City of Indianapolis-Marion County
Statement of Cash Flows (Continued)
Year Ended December 31, 2016

Reconciliation of Operating Loss to Net Cash Used in Operating Activities	
Operating loss	$ (63,432,660)
Adjustments to reconcile loss to net cash and cash equivalents	
Depreciation expense	9,105,197
Changes in assets and liabilities	
Other receivables	467,450
Materials and supplies inventory	(315,433)
Deposits and prepaid expense	1,312,715
Other postemployment benefit asset	(34,169)
Deferred outflows of resources - pensions	397,622
Deferred inflows of resources - pensions	285,129
Net pension asset/liability	(948,467)
Accounts and contract services payable	3,183,428
Accrued payroll and benefits	8,540
Unearned fare revenue	(30,230)
Risk management	433,994
Net cash used in operating activities	$ (49,566,884)
Noncash Investing and Financing Activities	
Capital assets in accounts payable	$ 2,120,118
Payment of note payable via transfer of other assets	189,200
Gain on environmental remediation cost recovery	1,826,007

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

Nature of Operations and Reporting Entity

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

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

Basis of Accounting and Presentation

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

IPTC considers all liquid investments (including restricted assets) with original maturities of three months or less to be cash equivalents. At December 31, 2016, cash equivalents consisted of demand and money market deposit accounts.

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 1st. In mid-April of the year subsequent to the assessment, individual property tax statements are to be mailed by the Marion County Treasurer to the owners of record as of the assessed valuation date. Taxes are payable to the Treasurer in equal installments on or before May 10th and November 10th of the year subsequent to assessment. The Marion County Treasurer remits collections to IPTC and other governmental units within the county.

Risk Management

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

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

Investments

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

Receivables

IPTC reports receivables for amounts due and unpaid as of year-end and receivable balances are shown net of allowance, if any, for uncollectible balances. IPTC provides an allowance for uncollectible accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions. Management has recorded an allowance of $236,000 for operating receivable at December 31, 2016. Management has not made a provision for an allowance for uncollectible property tax receivables or federal grants receivable.

Restricted Assets

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

- Debt Service: Funds deposited in these accounts are set aside to be used for the purpose of payment on outstanding debt.
- Liability Reserve: Funds are set aside from the general operations of IPTC and used only for the payment of claims arising from accidents involving IPTC that exceed $100,000.
- Capital Asset Acquisition: Proceeds from the sale of the Indianapolis Local Public Improvement Bond Bank Bonds 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.

Supplies

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

Capital Assets

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

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

Deferred Outflows and Inflows of Resources

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

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

Compensated Absences

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

Defined-Benefit Pension Plan

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

Net Position

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

Revenue and Expense Recognition

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

IPTC receives a significant portion of their revenues from capital and operating grants. Certain expenditures for capital acquisitions, improvements and development of an urban mass transportation system have received significant federal funding through the FTA. The balance of such expenditures is funded through state and local sources. Funds provided by governmental authorities for capital and operating assistance are recorded by IPTC when earned.

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

Adoption of New Accounting Standards

During 2016, IPTC adopted and implemented GASB Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 77, *Tax Abatement Disclosures*; and GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68 and No. 73*. The implementation of these three GASB Statements did not impact the net position or the change in net position of IPTC.

Note 2: Deposits and Investments

Summary of Carrying Values

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

Current Assets	
Cash and cash equivalents	
Unrestricted - working capital	$ 8,469,962
Restricted - debt service	2,112,717
Restricted - liability reserve	5,041,658
Noncurrent Assets	
Restricted cash - capital asset acquisitions	2,409,882
Restricted investments - capital asset acquisitions	7,065,112
	$ 25,099,331
Cash and Cash Equivalents	$ 18,034,219
Investments	7,065,112
	$ 25,099,331

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

Deposits	
Cash deposits	$ 18,034,219
Investments	
Government-backed mortgage notes	7,065,112
Total deposits and investments	$ 25,099,331

Deposits

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

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

Investment Policy

Indiana statutes generally authorize IPTC to invest in U.S. obligations and issues of federal agencies, secured repurchase agreements fully collateralized by the U.S. Government or U.S. Government agency securities, municipal securities of Indiana issuers that have not defaulted during the previous 20 years, certificates of deposit and open-ended money market mutual funds. It is the policy of IPTC to deposit public funds into the depositories approved by the Marion County Board of Finance. IPTC does not have specific investment policies on interest rate risk, credit risk, concentration of credit risk, custodial credit risk or foreign currency risk.

At December 31, 2016, IPTC had the following investments and maturities:

		Maturities (in Years)	
	Fair Value	**Less Than 1**	**1 to 5**
Government-backed mortgage notes	$ 7,065,112	$ 4,501,646	$ 2,563,466

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

Credit Risk **-** Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. IPTC complies with the provisions of Indiana statutes. At December 31, 2016, IPTC's investments were rated by Moody's Investor Services or Standard and Poor's as follows:

	Fair Value	AAAm	Not Rated
Government-backed mortgage notes	$ 7,065,112	$ 7,065,112	$ -

Custodial Credit Risk **-** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, IPTC will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At December 31, 2016, IPTC's investments in government-backed mortgage notes were exposed to custodial credit risk. These investments were uninsured and the collateral was held by the pledging financial institution's trust department or agent but not in IPTC's name. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized or collateralized with securities held by the pledging financial institution.

Concentration of Credit Risk **-** Concentration of credit risk is the risk of loss that may arise in the event of default by a single issuer. IPTC places no limit on the amount that may be invested in any one issuer. The following table shows investment in issuers and the representative percentage of total investments at December 31, 2016.

	Fair Value	% Rounded
United States Treasury	$ 7,065,112	100.0%

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

Note 3: Capital Assets

Capital assets activity for the year ended December 31 was:

	January 1, 2016	Additions/ Transfers	Disposals/ Transfers	December 31, 2016
Capital Assets Cost				
Nondepreciable Capital Assets				
Land	$ 6,975,654	$ -	$ -	$ 6,975,654
Construction in progress*	27,993,522	24,720,749	(44,821,014)	7,893,257
Total nondepreciable capital assets	34,969,176	24,720,749	(44,821,014)	14,868,911
Depreciable Capital Assets				
Buildings and improvements	53,022,380	35,786,137	-	88,808,517
Revenue vehicles and equipment	83,461,756	9,060,657	-	92,522,413
Other equipment	13,002,020	-	-	13,002,020
Total depreciable capital assets	149,486,156	44,846,794	-	194,332,950
Less: Accumulated Depreciation for				
Buildings and improvements	(41,341,925)	(3,123,702)	-	(44,465,627)
Revenue vehicles and equipment	(44,782,582)	(5,824,700)	-	(50,607,282)
Other equipment	(12,515,278)	(156,795)	-	(12,672,073)
Total accumulated depreciation	(98,639,785)	(9,105,197)	-	(107,744,982)
Total depreciable capital assets, net	50,846,371	35,741,597	-	86,587,968
Total capital assets, net	$ 85,815,547	$ 60,462,346	$ (44,821,014)	$ 101,456,879

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

Note 4: Tax Abatements

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

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

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

Tax abatement is granted based on qualifying new investment, retained and committed jobs, wages and the economic impact of the project. The City's Metropolitan Development Commission (MDC) is responsible for approving the abatement and determining the time period for the abatement. In some cases, City-County Council approval is also required for the abatement. Required approval(s) must occur before construction permits are obtained.

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

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

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

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

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

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

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

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

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

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

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

Impact of Abatements on Revenues

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

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

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

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

The estimated gross amount, on an accrual basis, by which IPTC’s property tax revenues were reduced as a result of the aforementioned City abatement programs totaled $420,000. However, the actual extent of lost revenues is something less than this amount and cannot be easily determined due to the application of circuit breaker credits.

Note 5: Risk Management

IPTC is exposes to various risks of loss related to theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which IPTC carries third-party insurance and retains certain risks. IPTC is self-insured for workers' compensation without limitation. Detail of the estimated claims liability is provided below, which is made up of claims reported before the issuance of the financial statements for which it is probable that a liability has been incurred at the date of the financial statements and the amount of the liability can be reasonably estimated. The liability is estimated based upon historical experience. It is reasonably possible that IPTC's estimate will change by a material amount in the near term. There were no significant reductions in insurance coverage during 2016 and there were no settlements that exceeded insurance coverage during the past three years for those risks that IPTC purchased insurance. Activity for the year ended December 31, 2016 was as follows for those risks for which IPTC bears risk:

	2016	2015
Unpaid claims, beginning of year	$ 445,845	$ 489,170
Incurred claims and changes in claim estimates	1,888,682	1,234,841
Claim payments	(1,454,688)	(1,278,166)
Unpaid claims, end of year	$ 879,839	$ 445,845
Current portion	$ 253,598	$ 276,500
Noncurrent portion	626,241	169,345
Unpaid claims, end of year	$ 879,839	$ 445,845

During 1986, IPTC's Board of Directors approved the establishment of a non-reverting fund (Liability Reserve Account) for payment of personal injury and property damage claims in excess of $100,000. For claims in excess of $100,000, the amount of the claim exceeding $100,000 will be paid out of the liability reserve accounts. Claims up to $100,000 will be paid out of the general accounts of IPTC.

Note 6: Long-Term Obligations

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

	January 1, 2016	Additions	Reductions	December 31, 2016	Current	Noncurrent
Long-Term Debt						
Series 2012A bonds payable	$ 1,680,000	$ -	$ -	$ 1,680,000	$ 1,680,000	$ -
City of Indianapolis notes payable	967,155	19,169	(267,200)	719,124	719,124	-
Total bonds and notes payable	2,647,155	19,169	(267,200)	2,399,124	2,399,124	-
Other Long-Term Liabilities						
Risk management payable	445,845	1,888,682	(1,454,688)	879,839	253,598	626,241
Environmental remediation liability	1,826,007	-	(1,826,007)	-	-	-
Net pension liability (asset)	893,277	-	(948,467)	(55,190)	-	(55,190)
Total other long-term liabilities	3,165,129	1,888,682	(4,229,162)	824,649	253,598	571,051
Total long-term obligations	$ 5,812,284	$ 1,907,851	$ (4,496,362)	$ 3,223,773	$ 2,652,722	$ 571,051

Series 2012A Bonds Payable

The Indianapolis Local Public Improvement Bond Bank Bonds, Series 2012A, dated February 15, 2012, were issued in the aggregate principal amount of $3,100,000. The Series 2012A bond proceeds were used to redeem Series 2002C Bonds and they bear interest at 2.05%, payable on January 10 and July 10 annually, and have serial maturities through 2017. These bonds were paid in full during January 2017.

City of Indianapolis Notes Payable

In 2004, IPTC entered into a $2 million loan agreement with the City of Indianapolis to provide working capital to cover operating expenses, to prevent service reductions in bus routes, to provide alternative forms of transportation to passengers affected by planned route changes, and to review existing routes to plan for needed service change. Through various extensions and amendments to the original loan agreement, the maturity date of the loan was extended to December 31, 2016. As of December 31, 2016, a formal extension has not been entered into with the City but IPTC and City personnel are proactively working to extend the term of this note. During 2016, IPTC provided $189,200 in the form of passenger bus tickets, parking lot permits and investment in capital projects for the benefit of the City of Indianapolis, which reduced the outstanding loan balance.

Line of Credit

IPTC has a $7 million line of credit agreement with a financial institution to fund future operating costs. The line matures on December 31, 2017 and interest is payable upon maturity at a rate of the 30 day LIBOR rate plus 0.75%. IPTC borrowed and repaid $9,125,000 on the line during 2016. No balance existed as of December 31, 2016.

Note 7: Environmental Remediation Liability

IPTC has had discussions with the Indiana Department of Environmental Management (IDEM) regarding a contamination remediation issued traced to leaking underground storage tanks. The cost of remediation was based upon site knowledge/conditions, past remediation experience of sites with similar environmental issues and current IDEM regulations. The estimate was based on the expectation that a remediation system 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, 2016 was as follows:

Environmental remediation liability, beginning of year	$ 1,826,007
Decreases/payments	(1,826,007)
Unpaid claims, end of year	$ -

IPTC applied for, and was admitted into the Excess Liability Trust Fund (ELTF). ELTF is financed by tank registration fees and its purpose is to reimburse tank owners for the costs of remediation.

During 2016, IPTC Board of Directors approved entering into an agreement to participate in a funding agreement, whereby the remediating organization withholds the cost of work performed, and IPTC assigns its reimbursement rights from ELTF directly to the third party. This arrangement has relieved IPTC of the environmental remediation liability which was removed from the statement of net position during 2016.

Note 8: Benefit Plans - Defined-Contribution and Deferred Compensation

Defined-Contribution Plan

IPTC maintains a defined-contribution plan for the benefit of substantially all of its employees. All employees who are regularly scheduled to work at least 30 hours per week become eligible to participate in the plan.

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

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

The defined-contribution plan is administered by the Pension Fund Committee (Committee), a joint labor-management body and is subject to collective bargaining. It is comprised of four members, two labor and two management, and has historically been chaired by the ranking Labor member. The current plan requirements for union employees is governed by an arbitration award effective until June 30, 2018. Prior to July 1, 2017, the award required union employees to contribute 3.5% of their compensation in order to receive the 3.0% employer match, with 0.50% directed to fund the defined-benefit plan until such time the fund ratio met the 110% requirement to return the 0.50% back to the employee. Currently, union and nonunion employees contribute 3.5% of their compensation to the 401(a) in order to receive the 3.5% employer match. Employer contributions to the defined-contribution plan during 2016 were $680,923.

Deferred Compensation Plan

IPTC maintains in IRS Code Section 457 plan for the benefit of substantially all of its employees. Employees become eligible to participate in the plan on the first day of the second month following commencement of employment or completion of any applicable probationary period. The plan allows for employee contributions only and plan assets are held in a trust separate from IPTC's assets.

Note 9: Benefit Plan - Defined-Benefit Pension

Plan Description

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

Benefits Provided

The Plan provides retirement and death benefits to plan members and their beneficiaries. The retirement benefit is payable monthly during the life of the retired employee. If, at death, the retired employee has not received total benefits at least equal to his/her contributions to the Plan (plus interest accumulated at 2% per year), his/her beneficiary or estate will be paid a sum equal to his/her total contributions plus interest, less the aggregate of the benefits he/she has received. Death benefits or termination of employment prior to retirement, result in the return of all employee contributions plus interest at 2% to be made. Normal retirement benefits are payable for employees who have attained age 65 and completed 15 years of service. Early retirement benefits are available for employees with 20 years of continuous employment as of January 1, 2006 who have not attained age 65.

The employees covered by the Plan at December 31, 2016, are:

Inactive employees or beneficiaries currently receiving benefits	130
Inactive employees entitled to but not yet receiving benefits	5
Active employees	36
	171

Contributions

The Pension Fund Committee has the authority to establish and amend the contribution requirements of the IPTC and active employees only through negotiation or arbitration. Effective January 1, 1998, all future employer and employees' contributions to the Plan were eliminated. Previously, the contribution rates were 3.5% of compensation for employees and 3.5% of compensation for IPTC. As of January 10, 2006, all vested active employees as of January 1, 2006 who remain in the Plan will contribute 4.5% of their pay. IPTC will contribute 3.5% of their pay. Additionally, IPTC will contribute 0.5% of pay for all employees who were nonvested plan participants as of January 1, 2006. Employer contributions for 2016 were $159,746.

Net Pension Liability (Asset)

IPTC's net pension liability (asset) was measured as of December 31, 2016, for the year ended December 31, 2016, and the total pension liability used to calculate the net pension liability (asset) was determined by actuarial valuations as of January 1, 2017 for 2016, which were unchanged from December 31, 2016.

For the total pension liability at December 31, 2016, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the RP-2014 Blue Collar Mortality for Employees, Healthy Annuitants and Disabled Annuitants set forward one year with generational projection per Scale MP-2016.

The actuarial assumptions used in the December 31, 2016 valuations were not based on the results of an actuarial experience study.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	82%	5.40%
Non-US equity	7%	6.49%
Fixed income	3%	2.53%
Cash	8%	0.82%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 6.50%, for the year ended December 31, 2016. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that IPTC contributions will be made at contractually determined contribution rates. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Changes in the total pension liability, plan fiduciary net position and the net pension liability (asset) for 2016 are:

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (Asset) (a) - (b)**
Balances at January 1, 2016	$ 10,662,955	$ 9,769,678	$ 893,277
Changes for the year			
Interest	602,323	-	602,323
Effect of economic/demographic gains or losses	(499,484)	-	(499,484)
Effect of assumptions, changes or inputs	(8,303)	-	(8,303)
Benefit payments, including refunds of employee contributions	(999,235)	(999,235)	-
Contributions - employer	-	159,746	159,746
Contributions - employee	-	88,923	88,923
Net investment income	-	823,838	823,838
Administrative expense	-	(29,504)	(29,504)
Net changes	(904,699)	43,768	(948,467)
Balances at December 31, 2016	$ 9,758,256	$ 9,813,446	$ (55,190)

The net pension liability (asset) of IPTC has been calculated using a discount rate of 6.50% at December 31, 2016. The following presents the net pension liability using a discount rate of 1% higher and 1% lower than the current rate.

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
IPTC's net pension liability (asset)	$ 695,302	$ (55,190)	$ (712,494)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position, or fair value of Plan assets, at December 31, 2016 is as follows:

Cash and cash equivalents	$ 797,978
Receivable investment income	9,886
Fixed income investments	302,032
Domestic equities	8,703,550
	$ 9,813,446

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

For the year ended December 31, 2016, IPTC recognized reduction of expense of $105,970. At December 31, 2016, IPTC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 478,814
Changes of assumptions	162,263	5,787
Net difference between projected and actual earnings on pension plan investments	252,622	-
	$ 414,885	$ 484,601

Amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2016, related to pensions will be recognized in pension expense as follows:

Year Ending December 31:		Amount
2017	$	(38,798)
2018		(40,462)
2019		52,298
2020		(42,754)

Payable to the Pension Plan

At December 31, 2016, IPTC had no outstanding amount of contributions owed to the pension plan required for the year.

Note 10: Postemployment Benefits Other Than Pensions

Plan Description

IPTC maintains and provides postemployment medical and life insurance benefits (OPEB) to retirees, through a single-employer defined-benefit plan, which IPTC administers. Retirees under the 1997 program and their spouses under the age of 65 not covered by Medicare are eligible under the provisions to continue these benefits but must pay 20% of the medical premium. COBRA eligible, or employees who are not receiving pay from IPTC must submit the employee’s portion, or the COBRA premiums, to Human Resources no later than the first day of the month the premium is due to retain insurance coverage. IPTC will pay $75 per month towards the COBRA continuation or conversion of group health insurance retained by any employee who retires early or is on disability with IPTC pension. If, after the 18th month of continuation group coverage, the retiree is still under the age of 65, IPTC reimburses the retiree up to a maximum of $225 on a quarterly basis towards the cost of the premiums. Retirees also quality for a life insurance policy with benefits of $5,500 if they retire on or after the age of 55 with at least 15 years of service. This plan does not issue a stand-alone financial report.

Funding Policy

IPTC funds these benefits annually based on an actuarially determined amount and is subject to board approval. IPTC has recorded the cumulative difference between the annual required contributions (ARC) and amounts contributed to the plan as an asset on the statements of net position.

Annual OPEB Cost and Net OPEB Obligation

IPTC's annual other postemployment benefit (OPEB) cost is calculated based on the 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 30 years. The following table shows the components of IPTC's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the net OPEB asset:

Annual required contribution	$ 72,600
Interest on net OPEB obligation	(12,824)
Annual OPEB cost	59,776
Contributions made	78,000
Increase in net OPEB asset	(18,224)
Net OPEB asset, January 1, 2015	(341,988)
Net OPEB asset, December 31, 2015	$ (360,212)
Annual required contribution	$ 48,900
Interest on net OPEB obligation	(12,969)
Annual OPEB cost	35,931
Contributions made	70,100
Increase in net OPEB asset	(34,169)
Net OPEB asset, January 1, 2016	(360,212)
Net OPEB asset, December 31, 2016	$ (394,381)

IPTC's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB asset for 2016 and the two preceding years were as follows:

Year Ended December 31	Annual OPEB Cost	Actual Contribution Made	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset
2016	$ 35,931	$ 70,100	195%	$ 394,381
2015	59,776	78,000	130%	360,212
2014	69,500	84,100	121%	341,988

Funded Status and Funding Progress

As of December 31, 2016, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was $1,189,000 and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $1,189,000. The covered payroll (annual payroll of active employees covered by the plan) was not applicable, and the ratio of the UAAL to covered payroll was therefore 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 health care 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 value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

In the December 31, 2016 actuarial valuation, the unit credit actuarial cost method was used. Under this method, the actuarial present value of projected benefits is the value of benefits expected to be paid for retirees and is calculated based on the assumptions described in this report and census data. In determining the ARC, the unfunded AAL is amortized over 30 years from the valuation date on an open basis in level percent of payments.

The significant actuarial assumptions are summarized below:

Actuarial Valuation Date:	December 31, 2016
Discount Rate:	3.78% compounded annually
Compensation Increase Rate:	3.0% compounded annually
Mortality:	RP-2014 mortality rates set forward one year, with generational improvement using Scale MP-2016. Separate rates for males and females
Life Insurance Premiums:	$4.07/month/$1,000 of coverage

Note 11: Disclosures About Fair Value of Assets and Liabilities

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

IPTC has the following recurring fair value measurements as of December 31, 2016:

- Government-backed mortgage notes totaling $7,065,112 as of December 31, 2016 are valued using significant other observable inputs and are deemed to fall within Level 2 of the fair value hierarchy.

Note 12: Other Nonoperating Revenue (Expense)

Other nonoperating revenue and expense consisted of the following for 2016:

Other Revenues	
Investment income (loss)	$ 99,012
Gain on environmental remediation cost recovery	1,826,007
Miscellaneous	1,217,488
Pass-through grants for subrecipients	361,515
	3,504,022
Other Expenses	
Interest payable from restricted debt service assets	74,096
Amortization of bond premium	-
Pass-through grants to subrecipients	361,515
	435,611
	$ 3,068,411

Note 13: Contingencies

Litigation

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

Note 14: Subsequent Event

In February 2017, the Indianapolis City-County Council voted to approve a new Marion County transit tax which will go into effect in October 2017. This additional tax is estimated to generate approximately $54 million annually starting in 2018 and the funds will be used to implement the Marion County Transit Plan, which calls for adding buses and drivers, as well as building three rapid-transit bus lines.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Indianapolis Public Transportation Corporation
A Component Unit of the Consolidated City of Indianapolis-Marion County
Schedule of Required Supplementary Information
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios

	2016	2015
Total Pension Liability		
Interest on total pension liability	$ 602,323	$ 623,493
Effect of economic/demographic gains or losses	(499,484)	(268,255)
Effect of assumptions, changes or inputs	(8,303)	333,067
Benefit payments, including refunds of employee contributions	(999,235)	(964,637)
Net change in total pension liability	(904,699)	(276,332)
Total pension liability - beginning	10,662,955	10,939,287
Total pension liability - ending (a)	9,758,256	10,662,955
Plan Fiduciary Net Position		
Contributions - employer	159,746	164,076
Contributions - employee	88,923	96,872
Net investment income (loss)	823,838	(44,197)
Benefit payments, including refunds of employee contributions	(999,235)	(964,637)
Administrative expense	(29,504)	(21,917)
Net change in plan fiduciary net position	43,768	(769,803)
Plan fiduciary net position - beginning	9,769,678	10,539,481
Plan fiduciary net position - ending (b)	9,813,446	9,769,678
IPTC's Net Pension Liability (Asset) - Ending (a) - (b)	$ (55,190)	$ 893,277
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.57%	91.62%
Covered-Employee Payroll	$ 2,106,365	$ 1,994,058
IPTC's Net Pension Liability as a Percentage of Covered-Employee Payroll	-2.62%	44.80%

Notes to Schedule:

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

Benefit changes. No significant changes

Changes of assumptions. Change in mortality projection from Scale BB to Scale MP-2016

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

	2016	2015
Contractually required contribution	$ 159,746	$ 164,076
Contributions in relation to the contractually required contribution	(159,746)	(164,076)
Annual contribution deficiency (excess)	$ -	$ -
IPTC's contributions as a percentage of contractually required contribution for pension	100%	100%
IPTC's covered-employee payroll	$ 2,106,365	$ 1,994,058
Contributions as a percentage of covered-employee payroll	7.6%	8.2%

Notes to Schedule:

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

Valuation date: January 1, 2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry age normal

Amortization method: Level dollar

Remaining amortization period: N/A

Asset valuation method: Zero years smoothing period with no corridor

Inflation: 2.30%

Salary increases: 3.00%

Investment rate of return: 6.50%

Retirement age: 65

Mortality: RP-2014 Blue Collar Mortality for Employees, Healthy annuitants, and Disabled Annuitants set forward 1 year with generational projection per Scale MP-2016

Indianapolis Public Transportation Corporation
A Component Unit of the Consolidated City of Indianapolis-Marion County
Schedule of Required Supplementary Information
Schedule of Funding Progress Under GASB 45 for Other Postemployment Benefit Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
12/31/2016	$ -	$ 1,189,000	$ 1,189,000	0%	N/A	N/A
12/31/2015	$ -	$ 1,299,000	$ 1,299,000	0%	N/A	N/A
12/31/2014	$ -	$ 1,514,000	$ 1,514,000	0%	N/A	N/A


STEP

Statistical Section (Unaudited)

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

Statistical Section (Unaudited)
Table of Contents

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Indianapolis Public Transportation Corporation

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

Table I

Net Position by Component - Accrual Basis of Accounting

Last Ten Years (1)

(amounts in thousands)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Municipal Corporation activities										
Net investment in capital assets	$ 15,861	$ 14,846	$ 25,481	$ 33,867	$ 33,985	$ 33,289	$ 36,110	$ 42,647	$ 80,425	$ 98,024
Restricted	12,138	11,487	16,066	17,716	17,268	18,281	16,092	17,760	14,655	9,530
Unrestricted	1,435	11,003	5,682	3,507	6,177	10,473	13,578	12,961	15,456	14,152
Total Municipal Corporation activities net position	$ 29,434	$ 37,336	$ 47,229	$ 55,090	$ 57,430	$ 62,043	$ 65,780	$ 73,368	$ 110,536	$ 121,706

(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 position prospectively beginning with 2003.

Indianapolis Public Transportation Corporation

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

Table II

Operating Expenses by Type

Last Ten Years (1)

Calendar Year	Transportation	Maintenance of Equipment Including Fuel	Administrative and General	Claims and Insurance	Subtotal Expenses Before Depreciation	Depreciation	Total Operating Expenses
2007	$ 26,994,527	$ 13,383,447	$ 6,516,194	$ 756,182	$ 47,650,350	$ 8,121,358	$ 55,771,708
2008	29,541,787	14,538,889	6,863,256	1,516,932	52,460,864	7,627,359	60,088,223
2009	30,259,567	15,218,097	7,864,376	2,226,549	55,568,589	7,869,927	63,438,516
2010	30,175,698	15,820,401	8,377,011	1,968,982	56,342,092	7,200,405	63,542,497
2011	28,378,033	15,409,628	7,362,449	1,860,421	53,010,531	9,877,258	62,887,789
2012	28,619,510	15,434,962	6,915,103	1,800,777	52,770,352	8,253,598	61,023,950
2013	29,733,176	17,098,609	10,208,449	1,334,836	58,375,070	7,293,959	65,669,029
2014	32,424,781	18,932,576	10,311,180	1,566,982	63,235,519	7,883,516	71,119,035
2015	29,787,891	16,952,267	9,833,426	1,322,196	57,895,780	7,750,331	65,646,111
2016	35,205,033	16,837,683	11,842,475	1,547,474	65,432,665	9,105,197	74,537,862

(1) IPTC adopted GASB Statement No. 34, which required reclassification of certain balances, prospectively beginning with 2003.

Indianapolis Public Transportation Corporation

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

Table III

Changes in Net Position

Last Ten Years (1)

Calendar Year	Operating Revenue	Operating Expense	Operating Loss	Nonoperating Revenue (Expense)	Income (Loss) Before Capital Contributions	Capital Contributions	Change in Net Position
2007	$ 9,179,973	$ 55,771,708	$ (46,591,735)	$ 44,207,456	$ (2,384,279)	$ 2,761,659	$ 377,380
2008	10,355,343	60,088,223	(49,732,880)	50,360,436	627,556	5,430,248	6,057,804
2009	10,128,052	63,438,516	(53,310,464)	50,981,036	(2,329,428)	12,221,576	9,892,148
2010	9,996,539	63,542,497	(53,545,958)	49,221,744	(4,324,214)	12,186,098	7,861,884
2011	10,884,539	62,887,790	(52,003,251)	47,319,768	(4,683,483)	7,022,467	2,338,984
2012	11,661,120	61,023,950	(49,362,830)	50,265,991	903,161	3,710,587	4,613,748
2013	11,738,207	65,669,029	(53,930,822)	54,831,342	900,520	2,836,387	3,736,907
2014	12,136,882	71,119,035	(58,982,153)	54,548,834	(4,433,319)	12,021,795	7,588,476
2015	11,724,021	65,646,111	(53,922,090)	58,447,464	4,525,374	33,040,761	37,566,135
2016	11,105,202	74,537,862	(63,432,660)	64,881,873	1,449,213	9,721,628	11,170,841

(1) IPTC adopted GASB Statement No. 34, which required reclassification of certain balances, including the presentation of net position prospectively beginning with 2003.

Indianapolis Public Transportation Corporation

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

Table IV

Operating Revenues by Source

Last Ten Years (1)

Calendar Year	Passenger Fares	Special Service	Advertising	Total
2007	$ 8,535,060	$ 242,918	$ 401,995	$ 9,179,973
2008	9,811,303	175,351	368,689	10,355,343
2009	9,823,052	-	305,000	10,128,052
2010	9,707,471	-	289,068	9,996,539
2011	10,401,922	-	482,617	10,884,539
2012	11,266,129	-	394,991	11,661,120
2013	11,354,576	-	383,631	11,738,207
2014	11,617,150	-	519,732	12,136,882
2015	11,232,694	-	491,327	11,724,021
2016	10,387,232	-	717,970	11,105,202

(1) IPTC adopted GASB Statement No. 34, which required reclassification of certain balances, prospectively beginning with 2003.

Indianapolis Public Transportation Corporation

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

Table V

Nonoperating Revenues and Expenses

Last Ten Years (1)

Calendar Year	Property and Excise Tax	Municipalities	FTA Operating Assistance	Other net	Total Nonoperating Revenue and Expenses
2007	$ 22,819,745	$ 10,243,549	$ 10,779,969	$ 364,193	$ 44,207,456
2008	22,670,695	12,887,164	14,527,052	275,525	50,360,436
2009	22,842,141	12,353,393	16,456,216	(670,714)	50,981,036
2010	23,879,654	11,798,407	15,457,006	(1,913,323)	49,221,744
2011	23,966,467	11,026,654	12,358,190	(31,543)	47,319,768
2012	27,029,782	10,883,600	12,320,606	32,003	50,265,991
2013	33,105,656	10,842,244	11,017,598	(134,156)	54,831,342
2014	31,729,423	10,877,058	11,855,317	87,036	54,548,834
2015	34,110,139	10,996,469	13,265,041	75,815	58,447,464
2016	39,000,284	11,021,036	11,792,142	3,068,411	64,881,873

(1) IPTC adopted GASB Statement No. 34, which required reclassification of certain balances, prospectively beginning with 2003.

Indianapolis Public Transportation Corporation

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Table VI

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Years

Calendar Year		Real Property Assessed Value		Personal Property Assessed Value		Total Taxable Assessed Value	Total Direct Tax Rate		Taxable Assessed Value as a % of Actual Taxable Value	
2007	$	40,509,313,606	$	4,239,080,975	$	44,748,394,581	0.0503	%	100	%
2008		36,832,770,108		4,376,563,164		41,209,333,272	0.0504		100	
2009		31,212,260,953		4,915,058,533		36,127,319,486	0.0609		100	
2010		28,961,103,856		4,921,541,600		33,882,645,456	0.0610		100	
2011		29,737,227,003		2,189,862,781		31,927,089,784	0.0694		100	
2012		30,767,449,975		4,966,628,437		35,734,078,412	0.0803		100	
2013		28,895,562,176		5,076,078,757		33,971,640,933	0.0870		100	
2014		29,672,648,271		5,152,942,345		34,825,590,616	0.0938		100	
2015		29,582,373,258		5,148,642,743		34,731,016,001	0.0983		100	
2016		30,090,249,074		5,471,602,908		35,561,851,982	0.0981		100	

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

Indianapolis Public Transportation Corporation

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Table VII

Property Tax Levies and Collections (1 & 2)

Last Ten Years

Year Ended December 31	Taxes Levied for the Year (3)	Collected Within the Fiscal Year of the Levy: Amount	Collected Within the Fiscal Year of the Levy: Percentage of Levy	Collections of Taxes Levied in Prior Years	Total Collections to Date: Amount	Total Collections to Date: Percentage of Levy
2007	$ 21,220,606	$ 18,842,932	88.80%	$ 400,192	$ 19,243,124	90.68%
2008 (5)	20,769,503	20,396,002	98.20%	226,008	20,622,010	99.29%
2009 (5) (6)	21,134,612	20,546,163	97.22%	845,384	21,391,547	101.22%
2010 (5)	20,668,415	19,671,063	95.17%	413,368	20,084,431	97.17%
2011 (5) (7)	24,680,645	23,740,201	96.19%	940,444	24,680,645	100.00%
2012 (5) (8)	25,732,422	25,055,800	97.37%	957,259	26,013,059	101.09%
2013 (5) (8)	28,011,096	26,490,971	94.57%	1,157,889	27,648,860	98.71%
2014 (5) (8) (9)	25,292,892	26,426,781	104.48%	1,001,691	27,428,472	108.44%
2015	33,521,071	32,115,884	95.81%	1,025,882	33,141,766	98.87%
2016	33,174,180	36,978,100	111.47%	942,355	37,920,455	114.31%

(1) Includes operating, cumulative capital and debt service funds.
(2) Data presented on the cash basis of accounting.
(3) Source of information is Indiana Department of Local Government Finance.
(4) Includes cumulative capital fund beginning in 2005.
(5) Beginning in 2008 the effect of property tax caps has impacted the value of taxes levied.
(6) A number of appeals from 2008 were resolved in 2009. These appeals resulted from property tax reassessment.
(7) Collections include water company pilot program distribution in lieu of taxes.
(8) Collected more delinquent tax in 2012.
(9) The Tax Levy for 2014 was cut $3.9 million.

Indianapolis Public Transportation Corporation

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Table VIII

Ratio of General Bonded Debt Outstanding

Last Ten Years

Calendar Year	Total General Bonded Debt Outstanding	Total Notes Payable Outstanding	Less: Amounts Available in Debt Service Fund	Total	Per Capita Debt (1)	Per Capita Personal Income (3)	Total Debt as a Percentage of Per Capita Personal Income	Actual Taxable Value of Property (2)	Percentage of Actual Taxable Value of Property
2007	$ 13,120,000	$ 7,018,500	$ 157,519	19,980,981	25.23	$ 37,936	0.00067	$ 44,748,394,581	0.045%
2008	12,025,000	7,053,500	27,638	19,050,862	24.06	25,546	0.00094	41,209,333,272	0.046%
2009	10,625,000	7,003,988	-	17,628,988	22.26	38,532	0.00058	36,127,319,486	0.049%
2010	9,265,000	6,872,906	-	16,137,906	20.38	37,232	0.00055	33,882,645,456	0.048%
2011	7,835,000	6,674,153	5,543	14,503,610	16.02	37,232	0.00043	32,045,358,660	0.045%
2012	6,425,000	6,621,748	5,543	13,041,205	14.19	38,309	0.00037	33,823,881,794	0.039%
2013	4,675,000	1,549,420	-	6,224,420	7.86	40,132	0.00020	32,196,661,823	0.019%
2014	2,925,000	1,336,688	-	4,261,688	4.56	39,936	0.00010	34,825,590,616	0.012%
2015	1,680,000	967,155	-	2,647,155	2.82	40,998	0.00007	34,731,016,001	0.008%
2016	1,680,000	719,124	-	2,399,124	2.78	43,492	0.00006	35,561,851,982	0.007%

(1) Based on 2015 population of Consolidated City (939.020) for 2015. Source: U.S. Department of Commerce. Bureau of Census.

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

(3) Data presented are per the U.S. Department of Commerce, Bureau of Economic Analysis. Per capita personal income is compiled using Census Bureau midyear population estimates. Estimated reflect county population estimates available as of March 2016.

Indianapolis Public Transportation Corporation

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Table IX

Direct and Overlapping Property Tax Rates (1 & 3)

Last Ten Years

	Direct Rates (2)				Overlapping Rates						Total (2)
Year	Basic Rate	Debt Service	Cumulative Capital	Total Direct Rate	City	County	Other Muni Corp	School	State	Other	Total
2007	0.0361	0.0042	0.0100	0.0503	0.8770	0.5607	0.2917	1.8713	0.0000	0.0522	3.7032
2008	0.0370	0.0034	0.0100	0.0504	0.8920	0.4602	0.3017	1.7668	0.0024	0.0510	3.5490
2009	0.0460	0.0049	0.0100	0.0609	0.7093	0.4842	0.2645	1.1569	0.0024	0.0578	2.7360
2010	0.0461	0.0049	0.0100	0.0610	0.8673	0.3534	0.2672	1.3692	0.0000	0.0615	2.9796
2011	0.0538	0.0058	0.0100	0.0696	0.9525	0.3665	0.2989	1.4065	0.0000	0.0615	3.1555
2012	0.0656	0.0051	0.0096	0.0803	1.0034	0.4007	0.3155	1.2711	0.0000	0.0670	3.1380
2013	0.0870	0.0061	0.0100	0.1031	0.9802	0.3932	0.3283	1.4829	0.0000	0.0607	3.3484
2014	0.0781	0.0057	0.0100	0.0938	0.7667	0.4034	0.3402	1.2889	0.0000	0.0620	2.9550
2015	0.0847	0.0044	0.0092	0.0983	0.7069	0.3825	0.3222	1.3504	0.0000	0.0607	2.9210
2016	0.0983	0.0044	0.0093	0.1120	0.7136	0.3883	0.3334	1.4170	0.0000	0.0630	3.0273

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

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

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

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

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

Indianapolis Public Transportation Corporation

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Table X

Direct and Overlapping Bonded Debt and Bonding Limit

December 31, 2016

(amounts in thousands)

	Bonded Debt Limit (1)	Bonds Outstanding (2)
Overlapping Debt		
City of Indianapolis	3,675,595	1,143,992
Marion County	258,280	-
Other Municipal Corporations	1,026,601	252,020
Public Schools	2,358,435	165,054
Other Cities and Towns	16,385	13,073
Other Misc City and Town Township	253,632	4,427
	6,518	260
Total Overlapping Debt	7,595,446	1,578,826
Direct Debt		
Indianapolis Public Transportation Corporation	244,709	-
Total Direct and Overlapping Debt	7,840,155	1,578,826
IPTC's Percentage of Total Direct and Overlapping Debt	3.12%	0.00%

(1) Source: Marion County Auditor's Abstract

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

Indianapolis Public Transportation Corporation

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

Table XI

Demographic and Economic Statistics

Last Ten Years

Calendar Year	Population (1)	Per Capita Personal Income (2)	Median Age (3)	Student Enrollment (4)	Unemployment Rate (5)
2007	805,489	$ 37,936	35.5	133,352	4.6 %
2008	795,458	25,546	35.6	132,344	5.6
2009	808,466	38,532	35.8	131,678	9.4
2010	807,584	37,232	33.6	131,886	9.9
2011	820,445	37,232	33.0	132,475	9.4
2012	834,852	38,309	33.7	130,796	7.7
2013	843,393	40,132	33.7	128,478	8.7
2014	848,799	39,963	34.0	130,007	6.3
2015	862,781	40,998	34.3	130,371	5.0
2016	855,164	43,492	34.3	131,754	4.4

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

(2) Data presented are per the U.S. Department of Commerce, Bureau of Economic Analysis. Per capita personal income was computed using Census Bureau midyear population estimates. Estimates reflect county population estimates available as of March 2016.

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

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

(5) Data presented is for Unemployment rate, nonseasonally adjusted, annual average, Marion County, IN. Source: Bureau of Labor Statistics and Hoosierdata.in.gov as provided by Indiana Department of Workforce Development.

Indianapolis Public Transportation Corporation
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Table XII
Principal Employers
Current Year and Nine Years Ago

2016

Employer (2)	Employees	Rank	Percentage of Total City Employment (1)
St. Vincent Hospitals & Health Services	17,398	1	3.760%
Indiana University Health	11,810	2	2.550%
Eli Lilly and Company	11,479	3	2.480%
Community Health Network	10,402	4	2.250%
Wal-Mart	8,830	5	1.910%
Marsh Supermarkets	8,000	6	1.730%
Kroger	7,840	7	1.700%
IUPUI	7,365	8	1.590%
Peyton Manning Children's Hospital	7,000	9	1.510%
IU School of Medicine	6,000	10	1.300%
		Total	20.780%

2007

Employer (3)	Total Employees	Rank	Percentage of Total City Employment (1)
Eli Lilly and Company	12,500	1	2.830%
Community Health Network	8,800	2	1.990%
St Vincent Hospitals & Health Services Inc.	7,750	3	1.760%
Clarian Health Partners, Inc	7,503	4	1.700%
IUPUI	7,066	5	1.600%
FedEx	6,311	6	1.430%
Rolls-Royce	4,300	7	0.970%
WellPoint Inc.	4,200	8	0.950%
Allison Transmission/Div of GMC	4,000	9	0.910%
AT&T	3,500	10	0.790%
		Total	14.930%

(1) Percentage of total City employment is calculated using 2016 and 2007 Employment Labor Force, which can be found at www.stats.indiana.edu.
(2) Largest employers can be found at www.indypartnership.com (Indy Partnership).
(3) 2007 largest employers data can be found in IPTC 2007 Annual Report.

Indianapolis Public Transportation Corporation
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Table XIII
Principal Property Tax Payers (3)
Current Year and Nine Years Ago
(amounts in thousands)

	2016				2007			
	Taxpayer	Taxable Assessed Value (1)	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value (2) (3)	Rank	Percentage of Total City Taxable Assessed Value
1	Eli Lilly and Company	$ 1,215,794	1	2.859%	Eli Lilly and Company	$ 1,256,497	1	3.171%
2	Citizens Energy Group	460,423	2	1.830%	Southwestern Bell	332,955	2	0.840%
3	Indianapolis Power and Light Company	262,042	3	0.616%	General Motors Corporation	305,847	3	0.772%
4	Federal Express Corporation	245,659	4	0.578%	Indianapolis Power and Light Company	304,320	4	0.768%
5	Conventional Headquarters Hotels, LLC	180,811	5	0.425%	Simon Property Group, Inc.	269,592	5	0.680%
6	Hertz Indianapolis 111 Monument, LLC	154,456	6	0.363%	International Truck and Engine	246,269	6	0.621%
7	American United Life Insurance Company	112,906	7	0.265%	St Vincent Hospital & Health Care Center, Inc.	185,967	7	0.469%
8	Verizon Wireless	90,704	8	0.213%	Federal Express Corporation	185,818	8	0.469%
9	SVC Manufacturing	88,554	9	0.208%	Citizens Gas & Coke Utility	184,577	9	0.466%
10	Castleton Square, LLC	80,872	10	0.190%	Visteon Corporation	157,229	10	0.397%
		$ 2,892,221		7.547%		$ 3,429,071		8.653%

(1) Represents the March 1, 2015 valuations for taxes due and payable in 2016 and represented by the taxpayer.

(2) Represents the March 1, 2006 valuations for taxes due and payable in 2007 and represented by the taxpayer.

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

Indianapolis Public Transportation Corporation

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Table XIV

Operating Information

Last Ten Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
EMPLOYEE DATA										
Number of Employees (1)										
Full Time										
Operators	327	332	341	380	301	271	277	308	286	277
Other Transportation	59	47	35	7	19	-	-	-	37	67
Maintenance	96	88	85	69	79	76	78	83	79	80
Administrative & Other	52	43	43	41	58	38	37	46	41	42
Total full-time employees	534	510	504	497	457	385	392	437	443	466
Part Time										
Operators	2	2	2	4	5	-	-	-	-	-
Other	4	5	6	5	4	-	-	-	-	-
Total part-time employees	6	7	8	9	9	-	-	-	-	-
Total Employees	540	517	512	506	466	385	392	437	443	466
PASSENGER DATA										
Passengers (2)	9,494,784	9,951,627	10,574,895	10,526,681	10,248,603	9,512,408	8,778,098	8,437,450	9,890,098	9,409,066
Number of Fixed Routes (3)	31	31	31	31	30	30	30	32	32	31
Annual Vehicle Miles (2)	11,510,632	11,359,866	11,535,338	11,062,831	10,759,404	10,816,574	10,907,886	11,377,274	11,850,233	10,889,165
Annual Vehicle Hours (2)	764,275	739,029	635,693	710,253	624,219	679,805	691,203	710,637	727,301	690,293
Number of Coaches (4)	268	243	220	233	227	228	224	235	240	228
Number of ADA Accessible vehicles (4)	268	243	220	233	227	228	224	235	240	228
Fare (Single Ride) (3)	$ 1.75	$ 1.75	$ 1.75	$ 1.75	$ 1.75	$ 1.75	$ 1.75	$ 1.75	$ 1.50	$ 1.50

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

(2) Source: NTD Form 5-10. Includes both motor bus and demand response modes.

(3) Source: IPTC Transportation Department.

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

Indianapolis Public Transportation Corporation

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Table XV

Schedule of Insurance in Force

December 31, 2016

Type of Coverage	Company	Term	Expiration Date	Limit	Deductible
GL, AL, Public Officials:	National Casualty Company	1 year	January 1		
General Liability				$ 1,000,000	$ 400,000
Wrongful Acts				$ 1,000,000	$ 400,000
Auto Liability				$ 1,000,000	$ 400,000
Employee Benefits Liability				$ 1,000,000	$ 400,000
Public Official	RSUI	1 year	January 1	$ 1,000,000	$ 25,000
Fiduciary Liability	Travelers	1 year	January 1	$ 2,000,000	$ 15,000
Property:	Continental Casualty Company	1 year	January 1		
Building & Contents				$ 165,658,219	
Property Damage - Per Occurrence					$ 50,000
Bus					$ 50,000
Lease Goodyear Tires					$ 1,000
Property Off Premises (Inland Marine)					$ 5,000
Earthquake				$ 25,000,000	$ 100,000
Flood				$ 25,000,000	$ 100,000
Crime:	National Union	1 year	January 1		
Employee Theft				$ 1,000,000	$ 15,000
Forgery or Alteration				$ 1,000,000	$ 15,000
Inside of Premises - Theft of Money & Securities				$ 1,000,000	$ 15,000
Inside of Premises - Robbery & Safe Burglary				$ 1,000,000	$ 15,000
Outside of Premise				$ 1,000,000	$ 15,000
Computer Fraud				$ 1,000,000	$ 15,000
Funds Transfer Fraud				$ 1,000,000	$ 15,000
Money Orders and Counterfeit Paper Currency				$ 1,000,000	$ 15,000

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

Indianapolis Public Transportation Corporation
(A Component Unit of the Consolidated City of Indianapolis - Marion County)
Table XVI
Schedule of Transit Vehicles
December 31, 2016

No. of Vehicles	Year (2)	Manufacturer	Engine Type	Seating Capacity	Lift/Ramp Equipped
Large Bus					
1	1997	Gillig	Diesel	44+2wc	Yes(Lift)
8	1997	New Flyer	Diesel	38+2wc	Yes(Lift)
2	1998	Gillig	Diesel	44+2wc	Yes(Lift)
19	1999	nova	Diesel	39+3wc	Yes(Lift)
7	2000	Gillig	Diesel	28+2wc	Yes(Lift)
21	2003	Gillig	Electric	38+2wc	Yes(Lift)
16	2001	Gillig	Diesel	38+2wc	Yes(Lift)
11	2001	New Flyer	Diesel	39+2wc	Yes(Lift)
15	2002	New Flyer	Diesel	54+2wc	Yes(Lift)
24	2003	Gillig	Diesel	38+2wc	Yes(Lift)
2	2004	Gillig	Diesel	38+2wc	Yes(Lift)
9	2007	Gillig	Diesel	38+2wc	Yes(Lift)
11	2010	Gillig	Diesel	38+2wc	Yes(Lift)
11	2010	Gillig	Diesel	38+2wc	Yes(Lift)
4	2013	Gillig	Diesel	38+2wc	Yes(Lift)
13	2014	Gillig	Diesel	38+2wc	Yes(Lift)
13	2015	Gillig	Diesel	38+2wc	Yes(Lift)
13	2016	Gillig	Diesel	38+2wc	Yes(Lift)
200	Total Large Buses				
Body on Chassis					
36	2009	Chevy	Diesel	10+2wc	Yes(Lift)
8	2009	Chevy	Diesel	8+2wc	Yes(Lift)
4	2012	VPG	Diesel	3+1wc	no
3	2014	Chevy	Diesel	10+wc	Yes(Lift)
22	2015	Chevy	Diesel	10+wc	Yes(Lift)
73	Total Body on Chassis				
273	Vehicles in Total Fleet				

(1) Used exclusively for demand response and flexible service, IPTC policy precludes standees on these vehicles.

(2) Average age of equipment is 9.5 years.

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

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