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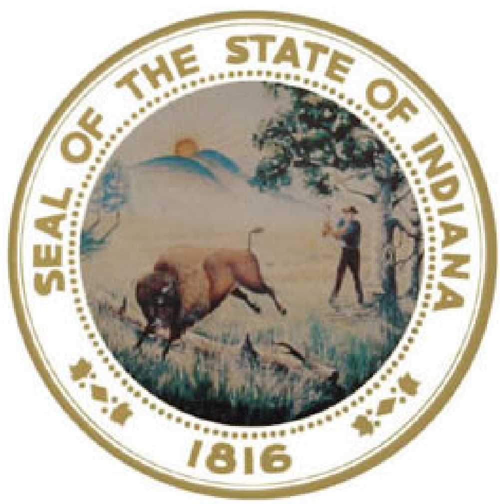
STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT

2011

GREATER LAFAYETTE PUBLIC
TRANSPORTATION CORPORATION

TIPPECANOE COUNTY, INDIANA



FILED
09/17/2012

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OFFICIALS

Office	Official	Term
General Manager	Martin B. Sennett	01-01-11 to 12-31-12
Controller	Arnold E. Becker	01-01-11 to 05-31-12
	Christopher R. Whitehead	06-01-12 to 12-31-12
Chairman of the Board	Daniel J. Moore	01-01-11 to 12-31-12

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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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, 2011, which collectively comprise the Public Transportation Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Public Transportation Corporation's management. Our responsibility is to express opinions 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Public Transportation Corporation's internal control over financial reporting. Accordingly we express no such opinion. 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, 2011, and the respective changes in financial position and cash flows thereof and for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 13, 2012, 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, 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 and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Schedules of Funding Progress, 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

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

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 inquires, 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.

Management has omitted the Management Discussion and Analysis that Government Accounting Standards Board requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Government 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. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Public Transportation Corporation's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (Circular A-133), as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

STATE BOARD OF ACCOUNTS

August 13, 2012

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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 business-type activities of the Greater Lafayette Public Transportation Corporation (Public Transportation Corporation), as of and for the year ended December 31, 2011, which collectively comprise the Public Transportation Corporation's basic financial statements and have issued our report thereon dated August 13, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Public Transportation Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Public Transportation Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Public Transportation Corporation's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Public Transportation Corporation's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

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 agreements, 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 or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Public Transportation Corporation's management, Board of Directors, others within the entity, 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

August 13, 2012

GREATER LAFAYETTE PUBLIC TRANSPORTATION CORPORATION
STATEMENT OF NET ASSETS
December 31, 2011

	2011
Assets	
Current assets:	
Cash and cash equivalents	$ 287,599
Accounts receivable (net of allowance)	303,859
Intergovernmental receivable	2,239,352
Inventories	521,622
Prepaid items	26,602
Total current assets	3,379,034
Noncurrent assets:	
Board designated cash and cash equivalents	
Uninsured liability	280,130
Operations	74,870
Restricted cash and cash equivalents	
Capital projects	3,531,577
Total board designated and restricted cash and cash equivalents	3,886,577
Capital assets:	
Land, improvements to land and construction in progress	561,495
Other capital assets (net of accumulated depreciation/amortization)	21,906,029
Total capital assets	22,467,524
Total noncurrent assets	26,354,101
Total assets	29,733,135
Liabilities	
Current liabilities:	
Accounts payable	53,616
Accrued wages payable	107,540
Payroll taxes payable	221,311
Compensated absences	188,245
Other payables	181,948
Total current liabilities	752,660
Total liabilities	752,660
Net Assets	
Invested in capital assets, net of accumulated depreciation/amortization	22,467,524
Restricted for capital projects	3,531,577
Unrestricted	2,981,374
Total net assets	$ 28,980,475

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, 2011

	2011
Operating revenues:	
Passenger fares	$ 672,041
Special transit fares	1,739,408
Advertising	190,412
Other	307,615
Total operating revenues	2,909,476
Operating expenses:	
Operators salaries and wages	3,292,342
Other salaries and wages	1,514,245
Fringe benefits	2,970,929
Services	843,582
Maintenance materials and supplies	1,644,657
Other materials and supplies	129,595
Utilities	129,136
Casualty and liability insurance	105,167
Miscellaneous expenses	224,359
Depreciation and amortization	2,250,849
Total operating expenses	13,104,861
Operating loss	(10,195,385)
Nonoperating revenues:	
Interest revenue	12,009
Local taxes	2,424,067
State of Indiana operating assistance	3,595,914
Federal operating assistance	1,912,000
Total nonoperating revenues	7,943,990
Loss before gain on asset disposals and contributions	(2,251,395)
Gain on asset disposals	28,744
Capital contributions	5,606,768
Change in net assets	3,384,117
Total net assets - beginning	25,596,358
Total net assets - ending	$ 28,980,475

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, 2011

	2011
Cash flows from operating activities:	
Receipts from customers and users	$ 2,595,973
Payments to suppliers and contractors	(3,339,071)
Payments to employees	(7,753,231)
Other receipts	307,615
Net cash used by operating activities	(8,188,714)
Cash flows from noncapital financing activities:	
Local taxes	2,392,877
State operating assistance	3,516,052
Net cash provided by noncapital financing activities	5,908,929
Cash flows from capital and related financing activities:	
Capital contributions	5,606,768
Acquisition and construction of capital assets	(6,093,137)
Net cash used by capital and related financing activities	(486,369)
Cash flows from investing activities:	
Interest received	12,009
Net cash provided by investing activities	12,009
Net decrease in cash and cash equivalents	(2,754,145)
Cash and cash equivalents, January 1	6,928,321
Cash and cash equivalents, December 31	$ 4,174,176
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	$ (10,195,385)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation and amortization expense	2,250,849
(Increase) decrease in assets:	
Accounts receivable, net	(5,887)
Inventories	(70,721)
Prepaid items	6,505
Increase (decrease) in liabilities:	
Accounts payable	(156,062)
Accrued wages payable and compensated absences	21,713
Payroll taxes payable	2,572
Other payables	(42,298)
Total adjustments	2,006,671
Net cash used by operating activities	$ (8,188,714)

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

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Greater Lafayette 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 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The Greater Lafayette Public Transportation Corporation has elected not to follow subsequent private-sector guidance.

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

When both restricted and unrestricted resources are available for use, the Public Transportation Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

The Greater Lafayette 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 Greater Lafayette 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.

Nonparticipating certificates of deposit, demand deposits and similar nonparticipating negotiable instruments that are not reported as cash and cash equivalents are reported as investments at cost.

Investment income, including changes in the fair value of investments, is reported as revenue in the operating statement.

2. Inventories and Prepaid Items

All inventories are valued at cost using the weighted-average method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

3. Board Designated and Restricted Funds

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

b. Other monies are reserved by the board of directors for directors' and officers' potential liability.

c. Capital projects is funded through a tax levy and classified as restricted based on Indiana Code 6-1.1-41-14.

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	2 to 12 years
Support vehicles	500	Straight-line	5 to 7 years
Building and structures	500	Straight-line	10 to 39 years
Equipment shop and garage	500	Straight-line	2 to 10 years
Revenue collection farebox	500	Straight-line	5 to 15 years
Communication equipment	500	Straight-line	5 years
Office equipment and furnishings	500	Straight-line	5 to 10 years

During 2011, a detailed inventory of capital assets resulted in a $3,265,002 write-off of obsolete assets with a net book value on the records of $48,871.

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

Major outlays for capital assets and improvements are capitalized when projects are substantially completed.

5. Compensated Absences

a. Sick Leave – Greater Lafayette Public Transportation Corporation union employees earn sick leave at the rate of ½ 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 percent 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 – Greater Lafayette 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 on 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 though cash payments upon separation.

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

6. Restricted Net Assets

The financial statements report $3,531,577 of restricted net assets, all of which is restricted by enabling legislation.

II. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The Greater Lafayette Public Transportation Corporation's deposit policy for custodial credit risk is that all funds will be deposited with a State of Indiana approved depository. At December 31, 2011, the Greater Lafayette Public Transportation Corporation had deposit balances in the amount of $4,174,176. Of this amount, none was exposed to custodial credit risk.

All bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

As of December 31, 2011, the Greater Lafayette Public Transportation Corporation had no investments.

B. Intergovernmental Receivables

Intergovernmental receivables are funds that are obligated to one governmental unit by another governmental unit that have not been received at year end.

At December 31, 2011, Greater Lafayette Public Transportation Corporation had a receivable due for operating assistance from the Federal Transit Administration of $1,900,000.

C. Capital Assets

Capital asset activity for the year ended December 31, 2011, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 107,040	$ 328,306	$ -	$ 435,346
Construction in progress	1,601,155	1,701,001	3,176,007	126,149
Total capital assets, not being depreciated	1,708,195	2,029,307	3,176,007	561,495
Capital assets, being depreciated:				
Revenue equipment	20,412,382	4,022,317	1,766,039	22,668,660
Support vehicles	288,647	35,598	28,971	295,274
Building and structures	9,550,349	1,961,818	51,608	11,460,559
Equipment shop and garage	440,990	7,879	-	448,869
Revenue collection fareboxes	707,138	65,756	-	772,894
Communication equipment	2,299,455	1,180,031	1,331,575	2,147,911
Office equipment and furnishings	586,826	48,279	87,168	547,937
Totals	34,285,787	7,321,678	3,265,361	38,342,104
Less accumulated depreciation for:				
Revenue equipment	(9,824,199)	(1,566,213)	(1,715,859)	(9,674,553)
Support vehicles	(197,523)	(25,430)	(28,971)	(193,982)
Building and structures	(4,269,591)	(346,096)	(51,608)	(4,564,079)
Equipment shop and garage	(314,852)	(32,114)	-	(346,966)
Revenue collection fareboxes	(441,872)	(84,635)	-	(526,507)
Communication equipment	(1,920,383)	(141,630)	(1,328,661)	(733,352)
Office equipment and furnishings	(429,073)	(54,731)	(87,168)	(396,636)
Totals	(17,397,493)	(2,250,849)	(3,212,267)	(16,436,075)
Total capital assets, being depreciated, net	16,888,294	5,070,829	53,094	21,906,029
Total capital assets, net	$ 18,596,489	$ 7,100,136	$ 3,229,101	$ 22,467,524

D. Construction Commitments

Construction work in progress is composed of the following:

Project		Expended to December 31		Committed
Improvements		$ 126,148		$ -

III. Other Information

A. Risk Management

The Greater Lafayette 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 Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The Greater Lafayette 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 Indiana Public Retirement System Board (INPRS), most requirements of the system and give the Greater Lafayette 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% percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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:

Indiana Public Retirement System
One North Capital Street
Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy

PERF members are required to contribute 3 percent of their annual covered salary. The Greater Lafayette Public Transportation Corporation is required to contribute at an actuarially determined rate of 8 percent of annual covered payroll. The contribution requirements of plan members and the Greater Lafayette Public Transportation Corporation are established and may be amended by the PERF Board of Trustees.

Annual Pension Cost

For 2011, the Greater Lafayette Public Transportation Corporation's annual pension cost of $449,647 for PERF was equal to the Greater Lafayette Public Transportation Corporation's required and actual contributions.

Actuarial Information for the Above Plan

		PERF
Annual required contribution		$ 450,234
Interest on net pension obligation		3,879
Adjustment to annual required contribution		(4,466)
Annual pension cost		449,647
Contributions made		373,892
Increase in net pension obligation		75,755
Net pension obligation, beginning of year		55,421
Net pension obligation, end of year		$ 131,176

Contribution rates:	
Public Transportation Corporation	8%
Plan members	3%
Actuarial valuation date	06-30-11
Actuarial cost method	Entry age normal cost
Amortization method	Level dollar, closed amortization period
Amortization period	30 years
Amortization period (from date)	07-01-07
Assess valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions	
Investment rate of return	7.00%
Projected future salary increases:	
Total	3.25% - 4.50%
Cost-of-living adjustments	1%

Three Year Trend Information

Year Ending	Annual Pension Cost (APC)	Percentage of APC Conributed	Net Pension Obligation
06-30-09	$ 318,356	95%	$ 29,468
06-30-10	365,743	93%	55,421
06-30-11	449,647	83%	131,176

Funded Status and Funding Progress for the Above Plan

The funded status of the plan as of June 30, 2011, the most recent actuarial valuation date, is as follows:

Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability AAL	Unfunded AAL or (Funding Excess)	Funded Ratio	Covered Payroll	Unfunded AAL or (Funding Excess) as a Percentage of Covered Payroll
06-30-09	$ 2,904,526	$ 3,970,948	$(1,066,422)	73%	$ 4,601,597	23%
06-30-10	2,937,481	4,578,831	(1,641,350)	64%	4,820,813	34%
06-30-11	2,727,337	4,793,778	(2,066,441)	57%	5,090,808	41%

The Schedule of Funding Progress, presented as RSI for the above plans 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 liability for benefits.

C. Subsequent Events

A contract for construction of the Downtown Transfer Center was awarded on June 27, 2012, in the amount of $2,222,500. 80 percent of the project is anticipated to be funded by a U.S. Department of Transportation Federal Transit Administration grant.

A contract for construction to expand the bus storage area was awarded on July 25, 2012, in the amount of $1,161,240. 80 percent of the project is anticipated to be funded by a U.S. Department of Transportation Federal Transit Administration grant.

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)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (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%)
07-01-09	2,904,526	3,970,948	(1,066,422)	73%	4,601,597	(23%)
07-01-10	2,937,481	4,578,831	(1,641,350)	64%	4,820,813	(34%)
07-01-11	2,727,337	4,793,778	(2,066,441)	57%	5,090,808	(41%)

SUPPLEMENTAL AUDIT OF

FEDERAL AWARDS

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH 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 could have a direct and material effect on each of its major federal program for the year ended December 31, 2011. 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 could have a direct and material effect on each of its major federal program for the year ended December 31, 2011.

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 (Continued)

accordance with OMB Circular A 133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Public Transportation Corporation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Public Transportation Corporation's management, Board of Directors, 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

August 13, 2012

GREATER LAFAYETTE PUBLIC TRANSPORTATION CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2011

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.S. DEPARTMENT OF TRANSPORTATION			
Direct Grant			
Federal Transit Cluster			
Federal Transit - Capital Investment Grants	20.500	IN 04-0037-00	$ 2,943,672
Federal Transit-Formula Grants	20.507	IN 90-0539-00	10,450
		IN 90-2539-00	568
		IN 90-0560-00	207,257
		IN 90-2560-00	12,400
		IN 90-0589-01	375,121
		IN 90-0601-02	98,247
		IN 90-2601-02	12,784
Total for program			716,827
Total for cluster			3,660,499
Transit Services Programs Cluster			
New Freedom Program	20.521	IN 57-0060-01	10,101
Total for cluster			10,101
ARRA - Capital Assistance Program for Reducing Energy Consumption and Greenhouse Gas Emissions	20.523	IN 77-0001-00	1,773,553
Total for federal grantor agency			5,454,254
U.S. DEPARTMENT OF EDUCATION			
Pass-Through Indiana Family and Social Services Administration			
Vocational Rehabilitation Cluster			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126		5,124
Total for cluster			5,124
Total federal awards expended			$ 5,449,277

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 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Greater Lafayette Public Transportation Corporation and is presented in accordance with the cash and investment basis of accounting. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances, the federal awards are considered expended when the reimbursement is received. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. 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
Significant deficiencies identified?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	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 OMB Circular A-133?	no

Identification of Major Program:

CFDA Number	Name of Federal Program or Cluster
20.523	ARRA – Capital Assistance Program for Reducing Energy Consumption and Greenhouse Gas Emissions

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.

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 August 13, 2012, with Daniel J. Moore, Chairman of the Board; Christopher R. Whitehead, Controller; and Martin B. Sennett, General Manager. Our audit disclosed no material items that warrant comment at this time.