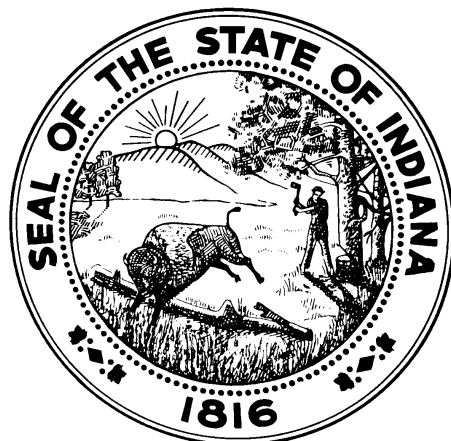


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT

2008

GREATER LAFAYETTE PUBLIC
TRANSPORTATION CORPORATION
TIPPECANOE COUNTY, INDIANA



FILED
10/27/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
General Manager	Martin B. Sennett	01-01-08 to 12-31-09
Controller	Arnold E. Becker	01-01-08 to 12-31-09
President of the Board	Joe Krause Jeris Eikenberry	01-01-08 to 12-31-08 01-01-09 to 12-31-09



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE GREATER LAFAYETTE PUBLIC TRANSPORTATION
CORPORATION, TIPPECANOE COUNTY, INDIANA

We have audited the accompanying financial statements of the business-type activities of the Greater Lafayette Public Transportation Corporation (Public Transportation Corporation), as of and for the year ended December 31, 2008. These financial statements are the responsibility of the Public Transportation Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Public Transportation Corporation as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Greater Lafayette Public Transportation Corporation has not been presented Management's Discussion and Analysis or Budgetary Comparison Schedules that the Governmental Accounting Standards Board has determined necessary to supplement, although not required to be part of, the basic financial statements.

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

In accordance with Government Auditing Standards, we have also issued our report dated October 8, 2009, on our consideration of the Public Transportation Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Public Transportation Corporation taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

STATE BOARD OF ACCOUNTS

October 8, 2009



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE GREATER LAFAYETTE PUBLIC TRANSPORTATION
CORPORATION, TIPPECANOE COUNTY, INDIANA

We have audited the financial statements of the Greater Lafayette Public Transportation Corporation (Public Transportation Corporation), as of and for the year ended December 31, 2008, and have issued our report thereon dated October 8, 2009. 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.

Compliance

As part of obtaining reasonable assurance about whether the Public Transportation Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Public Transportation Corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Public Transportation Corporation's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

October 8, 2009

GREATER LAFAYETTE PUBLIC TRANSPORTATION CORPORATION
STATEMENT OF NET ASSETS
December 31, 2008

	2008
<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ 1,330,369
Accounts receivable	305,334
Intergovernmental receivable	699,340
Inventories	545,503
Prepaid items	49,104
Total current assets	2,929,650
Noncurrent assets:	
Restricted cash, cash equivalents and investments:	
Uninsured liability	280,130
Operations	830,769
Capital projects	3,025,147
Total restricted assets	4,136,046
Capital assets:	
Land, improvements to land and construction in progress	313,466
Other capital assets (net of accumulated depreciation)	13,705,943
Total capital assets	14,019,409
Total noncurrent assets	18,155,455
Total assets	21,085,105
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	224,463
Accrued wages payable	43,480
Payroll withholdings	140,457
Compensated absences	120,900
Other payables	268,624
Total liabilities	797,924
<u>Net Assets</u>	
Invested in capital assets, net of related debt	14,019,409
Restricted for operations, uninsured liability, and capital projects	4,136,046
Unrestricted	2,131,726
Total net assets	\$ 20,287,181

The notes to the financial statements are an integral part of this statement.

GREATER LAFAYETTE PUBLIC TRANSPORTATION CORPORATION
STATEMENT OF REVENUES, EXPENSES, AND OTHER CHANGES IN FUND NET ASSETS
As Of And For The Year Ended December 31, 2008

	2008
Operating revenues:	
Passenger fares	\$ 570,427
Special transit fares	1,737,722
Advertising	133,267
Other	251,726
Total operating revenues	2,693,142
Operating expenses:	
Operators salaries and wages	2,777,798
Other salaries and wages	1,483,575
Fringe benefits	2,056,788
Services	342,413
Maintenance materials and supplies	1,673,887
Other materials and supplies	124,836
Utilities	131,977
Casualty and liability insurance	131,923
Miscellaneous expenses	198,078
Depreciation and amortization	1,781,291
Total operating expenses	10,702,566
Operating loss	(8,009,424)
Nonoperating revenues:	
Interest and investment revenue	85,679
Local taxes	2,488,865
State of Indiana operating assistance	3,554,503
Federal operating assistance	1,472,032
Total nonoperating revenues	7,601,079
Loss before contributions	(408,345)
Capital contributions	346,181
Change in net assets	(62,164)
Total net assets - beginning	20,349,345
Total net assets - ending	\$ 20,287,181

The notes to the financial statements are an integral part of this statement.

GREATER LAFAYETTE PUBLIC TRANSPORTATION CORPORATION
STATEMENT OF CASH FLOWS
As Of And For The Year Ended December 31, 2008

	2008
Cash flows from operating activities:	
Receipts from customers and users	\$ 2,190,296
Payments to suppliers and contractors	(4,521,295)
Payments to employees	(4,364,591)
Other receipts	251,726
Net cash used by operating activities	(6,443,864)
Cash flows from noncapital financing activities:	
Local taxes	2,972,108
State operating assistance	3,554,503
Federal operating assistance	1,472,032
Net cash provided by noncapital financing activities	7,998,643
Cash flows from capital and related financing activities:	
Capital contributions	346,181
Acquisition and construction of capital assets	(339,509)
Net cash provided by capital and related financing activities	6,672
Cash flows from investing activities:	
Interest received	85,679
Net increase in cash and cash equivalents	1,647,130
Cash and cash equivalents, January 1	3,819,285
Cash and cash equivalents, December 31	\$ 5,466,415
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating loss	\$ (8,009,424)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	1,781,291
(Increase) decrease in assets:	
Accounts receivable	(36,777)
Inventories	(98,540)
Prepaid items	(16,091)
Increase (decrease) in liabilities:	
Accounts payable	149,958
Accrued wages payable	(139,901)
Payroll withholdings payable	8,420
Compensated absence payable	28,263
Other payables	(111,063)
Total adjustments	1,565,560
Net cash used by operating activities	\$ (6,443,864)

The notes to the financial statements are an integral part of this statement.

GREATER LAFAYETTE PUBLIC TRANSPORTATION CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Greater Lafayette Public Transportation Corporation (Public Transportation Corporation) was established pursuant to a joint ordinance adopted by the Cities of Lafayette and West Lafayette. The Public Transportation Corporation is governed by a Board of Directors whose members are appointed by the mayors and city councils of the Cities of Lafayette and West Lafayette, and provides public transportation services to the residents of the Cities of Lafayette and West Lafayette.

The accompanying financial statements present the activities of the Public Transportation Corporation. There are no significant component units which require inclusion.

B. Fund Financial Statements

Business-type activity financial statements consist of the Statement of Net Assets; Statement of Revenues, Expenses, and Other Changes in Fund Net Assets; and the Statement of Cash Flows. Business-type activities rely to a significant extent on fees and charges for support.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounts of the business-type activity are maintained and the financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Proprietary funds distinguish operating revenues from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

The Public Transportation Corporation's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statute (IC 5-13-9) authorizes the Public Transportation Corporation to invest in securities, including but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Investment income is reported as nonoperating revenue in the Statement of Revenues, Expenses, and Other Changes in Fund Net Assets.

GREATER LAFAYETTE PUBLIC TRANSPORTATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Inventories and Prepaid Items

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

3. Restricted Assets

Certain proceeds of the enterprise fund are classified as restricted assets on the Statement of Net Assets because they are reserved for deductibles on insurance policies.

4. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the financial statements.

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods and estimated useful lives of capital assets are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Revenue equipment	\$ 500	Straight-line	7 to 12 years
Support vehicles	500	Straight-line	5 to 7 years

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

5. Compensated Absences

a. Sick Leave – Public Transportation Corporation union employees earn sick leave at the rate of 1/2 day per month. Unused sick leave may be accumulated to a maximum of 50 days. Union employees eligible for retirement benefits through PERF shall be paid 50% of the value of their accrued sick leave. Nonunion employees earn sick leave at the rate of 1 day per month. Unused sick leave may be accumulated to a maximum of 88 days. Accumulated sick leave is not paid to nonunion employees upon separation.

b. Vacation Leave – Public Transportation Corporation union employees earn vacation leave at rates from 5 to 30 days per year based upon the number of years of service. Nonunion employees earn vacation leave at rates from 10 to 30 days per year based upon the number of years of service. A maximum of 5 days vacation may be rolled from one year to another. Accumulated vacation leave is paid to employees through cash payments upon separation.

Vacation and sick leave is accrued when incurred and reported as a liability.

GREATER LAFAYETTE PUBLIC TRANSPORTATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

II. Detailed Notes on All Funds

A. Deposits and Investments

Deposits, made in accordance with IC 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

B. Capital Assets

Capital asset activity for the year ended December 31, 2008, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 110,179	\$ -	\$ -	\$ 110,179
Construction in progress	120,355	82,932	-	203,287
Total capital assets, not being depreciated	<u>230,534</u>	<u>82,932</u>	<u>-</u>	<u>313,466</u>
Capital assets, being depreciated:				
Revenue equipment	18,326,064	166,690	538,563	17,954,191
Support vehicles	381,930	28,846	-	410,776
Buildings and structures	9,311,993	20,741	-	9,332,734
Shop and garage equipment	546,637	5,352	-	551,989
Revenue collection fare boxes	422,448	-	-	422,448
Communication equipment	1,908,711	8,666	-	1,917,377
Office equipment and furnishings	461,166	27,010	728	487,448
Totals	<u>31,358,949</u>	<u>257,305</u>	<u>539,291</u>	<u>31,076,963</u>
Less accumulated depreciation for:				
Revenue equipment	11,031,730	1,150,041	538,563	11,643,208
Support vehicles	316,717	30,014	-	346,731
Buildings and structures	3,220,868	339,884	-	3,560,752
Shop and garage equipment	413,481	28,773	-	442,254
Revenue collection fare boxes	291,888	33,821	-	325,709
Communication equipment	495,297	179,253	-	674,550
Office equipment and furnishings	358,311	19,505	-	377,816
Totals	<u>16,128,292</u>	<u>1,781,291</u>	<u>538,563</u>	<u>17,371,020</u>
Total capital assets, being depreciated, net	<u>15,230,657</u>	<u>(1,523,986)</u>	<u>728</u>	<u>13,705,943</u>
Total capital assets, net	<u>\$ 15,461,191</u>	<u>\$ (1,441,054)</u>	<u>\$ 728</u>	<u>\$ 14,019,409</u>

GREATER LAFAYETTE PUBLIC TRANSPORTATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Construction Commitments

Construction work in progress is composed of the following:

<u>Project</u>	<u>Total Project Authorized</u>	<u>Expended to December 31, 2008</u>	<u>Committed</u>	<u>Required Future Funding</u>
Bus improvements	\$ 203,287	\$ 203,287	\$ -	\$ -

D. Restricted Assets

The balances of restricted asset accounts in the enterprise funds are as follows:

Uninsured liability	\$ 280,130
Operations	830,769
Capital projects	<u>3,025,147</u>
Total restricted assets	<u>\$ 4,136,046</u>

III. Other Information

A. Risk Management

The Public Transportation Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk. Risk financing is not utilized for the other risks of loss.

B. Pension Plan

Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

Public Employees' Retirement Fund

Plan Description

The Public Transportation Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give

GREATER LAFAYETTE PUBLIC TRANSPORTATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

the Public Transportation Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The Public Transportation Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 288,636
Interest on net pension obligation	(1,327)
Adjustment to annual required contribution	1,512
Annual pension cost	288,821
Contributions made	257,758
Increase (decrease) in net pension obligation	31,063
Net pension obligation, beginning of year	(18,299)
Net pension obligation, end of year	\$ 12,764

GREATER LAFAYETTE PUBLIC TRANSPORTATION CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

	<u>PERF</u>
Contribution rates:	
Public Transportation Corporation	6.38%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	4 year smoothed market

<u>Actuarial Assumptions</u>	<u>PERF</u>
Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-06	\$ 216,831	94%	\$ (58,338)
	06-30-07	265,700	85%	(18,299)
	06-30-08	288,821	89%	12,764

GREATER LAFAYETTE PUBLIC TRANSPORTATION CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 2,546,876	\$ 2,884,267	\$ (337,391)	88%	\$ 3,255,882	(10%)
07-01-05	2,695,861	3,179,603	(483,742)	85%	3,511,377	(14%)
07-01-06	2,841,992	3,370,901	(528,909)	84%	3,680,573	(14%)
07-01-07	3,119,322	3,632,989	(513,667)	86%	4,009,688	(13%)
07-01-08	3,294,905	3,954,732	(659,827)	83%	4,246,476	(16%)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE GREATER LAFAYETTE PUBLIC TRANSPORTATION
CORPORATION, TIPPECANOE COUNTY, INDIANA

Compliance

We have audited the compliance of the Greater Lafayette Public Transportation Corporation (Public Transportation Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended December 31, 2008. The Public Transportation Corporation's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Public Transportation Corporation's management. Our responsibility is to express an opinion on the Public Transportation Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Public Transportation Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Public Transportation Corporation's compliance with those requirements.

In our opinion, the Public Transportation Corporation complied in all material respects with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the Public Transportation Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Public Transportation Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Public Transportation Corporation's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

October 8, 2009

GREATER LAFAYETTE PUBLIC TRANSPORTATION CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2008

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U. S. DEPARTMENT OF TRANSPORTATION</u>			
Direct Grant			
Federal Transit Cluster			
Federal Transit Capital Investment Grants	20.500	IN-03-0104	\$ 1,949
Federal Transit Formula Grants	20.507	IN-90-0492	17,076
		IN-90-0507	77,119
		IN-90-0539	46,452
		IN-90-0560	1,436,470
		IN-90-2539	12,897
		IN-90-2560	90,000
Total for program			1,680,014
Total federal awards expended			\$ 1,681,963

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

GREATER LAFAYETTE PUBLIC TRANSPORTATION CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Greater Lafayette Public Transportation Corporation (primary government) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note II. Federal Transit Cluster

These programs were established to assist Public Transportation Corporations with planning, capital, and operating assistance. The programs are reimbursable grants based on an approved application and expenses incurred.

GREATER LAFAYETTE PUBLIC TRANSPORTATION CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	no
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Identification of Major Program:

CFDA Number	Name of Federal Program or Cluster
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Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

GREATER LAFAYETTE PUBLIC TRANSPORTATION CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

GREATER LAFAYETTE PUBLIC TRANSPORTATION CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on October 8, 2009, with Martin B. Sennett, General Manager; Arnold E. Becker, Controller; and Christopher R. Whitehead, Assistant Controller. Our audit disclosed no material items that warrant comment at this time.