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August 1, 2022

Board of Directors  
Indianapolis Public Transportation Corporation (IndyGo)  
1501 W. Washington St.  
Indianapolis, IN 46222

We have reviewed the audit report of the Indianapolis Public Transportation Corporation (IndyGo) which was opined on by FORVIS, LLP, Independent Public Accountants, for the period January 1, 2021 to December 31, 2021. Per the *Independent Auditor's Report*, the financial statements in the Annual Comprehensive Financial Report present fairly the financial condition of the Indianapolis Public Transportation Corporation (IndyGo) as of December 31, 2021, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, FORVIS, LLP prepared in accordance with the guidelines established by the State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA  
Deputy State Examiner

# 2021

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

Comprehensive Annual Financial Report  
For year ending December 31, 2021



# *IndyGo*<sup>SM</sup>

Indianapolis Public  
Transportation Corporation

Marion County, Indiana

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

[www.IndyGo.net](http://www.IndyGo.net)

Indianapolis Public Transportation Corporation

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

**Annual Comprehensive Financial Report  
For the Year Ended December 31, 2021**

Inez Evans  
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, 2021**

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**Indianapolis Public Transportation Corporation**  
**(A Component Unit of the Consolidated City of Indianapolis - Marion County)**  
**December 31, 2021**

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## **Introductory Section (Unaudited)**



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June 29, 2022

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 Annual Comprehensive Financial Report (ACFR) of the Indianapolis Public Transportation Corporation (IndyGo or “the company”) for the year ending December 31, 2021.

The ACFR 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 FORVIS, LLP, is included along with other necessary disclosures for maximum understanding of the company's financial activities.

In evaluating and developing the accounting system, Federal Transit Administration (FTA) and General Accepted Accounting Principles (GAAP) accounting methods are applied to achieve an adequate system of internal accounting controls. These practices ensure assets are protected against 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 controls does not exceed the benefit. It also recognizes the evaluation of costs and benefits require estimates and judgments by management. We believe the company's internal controls adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded.

The independent audit of the accompanying basic financial statements of IndyGo was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the accompanying basic financial statements, but also on the audited agency's internal controls and legal requirements involving the administration of federal awards. These reports are available in the Indianapolis Public Transportation Corporation's separately issued Single Audit Report.

GAAP requires management to provide a narrative introduction, overview and analysis with the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Company's MD&A can be found immediately following the report of the independent auditors.

### **Reporting Entity**

IndyGo is a municipal corporation as defined by the Urban Mass Transportation Act of 1965. In 1973, the company was chartered by a city ordinance to acquire, provide and maintain an urban mass transportation system for the Indianapolis metropolitan 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, which provides broad policy and financial decisions, setting direction for management. The Indianapolis Mayor and the City-County Council of Indianapolis and Marion County appoint the Board, which is bi-partisan. The mayor appoints three members, and the Council appoints four.

Each year, the Board of Directors adopts a budget in late summer 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**

IndyGo accomplished many significant triumphs in 2021, one of the biggest being our preparation and outreach for the upcoming Bus Rapid Transit route, the Purple Line. Countless hours were dedicated to this project from nearly every department of the agency, and thanks to our collective efforts last year and beyond, the project is becoming a reality. Along with faster, more convenient travel, the Purple Line will increase economic opportunity and quality of life for Indianapolis residents who need it most. The 15.2-mile project will connect Indianapolis to the City of Lawrence and will bring major infrastructure improvements, including nearly 10 miles of sidewalks, more than 350 ADA curb ramps, new street paving, a multi-use path, storm sewer separation and much more to advance the community. IndyGo broke ground on the BRT route in February 2022, with the route scheduled to open for service in 2024.

The COVID-19 pandemic hit the industry hardest in 2020, but the effects have lasted much longer, with IndyGo specifically suffering from a lack of coach operators. To replenish those employee numbers, IndyGo launched a coach operator recruitment campaign titled, “Why I Drive.”

For this campaign, IndyGo implemented a variety of tactics to reach potential operators. The agency ran ads in the most-read local outlets and created a “Why I Drive” video to showcase reasons why current operators love to drive for IndyGo, whether that be schedule flexibility, the job providing a sense of purpose, etc. The “Why I Drive” webpage houses other campaign tactics, including the video, coach operator testimonials, a list of job benefits, a mention of IndyGo’s Second Chance Hiring Initiative and a direct link to the agency’s employment page. Social media followers were also exposed to the campaign through posts that were published almost daily. Since that campaign launched in the Fall of 2021, IndyGo has hired more than 60 new coach operators.

Another way the agency helped alleviate the employment issue was through the implementation of its Second Chance Hiring initiative, which helps those with a criminal record re-enter the workforce while increasing the pool of qualified applicants from which IndyGo can hire. IndyGo recognizes there is a stigma associated with a criminal record and this has resulted in significant obstacles to obtain employment. This policy helps level the playing field for applicants who may be highly qualified but have had a criminal conviction.

Also in response to the pandemic, IndyGo partnered with the Marion County Public Health Department to host a vaccination clinic that offers free COVID-19 vaccines or boosters to any eligible individual who walked in the door. The clinic started at IndyGo’s east campus, but eventually moved to the Julia M. Carson Transit Center.

Finally, IndyGo formed a significant partnership with Lumin-Air to increase clean, breathable air in its buses. The companies worked together to equip IndyGo’s full fleet with a state-of-the-art active air filtration and UVC lighting system to help continuously remove pathogens, allergens and odors from the air riders breathe. IndyGo will be the first transit agency in the nation to install this system on its full fleet.

### **Factors Affecting Financial Condition**

Marion County and the Indianapolis metropolitan area have seen significant economic growth in the decade since the previous recession. The Indianapolis metropolitan statistical area saw a decrease in its year-over-year unemployment rate to 1.9%. The labor force decreased slightly, by 3,224, to 491,322. Population estimates for 2021 rank Marion County 1st in Indiana, with 971,102 residents. While not immune to the rising costs associated with the real estate market, a relatively low cost of living combined with an average home price of around \$231,000, make Indianapolis and Marion County an attractive option for both personal and corporate investment.

Nationally, the unemployment rate also decreased over the year, down to 3.9% at the end of 2021. The federal fuel tax rate remained unchanged at 18.4 cents per gallon of gasoline. Uncertainty relating to the nation’s pandemic recovery and rising inflation continues to have political and policy implications, the effects of which have the potential to be felt at the local level. In 2021, the Federal government continued to allocate formula-based funding to transit, as well as offer opportunities to apply for competitive grants which can be used for innovative projects that deliver exceptional transportation benefits.

For Indiana, property tax reform legislation was enacted and reinforced via a constitutional amendment for property tax caps and periodic revaluation of property values. The impact of these caps, known as the "circuit breaker," resulted in a reduction of property tax collections of approximately \$6.3 million in 2021. These caps have placed considerable strain on all levels of local government to reduce costs and become more efficient.

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

Beginning in January of 2020, IndyGo was the focus of some Indiana State legislation that would have crippled IndyGo's ability to offer discounted rider programs and move forward with capital projects like the Purple and Blue lines. Thanks to grassroots efforts spearheaded by our local transit advocacy group, and the support of bi-partisan law makers, IndyGo was able to overcome that legislation and move forward.

Congress passed various support packages to ease the economic impacts of COVID-19 including the "Coronavirus Aid, Relief and Economic Security Act" or "CARES Act," which received final passage by Congress and was signed into law by the President on March 27, 2020. The CARES Act provides funding at a 100% Federal share, with no local match required, and is available to support operating, capital and other expenses incurred by transit agencies beginning on January 20, 2020, to prevent, prepare for and respond to the COVID-19 pandemic. IndyGo received \$44.6 million to help fund the costs of increased protective equipment, capital projects for employee protection and operational support.

On December 27, 2020, the President authorized additional coronavirus relief funding (CRRSAA) as part of the Consolidated Appropriations Act- 2021. IndyGo received \$21.1 million under this act.

The American Rescue Plan Act of 2021 (ARP), which the President signed on March 11, 2021, includes additional federal funding to support the nation's public transportation systems as they continue to respond to the COVID-19 pandemic. IndyGo was the recipient of \$49.6 million in appropriations under the ARPA.

### **Financial Updates**

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

The first bond issue (Series 2018A) for the Marion County Transit Plan in the amount of \$26 million was issued by IndyGo in November 2018. This round of bonds will finance Purple Line Rapid Transit Design Services, Blue Line Rapid Transit Design Services, Local Bus and Paratransit Infrastructure and Bus Fleet Replacement.

IndyGo issued another round of debt worth \$22.5 million in June of 2021 for the purchase of 27 hybrid buses. The funding for both bond issuances come from the 0.25% Local Income Tax. During the bonding process, IndyGo received a standalone AA- rating from S&P.

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

Estimating financial impact on the revenue sources has been very challenging as there are various factors that influence these projections while we are experiencing the COVID-19 pandemic.

Like other transit agencies, IndyGo is still experiencing lagging ridership and fare revenue due to the impact of the COVID-19 pandemic. IndyGo expects a lengthy recovery before ridership and revenue return to pre-COVID levels.

The Local Transit Income Tax distributions for fiscal year 2021 actually showed a growth of 6.7% over 2020 mainly because the distributions are determined and certified 18 months in arrears. The next couple years are going to show a very minimal growth rate for this revenue. IndyGo will continue to evaluate the service and expenditure levels and make necessary changes that can help IndyGo secure the fiscal sustainability for the years to come.

The federal stimulus funds will help offset some the sharp declines in the revenues in the future years. However, IndyGo is working towards long-term strategies that will alleviate the gaps between the revenues and expenses in the future years by way of medications in the service levels and avoidance in the discretionary spending. Efforts to secure additional capital funding from federal, state and local sources continues.

### **Recognition**

For the 19th 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 Annual Comprehensive Financial Report for the year ended December 31, 2020.

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

**Acknowledgment**

We wish to acknowledge the participation and professional contribution of the accountancy firm of FORVIS, 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,



Inez Evans, CEO

IndyGo



Richard B. Brown, VP of Finance/CFO

IndyGo



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Indianapolis Public Transportation Corporation  
Indiana**

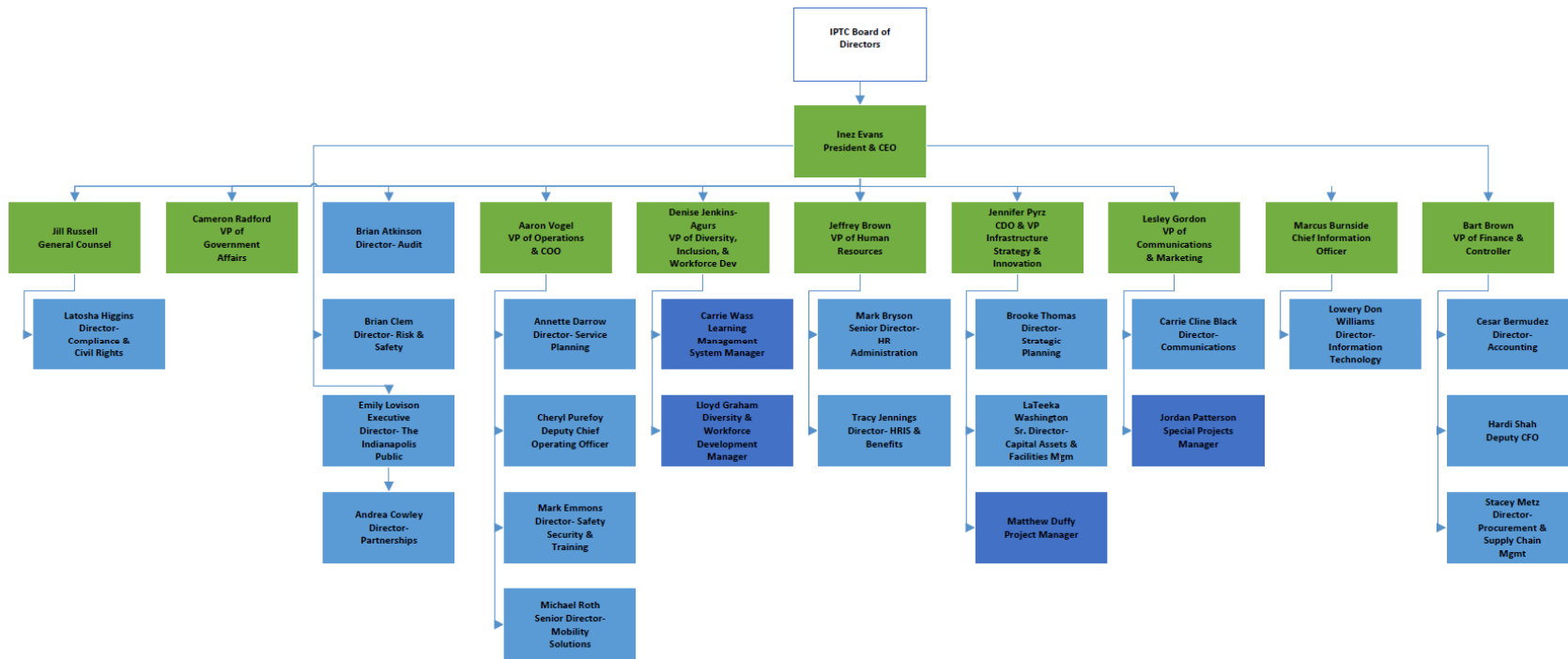
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morrill*

Executive Director/CEO

# Indianapolis Public Transportation Corporation Organizational Chart



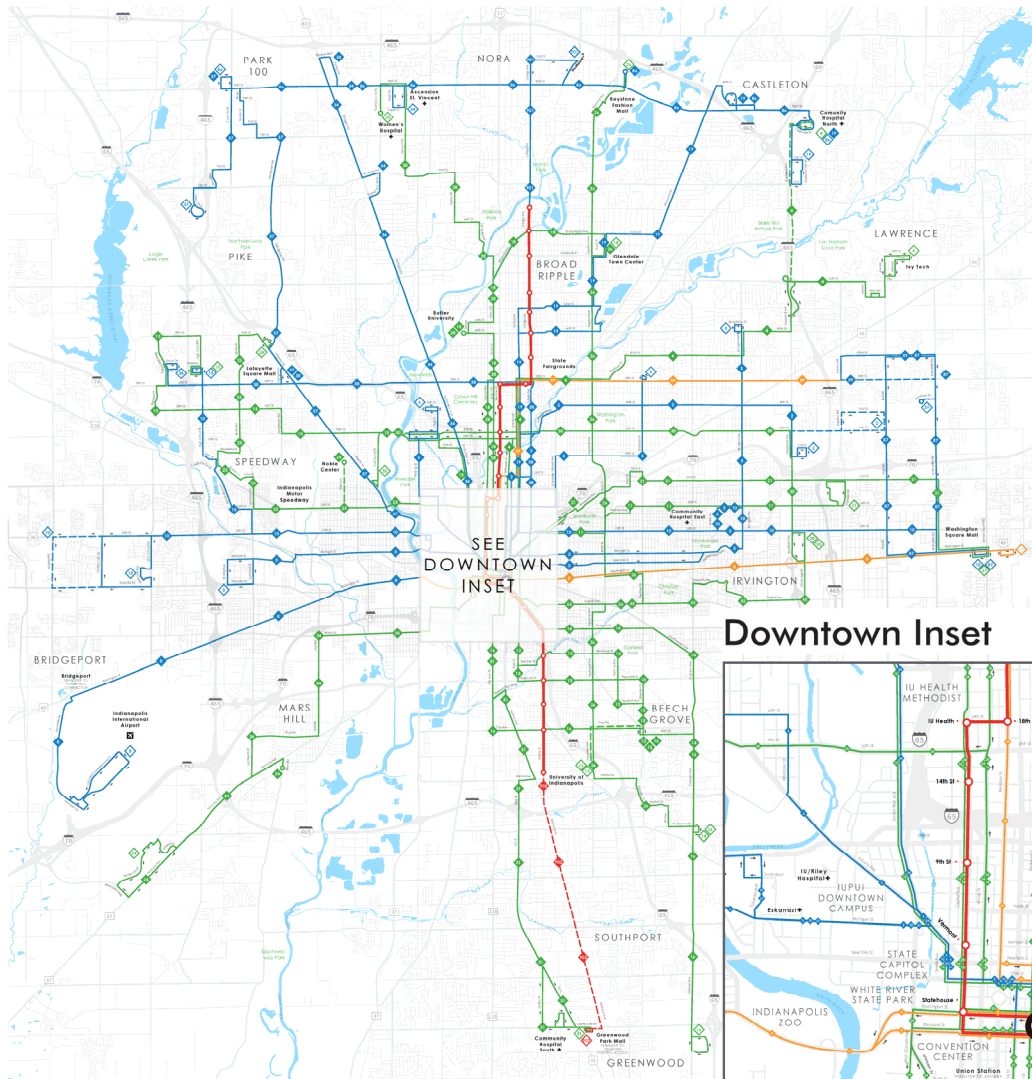
# Indianapolis Public Transportation Corporation

## Board of Directors, Principal Officials and Management

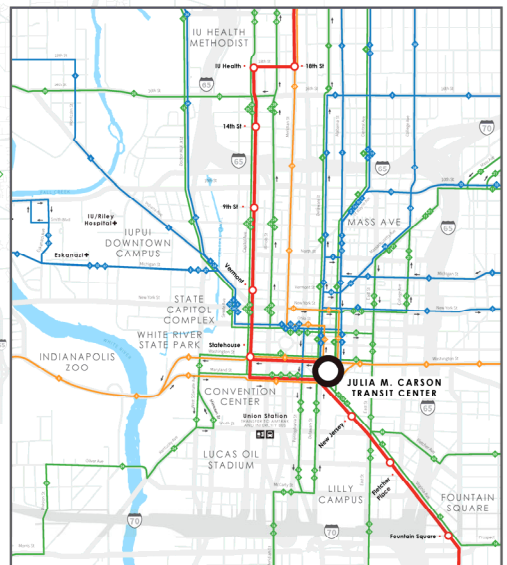
Name	Approximate Length of Service	Occupation
<u>Appointed Board of Directors</u>		
Gregory Hahn, Chair (Council)	9 years 6 month	President Bose McKinney & Evans, LLP
Adairius Gardner, Vice Chair (Mayor)	3 years 9 month	Director of Government Affairs, Indiana University Health
Lise Pace, Secretary (Council)	2 years 2 month	VP – External Affairs Bosma Enterprises
Richard Wilson, Jr., Treasurer (Council)	3 years 6 months	Retired
Hydre Abdullah (Council)	5 months	
Mary Ann Fagan (Mayor)	5 months	
Vacant (Mayor)		
<u>Principal Officials &amp; Management</u>		
Inez Evans	3 years	President/CEO
Jill D. Russell	16 years	General Counsel
Bart Brown	3 years	VP of Finance/CFO
Emily Lovison	2 year	Executive Director of IndyGo Foundation
Jeffery Brown	3 ½ years	VP of Human Resources
Lesley Gordon	2 ½ years	VP of Communications and Marketing
Jennifer Pyrz	2 year	VP of Planning & Capital Projects
Aaron Vogel	3 years	VP of Operations/COO
Cam Radford	2 ½ years	VP of Government Affairs
Marcus Burnside	5 years	Chief Information Officer
Denise Jenkins-Agurs	2 years	VP of Diversity/Inclusion & Workforce Dev

# Indianapolis Public Transportation Corporation

## 2021 Systems Map - Service Area and Routes



### Downtown Inset



### Key

- ◆ Red Line
- ◆ 15-Minute Frequency Route
- ◆ 16-30-Minute Frequency Route
- ◆ 60-Minute Frequency Route
- ◆ End of Line

### Routes

- 15-Minute Routes**
- ◆ Red Line South (County Line) ◆ Washington ◆ East 38<sup>th</sup> St
- 30-Minute Routes**
- ◆ Red Line North (9<sup>th</sup> St) ◆ East 34<sup>th</sup> St ◆ Michigan St ◆ East 25<sup>th</sup> St ◆ Harding ◆ 10<sup>th</sup> St ◆ Broad Ripple ◆ Castleton
- ◆ ML King/Michigan Rd ◆ Park 100 ◆ West 38<sup>th</sup> St ◆ 86<sup>th</sup> St Crosstown ◆ Eastside Circulator
- 60-Minute Routes**
- ◆ Fort Harrison ◆ East 16<sup>th</sup> St ◆ Minnesota ◆ Raymond St ◆ Prospect ◆ West 34<sup>th</sup> St ◆ Beech Grove ◆ East 21<sup>st</sup> St
- ◆ Mars Hill ◆ West 16<sup>th</sup> St ◆ Keystone Crosstown ◆ St. Vincent ◆ 30<sup>th</sup> Street Crosstown ◆ Madison ◆ English

Updated 6/7/2021

# Indianapolis Public Transportation Corporation Taxing Districts

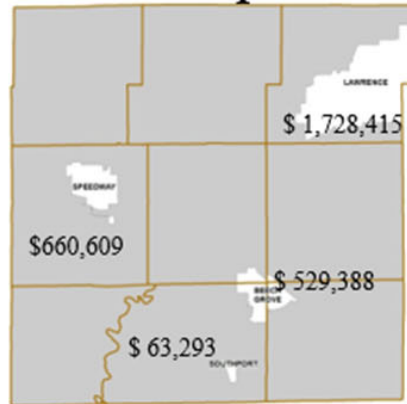
Map 1



**MARION COUNTY  
AND OTHER INCLUDED  
TOWNS**

Marion County \$46,796,021

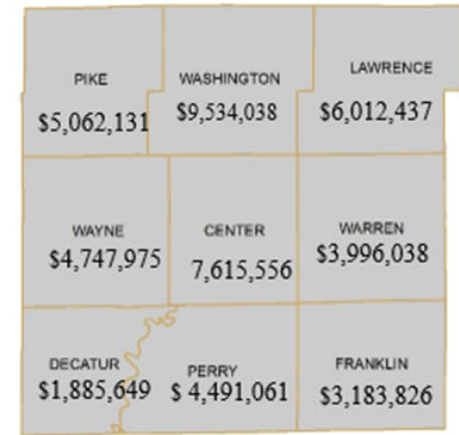
Map 2



**CONSOLIDATED  
CITY OF INDIANAPOLIS**

City of Indianapolis \$43,814,316  
Excluded Cities and Towns \$2,981,705

Map 3



**TOWNSHIPS**

**Note:** Map 2 is representative of the taxing districts for IPTC with the exception of Beech Grove.



## **Financial Section**

## Independent Auditor's Report

Board of Directors  
Indianapolis Public Transportation Corporation  
Indianapolis, Indiana

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the Indianapolis Public Transportation Corporation (IPTC), a component unit of Consolidated City of Indianapolis-Marion County, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise IPTC's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the IPTC as of December 31, 2021 and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of IPTC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about IPTC's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 IPTC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about IPTC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, pension, and postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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***

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report..

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2022, on our consideration of IPTC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely 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 effectiveness of IPTC's 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.

**FORVIS,LLP**

Indianapolis, Indiana  
June 29, 2022

# **Indianapolis Public Transportation Corporation**

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

### **Management's Discussion and Analysis**

#### ***Introduction***

This section of the financial statements presents a discussion and analysis of the Indianapolis Public Transportation Corporation's (IPTC's) financial performance for the year ended December 31, 2021. 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, 2021 by \$353.7 million (net position). Of this amount, \$99.9 million (unrestricted net position) may be used to meet IPTC's ongoing obligations arising from providing transportation service to the community at December 31, 2021.
- Fare revenues for 2021 decreased 13% from 2020.
- FTA capital contributions for 2021 increased approximately \$2.7 million, or 20% from 2020. FTA operating and planning grants, and preventative maintenance funding decreased approximately \$20.2 million, or 38% from 2020.
- Net nonoperating revenues for 2021 decreased approximately \$9.4 million, or 5% from 2020.
- Operating expenses before depreciation for 2021 decreased approximately \$1.6 million, or 2% from 2020.
- Net position increased by approximately \$53.4 million or 18% in 2021.

#### ***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, 2021 were approximately \$410.2 million. The changes discussed above represent an increase of approximately 21% in 2021. Total liabilities and deferred inflows of resources approximated \$56.5 million at December 31, 2021. These changes represent an increase of approximately 51% in 2021.

Approximately \$211.8 million, or 60%, of the net position reflects investments in capital assets, less related debt at December 31, 2021. Approximately \$35 million, or 10%, of the net position is restricted for future acquisition of capital assets and approximately \$6 million, or 2% is restricted to service IPTC's bonds payable at December 31, 2021. Approximately \$100 million, or 28%, may be used to meet IPTC's ongoing obligations arising from providing transportation services to the community at December 31, 2021.

**Table 1 - Net Position**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current assets	\$ 147,602,715	\$ 109,437,911
Capital assets (net)	241,127,784	222,069,551
Other noncurrent assets	<u>21,481,432</u>	<u>6,126,531</u>
Total assets	<u><u>410,211,931</u></u>	<u><u>337,633,993</u></u>
<b>Liabilities</b>		
Current liabilities	\$ 14,971,943	\$ 14,034,561
Noncurrent liabilities	<u>40,130,613</u>	<u>21,146,566</u>
Total liabilities	55,102,556	35,181,127
<b>Deferred Inflows of Resources</b>		
Total liabilities and deferred inflows of resources	<u>1,391,165</u>	<u>2,148,467</u>
	<u><u>56,493,721</u></u>	<u><u>37,329,594</u></u>
<b>Net Position</b>		
Net investment in capital assets	211,815,905	210,496,450
Restricted for capital assets acquisitions	35,014,413	24,160,083
Restricted for debt service reserve	4,470,642	2,859,052
Restricted for debt service	1,457,153	623,984
Restricted for pension payments	1,108,689	
Unrestricted	<u>99,851,408</u>	<u>62,164,830</u>
Total net position	<u><u>353,718,210</u></u>	<u><u>300,304,399</u></u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 410,211,931</u></u>	<u><u>\$ 337,633,993</u></u>

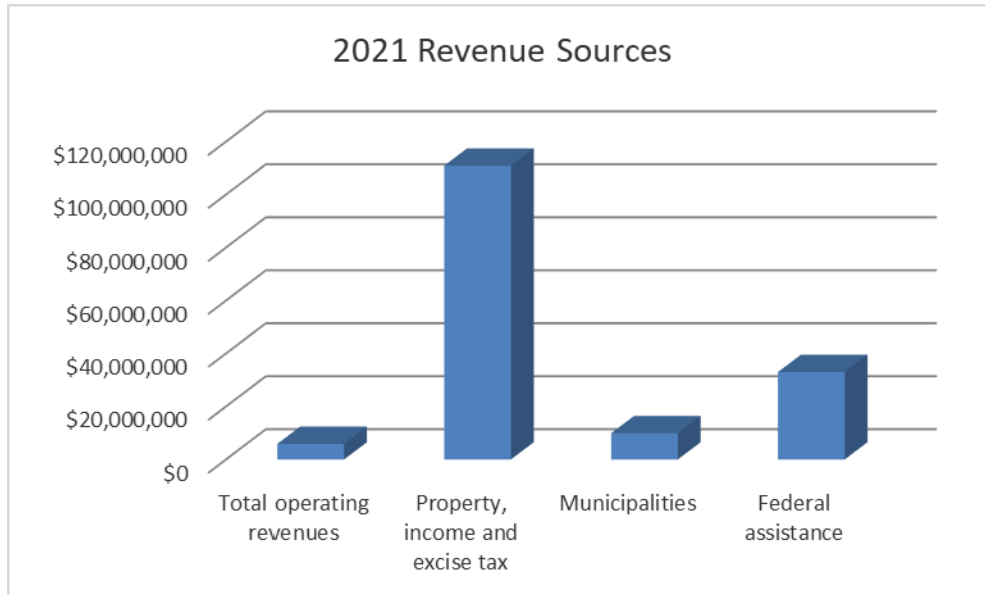
## Changes in Net Position

The change in net position for 2021 represents an increase of approximately \$53.4 million, or 18%. Total revenues for 2021 decreased approximately \$10.1 million, or 5%, primarily resulting from a decrease in federal COVID related funding during 2021. Overall operating expenses, excluding depreciation, decreased \$1.6 million, or 2%, in 2021, which was primarily attributed to the decrease in overtime and health costs due to illness or quarantine, additional cleaning services on buses and facilities, safety equipment purchases and installation, and other contracted services added due to the COVID-19 operating environment during 2020.

**Table 2 - Changes in Net Position**

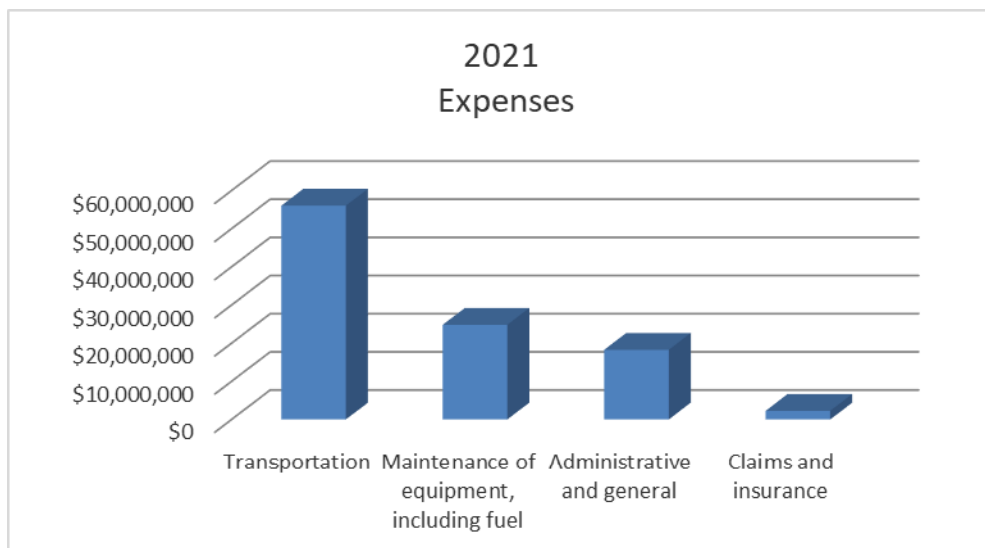
	<b>2021</b>	<b>2020</b>
<b>Operating Revenues</b>		
Passenger fares	\$ 5,190,832	\$ 5,991,647
Advertising	711,593	565,943
Total operating revenues	<u>5,902,425</u>	<u>6,557,590</u>
<b>Nonoperating Revenues (Expenses)</b>		
Property, income and excise tax	110,896,076	101,476,572
Municipalities	9,900,559	11,372,796
Federal assistance	32,702,575	52,862,338
Investment income	84,474	317,028
Contributions - capital grants	16,586,694	13,837,538
Interest expense	(991,131)	(807,494)
Loss on disposal of capital assets	(152,935)	(25,372)
Other expenses, net	92,163	(511,123)
Total nonoperating revenues	<u>169,118,475</u>	<u>178,522,283</u>
Total revenues	<u>175,020,900</u>	<u>185,079,873</u>
<b>Operating Expenses</b>		
Transportation	55,973,418	57,593,046
Maintenance of equipment, including fuel	24,807,965	26,177,451
Administrative and general	18,253,830	16,924,842
Claims and insurance	2,873,527	2,778,359
Depreciation	19,698,349	20,440,255
Total operating expenses	<u>121,607,089</u>	<u>123,913,953</u>
<b>Change in Net Position</b>	53,413,811	61,165,920
<b>Net Position, Beginning of Year</b>	<u>300,304,399</u>	<u>239,138,479</u>
<b>Net Position, End of Year</b>	<u>\$ 353,718,210</u>	<u>\$ 300,304,399</u>

**Revenues:** For 2021, total operating revenues decreased approximately \$655 million or 10%. For 2021, nonoperating revenues excluding capital grant contributions and other revenue (expenses), decreased by approximately \$12.2 million, or 7%, primarily resulting from a decrease in federal COVID-related funding utilized during 2021.



The revenues and percentages presented above exclude “Contributions - capital grants” of \$16,586,694, “Investment income” of \$84,474 and “Other expenses, net” of \$92,163 for 2021.

**Expenses:** During 2021, total operating expenses, excluding depreciation, were approximately \$101.9 million. This is a decrease of \$1.6 million, or 2% from 2020. This decrease is primarily attributed to a decrease in costs associated with providing services during the COVID-19 pandemic in 2021.



The expenses and percentages presented above exclude “depreciation” expense of \$19,698,349 for 2021.

## Capital Asset and Debt Administration

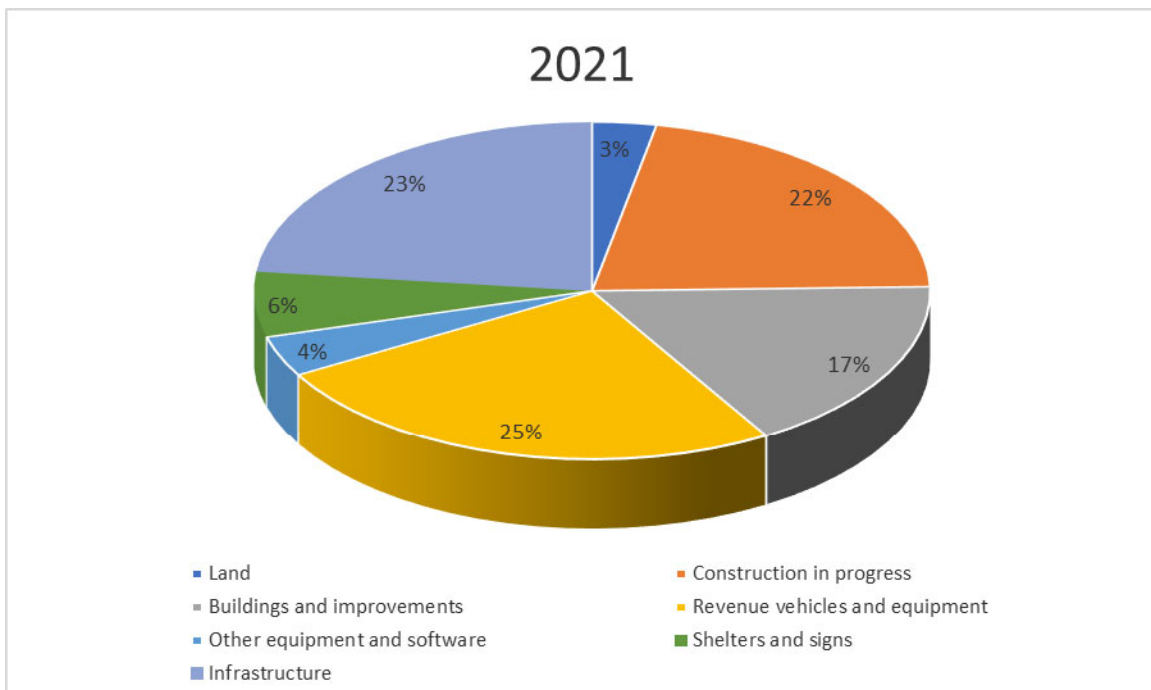
### Capital Assets

As of December 31, 2021, IPTC had invested approximately \$241.1 million in capital assets, net of accumulated depreciation. Compared to the prior year, capital assets increased by approximately \$19.1 million for the year ended December 31, 2021. Depreciable capital acquisitions and additions to construction in progress for 2021 were approximately \$39 million with a net loss on retirement of capital assets approximating \$153,000 recognized during 2021. Net increase in construction in progress was \$13 million for 2021, primarily resulting from IPTC's continued Marion County Transit Plan. 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 and transfers during 2021 included new fleet software system and equipment totaling approximately \$2.9 million, 24 hybrid buses totaling approximately \$19 million, and continued development of the Purple Line totaling approximately \$2.6 million.

Percentage allocation invested in net capital assets:



## **Debt Disclosures**

As of December 31, 2021, IPTC had approximately \$43.2 million of bonds and the related premium. In November 2018, IPTC issued bonds in the amount of \$26 million primarily to be used for capital projects and in June 2021, IPTC issued bonds in the amount of \$20.9 million for the purchase of 27 hybrid buses. During 2021, bonds payable were repaid pursuant to the maturity schedule in place. As of December 31, 2021, IPTC had no financial restrictive covenants associated with its outstanding debt other than holding minimum debt service funds. Please refer to Note 6 of the financial statements included in the next section of this report for additional information regarding debt activity.

## **Currently Known Facts**

In the first quarter of 2020, the COVID-19 pandemic called for swift response in various areas of the economy, and public transportation was in faced with notable challenges when stay at home initiatives were put into place and travel was limited to essential only. The restrictions led to demand decline for public transit across the country. IndyGo incurred significant costs towards cleaning & sanitizing efforts, procuring PPE and safety equipment while COVID-related absenteeism/leaves due to the virus. IndyGo continues to incur these expenses to ensure the safety of our riders and employees.

Congress passed various support packages in 2020 and 2021 to ease the negative economic impacts of COVID-19 such as the “Coronavirus Aid, Relief and Economic Security Act” or “CARES Act”, which received final passage by Congress and was signed into law by the President on March 27, 2020. The CARES Act provides funding at a 100% Federal share, with no local match required, and is available to support operating, capital and other expenses incurred by transit agencies beginning on January 20, 2020 to prevent, prepare for, and respond to the COVID-19 pandemic. IndyGo received \$44.6 million to help fund the costs of increased protective equipment, capital projects for employee protection, and operational support.

On December 27, 2020, the President authorized additional coronavirus relief funding (CRRSAA) as part of the *Consolidated Appropriations Act, 2021*. IndyGo received \$21.1 million under this act.

*The American Rescue Plan Act of 2021* (ARP), which the President signed on March 11, 2021 includes additional federal funding to support the nation’s public transportation systems as they continue to respond to the COVID-19 pandemic. IndyGo was the recipient of \$49.6 million in appropriations under the ARPA.



**Indianapolis Public Transportation Corporation**  
**A Component Unit of the Consolidated City of Indianapolis-Marion County**  
**Statement of Net Position**  
**December 31, 2021**

**Assets and Deferred Outflows of Resources**

**Current Assets**

Cash and cash equivalents	
Unrestricted - working capital	\$ 81,585,117
Unrestricted - liability reserve	840,193
Restricted - capital asset acquisitions	33,888,061
Restricted - debt service and unspent bond proceeds	22,142,281
Total cash and cash equivalents	<u>138,455,652</u>
Receivables	
Federal grants	4,291,028
Operations receivables, net	1,269,443
Total receivables	<u>5,560,471</u>
Other current assets	
Materials and supplies inventory	3,226,570
Deposits and prepaid expenses	360,022
Total other current assets	<u>3,586,592</u>
Total current assets	<u>147,602,715</u>

**Noncurrent Assets**

Unrestricted investments - working capital	19,246,391
Restricted investments - capital asset acquisitions	1,126,352
Net pension asset	1,108,689
Capital assets	
Nondepreciable assets	
Land	7,367,996
Construction in progress	51,974,733
Total nondepreciable assets	<u>59,342,729</u>
Depreciable assets	
Buildings and improvements	95,714,715
Revenue vehicles and equipment	107,657,615
Other equipment and software	24,229,931
Shelters and signs	20,790,689
Infrastructure	60,548,134
Total depreciable assets	<u>308,941,084</u>
Total capital assets	<u>368,283,813</u>
Accumulated depreciation	(127,156,029)
Capital assets, net of depreciation	<u>241,127,784</u>
Total noncurrent assets	<u>262,609,216</u>
Total assets	<u>\$ 410,211,931</u>

**Indianapolis Public Transportation Corporation**  
**A Component Unit of the Consolidated City of Indianapolis-Marion County**  
**Statement of Net Position (continued)**  
**December 31, 2021**

**Liabilities, Deferred Inflows of Resources and Net Position**

**Current Liabilities**

Accounts and contract services payable	\$ 6,455,156
Accrued payroll and benefits	1,751,849
Unearned fare revenue	194,761
Bonds payable, current portion	4,765,424
Risk management - unpaid claim estimates	1,714,908
Other unearned revenue	89,845
Total current liabilities	<u>14,971,943</u>

**Noncurrent Liabilities**

Risk management - unpaid claim estimate, net of current portion	724,083
Bonds payable, net of current portion	38,393,409
Other postemployment benefit liability (OPEB)	1,013,121
Total noncurrent liabilities	<u>40,130,613</u>

Total liabilities	<u>55,102,556</u>
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**Deferred Inflows of Resources**

Deferred inflows - pensions	<u>1,391,165</u>
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**Net Position**

Net investment in capital assets	211,815,905
Restricted for capital assets acquisitions	35,014,413
Restricted for debt service reserve	4,470,642
Restricted for debt service	1,457,153
Restricted for pension payments	1,108,689
Unrestricted	99,851,408
Total net position	<u>353,718,210</u>

Total liabilities and net position	<u><u>\$ 410,211,931</u></u>
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**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, 2021**

<b>Operating Revenues</b>	
Passenger fares	\$ 5,190,832
Advertising	711,593
Total operating revenues	<u>5,902,425</u>
<b>Operating Expenses</b>	
Transportation	55,973,418
Maintenance of equipment, including fuel	24,807,965
Administrative and general	18,253,830
Claims and insurance	2,873,527
Depreciation	19,698,349
Total operating expenses	<u>121,607,089</u>
<b>Operating Loss</b>	<u>(115,704,664)</u>
<b>Nonoperating Revenues (Expenses)</b>	
Operating assistance	
Property, income and excise tax	110,896,076
Municipalities	9,900,559
Federal and local operating and planning grants, and preventative maintenance funding	32,702,575
Investment income	84,474
Interest expense	(991,131)
Loss on disposal of capital assets	(152,935)
Other expenses, net	92,163
Total nonoperating revenue	<u>152,531,781</u>
<b>Change in Net Position Before Capital Contributions</b>	36,827,117
Contributions - capital grants	<u>16,586,694</u>
<b>Change in Net Position</b>	53,413,811
<b>Net Position, Beginning of Year</b>	<u>300,304,399</u>
<b>Net Position, End of Year</b>	<u>\$ 353,718,210</u>

**Indianapolis Public Transportation Corporation**  
**A Component Unit of the Consolidated City of Indianapolis-Marion County**  
**Statement of Cash Flows**  
**Year Ended December 31, 2021**

<b>Cash Flows From Operating Activities</b>	
Receipts from customers	\$ 6,129,656
Payments for transportation	(59,702,145)
Payments for maintenance of equipment, including fuel	(23,809,669)
Payments for administrative and general	(18,319,724)
Claims and insurance paid to external parties	(2,298,076)
Net cash used in operating activities	<u>(97,999,958)</u>
 <b>Cash Flows From Noncapital Financing Activities</b>	
Property, income and excise tax distributions	92,404,560
Assistance from municipalities	9,900,559
Federal operating assistance	32,702,575
Federal grants passed to subrecipients	(116,896)
Net cash provided by noncapital financing activities	<u>134,890,798</u>
 <b>Cash Flows From Capital and Related Financing Activities</b>	
Transit tax distributions for capital	18,491,516
Capital grant receipts	18,309,526
Purchases of capital assets	(37,567,181)
Proceeds from sale of capital assets	66,436
Proceeds from issuance of bonds	24,566,266
Principal paid on bonds payable	(3,410,000)
Interest paid	(1,459,593)
Net cash provided by capital and related financing activities	<u>18,996,970</u>
 <b>Cash Flows From Investing Activities</b>	
Purchases of investments	(18,475,680)
Proceeds from sale of investments	3,390,000
Interest received	84,474
Net cash used in investing activities	<u>(15,001,206)</u>
<b>Net Change in Cash and Cash Equivalents</b>	40,886,604
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>97,569,046</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 138,455,652</u></u>

**Indianapolis Public Transportation Corporation**  
**A Component Unit of the Consolidated City of Indianapolis-Marion County**  
**Statement of Cash Flows (Continued)**  
**Year Ended December 31, 2021**

<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>	
Operating loss	\$ (115,704,664)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation expense	19,698,349
Other income, net	209,059
Changes in assets and liabilities	
Other receivables	41,906
Materials and supplies inventory	998,296
Deposits and prepaid expense	(41,232)
OPEB liability	(65,894)
Deferred inflows of resources - pensions	(757,302)
Net pension liability/asset	(269,221)
Accounts and contract services payable	(1,435,945)
Accrued payroll and benefits	(1,225,027)
Unearned fare revenue	(23,734)
Risk management	575,451
	<hr/>
Net cash used in operating activities	<u><u>\$ (97,999,958)</u></u>
 <b>Noncash Investing, Capital and Financing Activities</b>	
Capital assets in accounts payable	\$ 2,367,532
Loss on disposal of capital assets	152,935
Change in capital grants/contributions included in receivables	(1,722,832)

**Indianapolis Public Transportation Corporation**  
**A Component Unit of the Consolidated City of Indianapolis-Marion County**  
**Notes to Financial Statements**  
**December 31, 2021**

**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 CEO/President, Vice Presidents 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.

On August 27, 2018, IPTC established a nonprofit corporation, the Indianapolis Public Transportation Foundation, Inc. (Foundation), which is legally separate from IPTC and whose purpose is to promote mobility for the citizens in the Indianapolis-area community by connecting resources and investing in programs and services that enhance accessibility and quality of life. The Foundation is considered a blended component unit and is therefore reported as if it is part of IPTC.

As of December 31, 2021, the Foundation had total assets of \$115,733 and no liabilities. Total revenue and expense for 2021 were \$448,038 and \$409,982, respectively, with approximately \$227,568 of revenue and expense related to IPTC that was eliminated when blended into the financial statements.

**Indianapolis Public Transportation Corporation**  
**A Component Unit of the Consolidated City of Indianapolis-Marion County**  
**Notes to Financial Statements**  
**December 31, 2021**

***Basis of Accounting and Presentation***

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

***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, 2021, cash equivalents consisted of demand and money market deposit accounts, as well as money market mutual funds.

***Property and Income Taxes***

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

**Indianapolis Public Transportation Corporation**  
**A Component Unit of the Consolidated City of Indianapolis-Marion County**  
**Notes to Financial Statements**  
**December 31, 2021**

IPTC has not recorded any receivable balance for property taxes as of December 31, 2021 as management of IPTC does not believe they are legally entitled to the subsequent year property tax collections until the fiscal year begins January 1.

***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 approximately \$200,000 for potentially uncollectible operating receivable balances at December 31, 2021. Management has not made a provision for an allowance for uncollectible property tax receivables or federal grants receivable.

***Restricted and Designated Assets***

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

- Unspent Bond Proceeds: Funds deposited with trustee from bond issuances for capital expenditures

**Indianapolis Public Transportation Corporation**  
**A Component Unit of the Consolidated City of Indianapolis-Marion County**  
**Notes to Financial Statements**  
**December 31, 2021**

- Debt Service: Funds deposited in these accounts are set aside to be used for the purpose of payment on outstanding debt, primarily as a result of requirements from bond and debt ordinance requirements
- Liability Reserve (designated only): Funds are set aside from the general operations of IPTC and used only for the payment of claims arising from accidents involving IPTC that exceed \$100,000.
- Capital Asset Acquisition: Capital asset acquisition funds generated as a separate tax (cumulative funds) are restricted to expenditures for the acquisition of additional revenue vehicles and other capital equipment.

**Supplies**

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

**Capital Assets**

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

	<b>Years</b>
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
Infrastructure	30
Software	5 to 10

**Indianapolis Public Transportation Corporation**  
**A Component Unit of the Consolidated City of Indianapolis-Marion County**  
**Notes to Financial Statements**  
**December 31, 2021**

***Deferred Outflows and Inflows of Resources***

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

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

***Compensated Absences***

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

***Defined-Benefit Pension Plan***

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

**Indianapolis Public Transportation Corporation**  
**A Component Unit of the Consolidated City of Indianapolis-Marion County**  
**Notes to Financial Statements**  
**December 31, 2021**

***Postemployment Benefits Other Than Pensions (OPEB)***

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

***Net Position***

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

***Revenue and Expense Recognition***

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

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

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

***Future Adoption of New Accounting Standards***

GASB has issued GASB Statement No. 87, *Leases*; GASB Statement No. 91, *Conduit Debt Obligations*; GASB Statement No. 93, *Replacement of Interbank Offered Rates*; GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*; GASB Statement No. 99, *Omnibus*; GASB Statement No. 100, *Accounting Changes and Error Corrections* - an amendment of GASB Statement No. 62; and GASB Statement No. 101, *Compensated Absences*. IPTC intends to adopt these GASB Statements, as applicable, on their respective effective dates.

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**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:

	<b>2021</b>
Current Assets	
Cash and cash equivalents	
Unrestricted - working capital	\$ 81,585,117
Unrestricted - liability reserve	840,193
Restricted - capital asset acquisitions	33,888,061
Restricted - debt service and unspent bond proceeds	22,142,281
Noncurrent Assets	
Unrestricted investments - working capital	19,246,391
Restricted investments - capital asset acquisitions	1,126,352
	\$ 158,828,395
Cash and cash equivalents	\$ 138,455,652
Investments	20,372,743
	\$ 158,828,395

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

	<b>2021</b>
Deposits	
Cash deposits	\$ 74,170,134
Investments	
Money market mutual funds	64,285,518
Government-backed mortgage notes	18,494,543
Municipal bonds	1,878,200
Total investments	84,658,261
Total deposits and investments	\$ 158,828,395

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**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, 2021, IPTC had the following investments and maturities:

	Fair Value	Maturities (in Years)	
		Less Than 1	1 to 5
Government-backed mortgage notes	\$ 18,494,543	\$ 8,428,814	\$ 10,065,729
Municipal bonds	1,878,200	1,878,200	-
	<u>\$ 20,372,743</u>	<u>\$ 10,307,014</u>	<u>\$ 10,065,729</u>

**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.

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**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, 2021, IPTC's investments were rated by Moody's Investor Services or Standard and Poor's as follows:

	<u>Fair Value</u>	<u>AAA</u>	<u>AA+</u>	<u>AA</u>
Government-backed mortgage notes	\$ 18,494,543	\$ 8,428,814	\$ 10,065,729	\$ -
Municipal bonds	1,878,200	-	1,878,200	-
	<u>\$ 20,372,743</u>	<u>\$ 8,428,814</u>	<u>\$ 11,943,929</u>	<u>\$ -</u>

**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, 2021, IPTC's investments in government-backed mortgage notes and municipal bonds 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. The money market mutual funds were not subject to custodial credit risk at December 31, 2021.

**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, 2021.

	<u>Fair Value</u>	<u>% Rounded</u>
Money market mutual funds	\$ 64,285,518	75.9%
Government-backed mortgage notes	18,494,543	21.8%
Municipal bonds	1,878,200	2.3%
	<u>\$ 84,658,261</u>	

**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.

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**Note 3: Capital Assets**

Capital assets activity for the year ended December 31 was:

	January 1, 2021	Additions/ Transfers	Disposals/ Transfers	December 31, 2021
<b>Capital Assets Cost</b>				
Nondepreciable capital assets				
Land	\$ 7,367,996	\$ -	\$ -	\$ 7,367,996
Construction in progress*	38,983,048	17,930,230	(4,938,545)	51,974,733
Total nondepreciable capital assets	<u>46,351,044</u>	<u>17,930,230</u>	<u>(4,938,545)</u>	<u>59,342,729</u>
Depreciable capital assets				
Buildings and improvements	95,373,947	468,231	(127,463)	95,714,715
Revenue vehicles and equipment	99,008,554	19,792,823	(11,143,762)	107,657,615
Other equipment and software	21,136,572	5,450,525	(2,357,166)	24,229,931
Shelters and signs	22,412,031	-	(1,621,342)	20,790,689
Infrastructure	60,275,443	272,691	-	60,548,134
Total depreciable capital assets	<u>298,206,547</u>	<u>25,984,270</u>	<u>(15,249,733)</u>	<u>308,941,084</u>
Less: accumulated depreciation for				
Buildings and improvements	(52,507,047)	(2,859,498)	127,463	(55,239,082)
Revenue vehicles and equipment	(46,576,705)	(11,000,323)	10,992,020	(46,585,008)
Other equipment and software	(14,678,849)	(2,547,897)	2,294,525	(14,932,221)
Shelters and signs	(6,046,531)	(1,263,330)	1,616,352	(5,693,509)
Infrastructure	(2,678,908)	(2,027,301)	-	(4,706,209)
Total accumulated depreciation	<u>(122,488,040)</u>	<u>(19,698,349)</u>	<u>15,030,360</u>	<u>(127,156,029)</u>
Total depreciable capital assets, net	<u>175,718,507</u>	<u>6,285,921</u>	<u>(219,373)</u>	<u>181,785,055</u>
Total capital assets, net	<u>\$ 222,069,551</u>	<u>\$ 24,216,151</u>	<u>\$ (5,157,918)</u>	<u>\$ 241,127,784</u>

\*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.

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***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.

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

***Impact of Abatements on Revenues***

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

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

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

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

The estimated gross amount, on an accrual basis, by which IPTC's property tax revenues were reduced as a result of the aforementioned City abatement programs totaled \$560,000. 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.

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**Note 5: Risk Management**

IPTC is exposed to various risks of loss related to theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which IPTC carries third-party insurance and retains certain risks. IPTC is self-insured for workers' compensation without limitation. Detail of the estimated claims liability is provided below, which is made up of claims reported before the issuance of the financial statements for which it is probable that a liability has been incurred at the date of the financial statements and the amount of the liability can be reasonably estimated. The liability is estimated based upon historical experience. It is reasonably possible that IPTC's estimate will change by a material amount in the near term. There were no significant reductions in insurance coverage during 2021 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, 2021 was as follows for those risks for which IPTC bears risk:

	<b>2021</b>	<b>2020</b>
Unpaid claims, beginning of year	\$ 1,863,540	\$ 1,891,667
Incurred claims and changes in claim estimates	3,487,810	2,238,802
Claim payments	(2,912,359)	(2,266,929)
Unpaid claims, end of year	\$ 2,438,991	\$ 1,863,540
Current portion	\$ 1,714,908	\$ 1,425,702
Noncurrent portion	724,083	437,838
Unpaid claims, end of year	\$ 2,438,991	\$ 1,863,540

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

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**Note 6: Long-Term Obligations**

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

	January 1, 2021	Additions	Reductions	December 31, 2021	Current	Noncurrent
<b>Long-Term Debt</b>						
Series 2021D bonds payable	\$ -	\$ 20,855,000	\$ (885,000)	\$ 19,970,000	\$ 1,475,000	\$ 18,495,000
Series 2018A bonds payable	20,445,000	-	(2,525,000)	17,920,000	2,655,000	15,265,000
Unamortized bond premium	2,026,029	3,711,266	(468,462)	5,268,833	635,424	4,633,409
Total bonds and notes payable	<u>22,471,029</u>	<u>24,566,266</u>	<u>(3,878,462)</u>	<u>43,158,833</u>	<u>4,765,424</u>	<u>38,393,409</u>
<b>Other Long-Term Liabilities</b>						
Risk management payable	1,863,540	3,487,810	(2,912,359)	2,438,991	1,714,908	724,083
OPEB liability	1,079,015	32,660	(98,554)	1,013,121	-	1,013,121
Net pension liability (asset)	(839,468)	592,353	(861,574)	(1,108,689)	-	(1,108,689)
Total other long-term liabilities	<u>2,103,087</u>	<u>4,112,823</u>	<u>(3,872,487)</u>	<u>2,343,423</u>	<u>1,714,908</u>	<u>628,515</u>
Total long-term obligations	<u>\$ 24,574,116</u>	<u>\$ 28,679,089</u>	<u>\$ (7,750,949)</u>	<u>\$ 45,502,256</u>	<u>\$ 6,480,332</u>	<u>\$ 39,021,924</u>

**Series 2018A Bonds Payable**

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

**Series 2021D Bonds Payable**

The Indianapolis Local Public Improvement Bond Bank Local Income Tax Revenue Bonds, Series 2021D, dated June 2, 2021, were issued in the aggregate principal amount of \$20,855,000. The Series 2021D bond proceeds are planned to be used to fund the purchase of 27 hybrid buses. The bonds include serial bonds maturing through 2033 and a term bond, which matures in 2031. The bonds bear interest at 4.0%, payable on January 15 and July 1 annually, beginning in 2021 and ending July 15, 2033. The trust indenture includes minimum debt service reserve requirements to be held on deposit.

At December 31, 2021, bonds payable consisted of the following:

Series 2018A bonds payable	\$ 17,920,000
Series 2021D bonds payable	19,970,000
Plus: net unamortized premium	5,268,833
Total bonds payable	<u>43,158,833</u>
Less: current maturities	<u>(4,765,424)</u>
	<u>\$ 38,393,409</u>

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The scheduled debt service requirements on the bonds payable for years subsequent to December 31, 2021 are as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 4,130,000	\$ 1,620,550	\$ 5,750,550
2023	4,295,000	1,453,725	5,748,725
2024	4,500,000	1,252,100	5,752,100
2025	4,710,000	1,040,525	5,750,525
2026	4,935,000	819,100	5,754,100
2027 - 2033	<u>15,320,000</u>	<u>1,737,700</u>	<u>17,057,700</u>
	<u>\$ 37,890,000</u>	<u>\$ 7,923,700</u>	<u>\$ 45,813,700</u>

***Line of Credit***

In May 2020, IPTC entered into a new line of credit agreement with a financial institution to fund future operating costs for \$20 million. The line originally matured on December 31, 2021 and interest was payable upon maturity at a rate equal to the greater of (A) one-month LIBOR or (B) 50 basis points, plus 160 basis points has a \$20 million line of credit agreement with a financial institution to fund future operating costs. IPTC terminated the line of credit agreement with the financial institution on February 22, 2021.

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

***Defined Contribution Plan***

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

- (a) Nonunion Employees. Are eligible to participate in the plan upon the first day of the month following 30 days of employment or at any time during their employment.
- (b) Eligible Union Employees. A Union Employee will become a participant upon employment pursuant to the collective bargaining agreement with the Union, which is the first of the month following six months of employment.

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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 plan requirements for union employees through June 30, 2020 was governed by an arbitration award effective until June 30, 2018. IPTC was operating under the old arbitration award until a new agreement was finalized. Prior to July 1, 2020, the award required union and nonunion employees to contribute 3.5% of their compensation to the 401(a) in order to receive the 3.5% employer match. Effective July 1, 2020, a new arbitration award was issued through December 31, 2022. The new award requires union and nonunion employees to contribute 4.5% of their compensation in order to receive the 4.5% employer match, with 0.50% directed to fund the defined-benefit plan until such time the funded ratio meets the 110% requirement to return the 0.50% back to the defined-contribution plan. Employer contributions to the defined-contribution plan during 2021 were \$1,382,568.

***Deferred Compensation Plan***

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

**Note 8: Benefit Plan – Defined Benefit Pension**

***Plan Description***

IPTC provides pension benefits through a single-employer defined benefit exempt governmental pension 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. Requirements for administering both the Defined Benefit Pension Plan and the Defined Contribution Plan for union employees through June 30, 2020 were governed by an arbitration award issued by Samuel Stone that was effective until June 30, 2018. IPTC was operating under the old arbitration award until a new agreement was finalized. Effective July 1, 2020, a new arbitration award issued by Jules Crystal was effective for both the Defined Benefit Pension Plan and the Defined Contribution Plan for union employees through December 31, 2022. 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.

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**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, 2021, are:

Inactive employees or beneficiaries currently receiving benefits	113
Inactive employees entitled to but not yet receiving benefits	6
Active employees	16
	135

**Contributions**

The Pension Fund Committee has the authority to establish and amend the contribution requirements of the IPTC and active employees only through negotiation or arbitration. As of January 2006, all vested active union employees who remained in the Plan contributed 4.5% of the total compensation received by such employee and IPTC contributed 3.5% of their pay, as documented in the arbitration award in effect through and until June 30, 2018, which automatically continued in effect until June 30, 2020. Effective July 1, 2020, a new arbitration award came into effect through December 31, 2022. All vested active union employees who remained in the Plan and IPTC are now required to contribute 4.5% of their pay as well as IPTC making an additional \$225,000 contribution to the Plan annually on July 1 until 2022. Employer contributions for 2021 were \$186,757.

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**Net Pension Liability**

IPTC's net pension liability was measured as of December 31, 2021, for the year ended December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of December 31, 2021.

For the total pension liability at December 31, 2021, actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.20%
Salary increases	None
Ad hoc cost of living adjustments	None
Investment rate of return	5.5%, net of pension plan investment expense, including inflation
Retirement age	65 years
Turnover	Crocker-Sarason T4 table

Mortality rates were based on the Pri-2012 Blue Collar Mortality for Employees, Healthy Annuitants, Surviving Spouses and Disabled Annuitants with generational projection per Scale MP-2021.

The actuarial assumptions used in the December 31, 2021 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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic equity	77%	4.81%
Non-US equity	9%	6.57%
Fixed income	10%	1.03%
Cash	4%	0.00%
Total	100%	

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**Discount Rate**

The discount rate used to measure the total pension liability was 5.50%, for the year ended December 31, 2021. 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 applied to benefit payments.

Changes in the total pension liability, plan fiduciary net position and the net pension liability (asset) for 2021 are:

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
<b>Balances at January 1, 2021</b>	\$ 9,976,587	\$ 10,816,055	\$ (839,468)
<b>Changes for the year</b>			
Interest	521,548	-	521,548
Effect of economic/demographic gains (losses)	(222,256)	-	(222,256)
Effect of assumptions, changes or inputs	31,942	-	31,942
Benefit payments, including refunds of employee contributions	(1,001,200)	(1,001,200)	-
Contributions - employer	-	186,757	(186,757)
Contributions - employee	-	54,644	(54,644)
Net investment income	-	397,917	(397,917)
Administrative expense	-	(38,863)	38,863
Net changes	<u>(669,966)</u>	<u>(400,745)</u>	<u>(269,221)</u>
<b>Balances at December 31, 2021</b>	<u>\$ 9,306,621</u>	<u>\$ 10,415,310</u>	<u>\$ (1,108,689)</u>

The net pension asset of IPTC has been calculated using a discount rate of 5.50% at December 31, 2021. The following presents the net pension asset using a discount rate of 1% higher and 1% lower than the current rate.

	<b>1% Decrease (4.50%)</b>	<b>Current Discount Rate (5.50%)</b>	<b>1% Increase (6.50%)</b>
IPTC's net pension asset	\$ (435,679)	\$ (1,108,689)	\$ (1,701,938)

**Indianapolis Public Transportation Corporation**  
**A Component Unit of the Consolidated City of Indianapolis-Marion County**  
**Notes to Financial Statements**  
**December 31, 2021**

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plan's fiduciary net position, or fair value of Plan assets, at December 31, 2021 is as follows:

Cash and cash equivalents	\$ 2,171,900
Receivable investment income	4,988
Fixed income investments	1,040,861
Domestic equities	<u>7,197,561</u>
	<u>\$ 10,415,310</u>

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

For the year ended December 31, 2021, IPTC recognized a contra pension expense of \$(839,766). At December 31, 2021, IPTC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<u>                    </u>	<u>                    </u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (1,391,165)
	<u>                    </u>	<u>                    </u>
	\$ -	\$ (1,391,165)
	<u>                    </u>	<u>                    </u>

Amounts reported as deferred outflows of resources and deferred inflows of resources at December 31, 2021, related to pensions will be recognized in pension expense (reduction in pension expense) as follows:

<b>Year Ending December 31:</b>	<b>Amount</b>
	<u>                    </u>
2022	\$ (462,233)
2023	(663,127)
2024	(300,866)
2025	<u>35,061</u>
	<u>\$ (1,391,165)</u>

**Indianapolis Public Transportation Corporation**  
**A Component Unit of the Consolidated City of Indianapolis-Marion County**  
**Notes to Financial Statements**  
**December 31, 2021**

***Payable to the Pension Plan***

At December 31, 2021, IPTC had \$225,000 accrued for contributions owed to the pension plan required for the year.

**Note 9: Other Postemployment Benefit Plan**

***Plan Description and Benefits Provided***

IPTC maintains and provides postemployment medical and life insurance benefits (OPEB) to retirees, through a single-employer defined-benefit plan, which IPTC administers. Retirees under the 1997 program and their spouses under the age of 65 not covered by Medicare are eligible under the provisions to continue these benefits but must pay 20% of the medical premium. COBRA eligible, or employees who are not receiving pay from IPTC must submit the employee's portion, or the COBRA premiums, to Human Resources no later than the first day of the month the premium is due to retain insurance coverage. IPTC will pay \$75 per month towards the COBRA continuation or conversion of group health insurance retained by any employee who retires early or is on disability with IPTC pension. If, after the 18<sup>th</sup> month of continuation group coverage, the retiree is still under the age of 65, IPTC reimburses the retiree up to a maximum of \$225 on a quarterly basis towards the cost of the premiums. Retirees also qualify for a life insurance policy with benefits of \$5,500 if they retire on or after the age of 55 with at least 15 years of service. This plan does not issue a stand-alone financial report and no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The employees covered by the benefit terms at the measurement date of December 31, 2021 are:

Inactive employees or beneficiaries currently receiving benefit payments	87
Active employees	17
	104
	104

**Indianapolis Public Transportation Corporation**  
**A Component Unit of the Consolidated City of Indianapolis-Marion County**  
**Notes to Financial Statements**  
**December 31, 2021**

**Total OPEB Liability**

The IPTC's total OPEB liability of \$1,013,121 was measured as of December 31, 2021 for the year ended December 31, 2021, and was determined by an actuarial valuation as of that date. The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.20%
Discount rate	2.06%
Salary increases	N/A
Employee turnover/withdrawal	Crocker-Sarason T-4 Table
Life insurance premium	\$4.07/mo./\$1,000 of coverage

Retirement rates are shown below:

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

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

Mortality rates were based on the Pri-2012 Blue Collar mortality rates for employees, retirees, contingent survivors, with generational improvement using Scale MP-2021.

**Changes in the Total OPEB Liability**

Changes in the total OPEB liability are:

Balance, beginning of year	<u>\$ 1,079,015</u>
Changes for the year:	
Service cost	1,507
Interest	22,236
Effect of economic/demographic losses	(34,879)
Effect of assumption changes or inputs	8,917
Benefit payments	<u>(63,675)</u>
Net change	<u>(65,894)</u>
Balance, end of year	<u>\$ 1,013,121</u>

**Indianapolis Public Transportation Corporation**  
**A Component Unit of the Consolidated City of Indianapolis-Marion County**  
**Notes to Financial Statements**  
**December 31, 2021**

Changes of assumptions and other inputs reflect a change in the discount rate from 2.12% at December 31, 2020 to 2.06% at December 31, 2021.

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

The total OPEB liability of the IPTC has been calculated using a discount rate of 2.06%. The following presents the total OPEB liability using a discount rate 1% higher and 1% lower than the current discount rate.

	<b>1% Decrease (1.06%)</b>	<b>Current Discount Rate (2.06%)</b>	<b>1% Increase (3.06%)</b>
IPTC's Total OPEB liability	\$ 1,103,575	\$ 1,013,121	\$ 934,905

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

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

For the year ended December 31, 2021, IPTC recognized an OPEB contra expense (reduction) of \$(2,219). At December 31, 2021, IPTC did not have any reported deferred outflows of resources or deferred inflows of resources related to OPEB because the closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period was less than one year for the applicable OPEB items.

**Indianapolis Public Transportation Corporation**  
**A Component Unit of the Consolidated City of Indianapolis-Marion County**  
**Notes to Financial Statements**  
**December 31, 2021**

**Note 10: Disclosures About Fair Value of Assets and Liabilities**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

**Recurring Measurements**

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying statements of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2021:

Type	Fair Value	Fair Value Measurement Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV (A)
Money market mutual funds	\$ 64,285,518	\$ -	\$ -	\$ -	\$ 64,285,518
Government-backed mortgage notes	18,494,543	18,494,543	-	-	-
Municipal bonds	1,878,200	-	1,878,200	-	-

(A) Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

**Indianapolis Public Transportation Corporation**  
**A Component Unit of the Consolidated City of Indianapolis-Marion County**  
**Notes to Financial Statements**  
**December 31, 2021**

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of net position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended December 31, 2021.

***Investments***

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy and valued using a matrix pricing model. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

***Investments at NAV***

Money market mutual funds invest in short-term debt securities and seeks to provide greater returns than cash deposits. There are no unfunded commitments or restrictions on redemptions.

**Note 11: Commitments and 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.

***Commitments***

Through December 31, 2021, the IPTC Board of Directors awarded a number of contracts related to the Marion County Transit Plan - Purple Line BRT project. The total remaining contract activity for the Design, Engineering and Construction Management services was approximately \$14.5 million as of December 31, 2021.

**Indianapolis Public Transportation Corporation**  
**A Component Unit of the Consolidated City of Indianapolis-Marion County**  
**Notes to Financial Statements**  
**December 31, 2021**

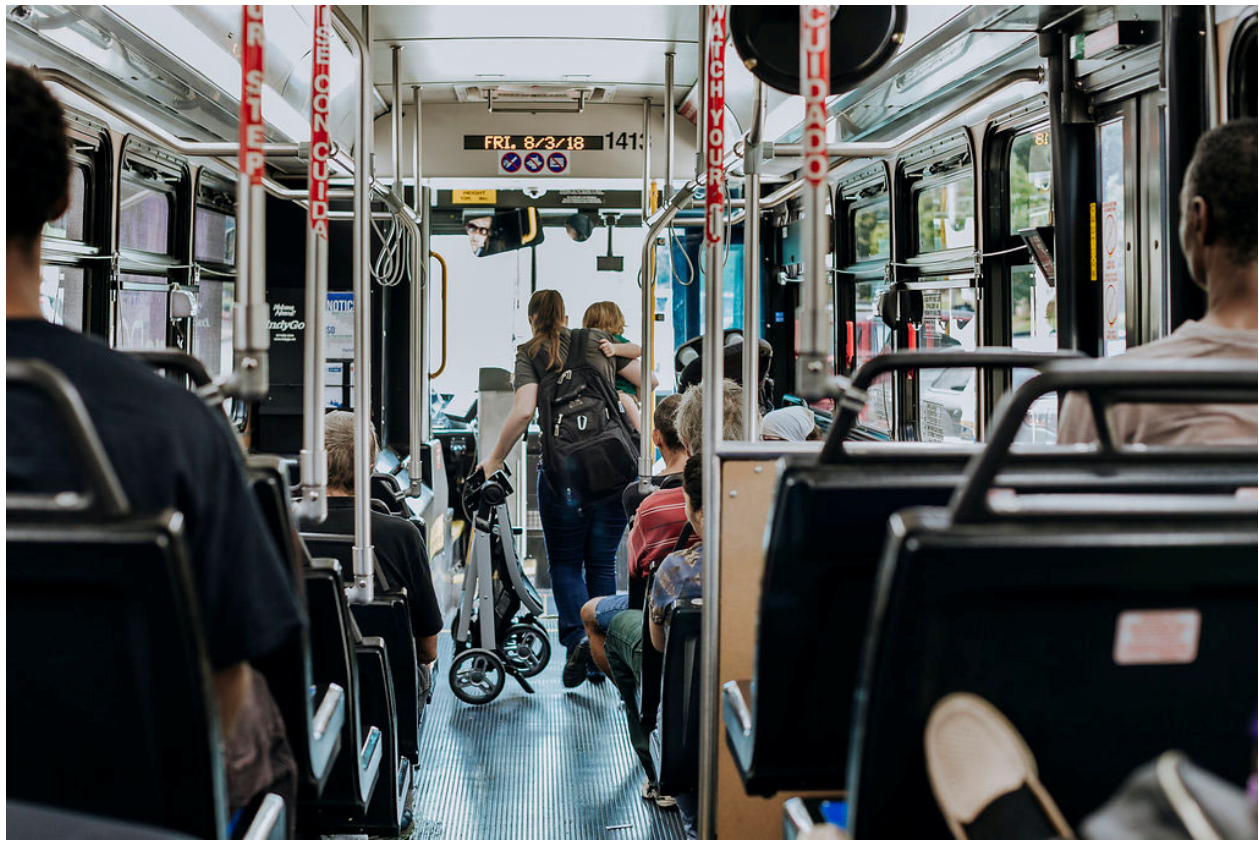
Through December 31, 2021, the IPTC Board of Directors awarded a contract related to the Marion County Transit Plan - Blue Line BRT project for Design and Engineering services. The total remaining contract activity was approximately \$4.4 million as of December 31, 2021.

**COVID-19**

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of IPTC. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

**Note 12: Subsequent Event**

In March 2022, IPTC issued \$65,000,000 of Local Income Tax Revenue Bonds, Series 2022D, which will be used to fund construction, renovation and equipment purchases at various IPTC operating sites along with the purchase of 22 electric buses. The bonds include term bonds maturing through 2042. The bonds bear interest at a rate of 4.0% to 5.0%.



**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**

	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>							
Interest on total pension liability	\$ 521,548	\$ 547,802	\$ 548,001	\$ 575,531	\$ 605,983	\$ 602,323	\$ 623,493
Service cost	-	-	-	21,125	-	-	-
Effect of plan changes	-	-	897,915	1,567,592	-	-	-
Effect of economic/demographic gains (losses)	(222,256)	162,516	(60,360)	(183,410)	(85,848)	(499,484)	(268,255)
Effect of assumptions, changes or inputs	31,942	(61,764)	204,880	705,896	(81,629)	(8,303)	333,067
Benefit payments, including refunds of employee contributions	(1,001,200)	(1,283,153)	(2,005,124)	(972,804)	(884,818)	(999,235)	(964,637)
Net change in total pension liability	(669,966)	(634,599)	(414,688)	1,713,930	(446,312)	(904,699)	(276,332)
Total pension liability - beginning	9,976,587	10,611,186	11,025,874	9,311,944	9,758,256	10,662,955	10,939,287
Total pension liability - ending (a)	9,306,621	9,976,587	10,611,186	11,025,874	9,311,944	9,758,256	10,662,955
<b>Plan Fiduciary Net Position</b>							
Contributions - employer	186,757	334,591	60,835	61,809	124,276	159,746	164,076
Contributions - employee	54,644	68,851	78,220	79,473	88,269	88,923	96,872
Net investment income (loss)	397,917	2,266,123	2,339,208	(362,116)	1,214,040	823,838	(44,197)
Benefit payments, including refunds of employee contributions	(1,001,200)	(1,283,153)	(2,005,124)	(972,804)	(884,818)	(999,235)	(964,637)
Administrative expense	(38,863)	(51,604)	(62,722)	(53,589)	(37,156)	(29,504)	(21,917)
Net change in plan fiduciary net position	(400,745)	1,334,808	410,417	(1,247,227)	504,611	43,768	(769,803)
Plan fiduciary net position - beginning	10,816,055	9,481,247	9,070,830	10,318,057	9,813,446	9,769,678	10,539,481
Plan fiduciary net position - ending (b)	10,415,310	10,816,055	9,481,247	9,070,830	10,318,057	9,813,446	9,769,678
<b>IPTC's Net Pension Liability (Asset) - Ending (a) - (b)</b>	\$ (1,108,689)	\$ (839,468)	\$ 1,129,939	\$ 1,955,044	\$ (1,006,113)	\$ (55,190)	\$ 893,277
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	111.91%	108.41%	89.35%	82.27%	110.80%	100.57%	91.62%
<b>Covered Payroll</b>	\$ 1,084,499	\$ 1,656,561	\$ 1,870,497	\$ 1,936,383	\$ 2,069,769	\$ 2,106,365	\$ 1,994,058
<b>IPTC's Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	-102.23%	-50.68%	60.41%	100.96%	-48.61%	-2.62%	44.80%

**Notes to Schedule:**

*Required supplementary information is not available for the preceding three 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.** The mortality improvement scale assumption has been changed from Scale MP-2020 to Scale MP-2021.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 411,757	334,591	\$ 60,835	\$ 61,809	\$ 124,276	\$ 159,746	\$ 164,076
Contributions in relation to the contractually required contribution	<u>(186,757)</u>	<u>\$ (334,591)</u>	<u>(60,835)</u>	<u>(61,809)</u>	<u>(124,276)</u>	<u>(159,746)</u>	<u>(164,076)</u>
Annual contribution deficiency (excess)	<u>\$ 225,000</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
IPTC's contributions as a percentage of contractually required contribution for pension	220%	100%	100%	100%	100%	100%	100%
IPTC's covered payroll	<u>\$ 1,084,499</u>	<u>1,656,561</u>	<u>\$ 1,870,497</u>	<u>\$ 1,936,383</u>	<u>\$ 2,069,769</u>	<u>\$ 2,106,365</u>	<u>\$1,994,058</u>
Contributions as a percentage of covered payroll	17.2%	20.2%	3.3%	3.2%	6.0%	7.6%	8.2%

**Notes to Schedule:**

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

Valuation date: December 31, 2021

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: 2.20%

Salary increases: Not applicable

Investment rate of return: 5.5%

Retirement age: 65

Mortality: Pri-2012 Blue Collar Mortality for Employees, Healthy Annuitants, Surviving Spouses, and Disabled Annuitants with generational projection per Scale MP-2021

Contributions: Based on the 2020 Arbitration Agreement, IPTC is required to contribute 4.5% of union employees pay as well as making an additional \$225,000 contribution to the Plan annually on July 1 until 2022 (2021 contribution accrued at December 31, 2021).

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>				
Service cost	\$ 1,507	\$ 1,152	\$ 680	\$ 1,238
Interest	22,236	29,783	40,567	38,970
Effect of economic/demographic losses	(34,879)	(49,988)	(28,867)	(59,107)
Effect of assumption changes or inputs	8,917	44,129	148,699	(59,000)
Benefit payments	<u>(63,675)</u>	<u>(63,300)</u>	<u>(64,579)</u>	<u>(65,362)</u>
<b>Net Change in Total OPEB Liability</b>	(65,894)	(38,224)	96,500	(143,261)
<b>Total OPEB Liability - Beginning</b>	<u>1,079,015</u>	<u>1,117,239</u>	<u>1,020,739</u>	<u>1,164,000</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 1,013,121</u>	<u>\$ 1,079,015</u>	<u>\$ 1,117,239</u>	<u>\$ 1,020,739</u>
<b>IPTC's Covered-Employee Payroll</b>	\$ 1,084,499	\$ 1,528,354	\$ 1,729,827	\$ 1,738,898
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	93.4%	70.6%	64.6%	58.7%

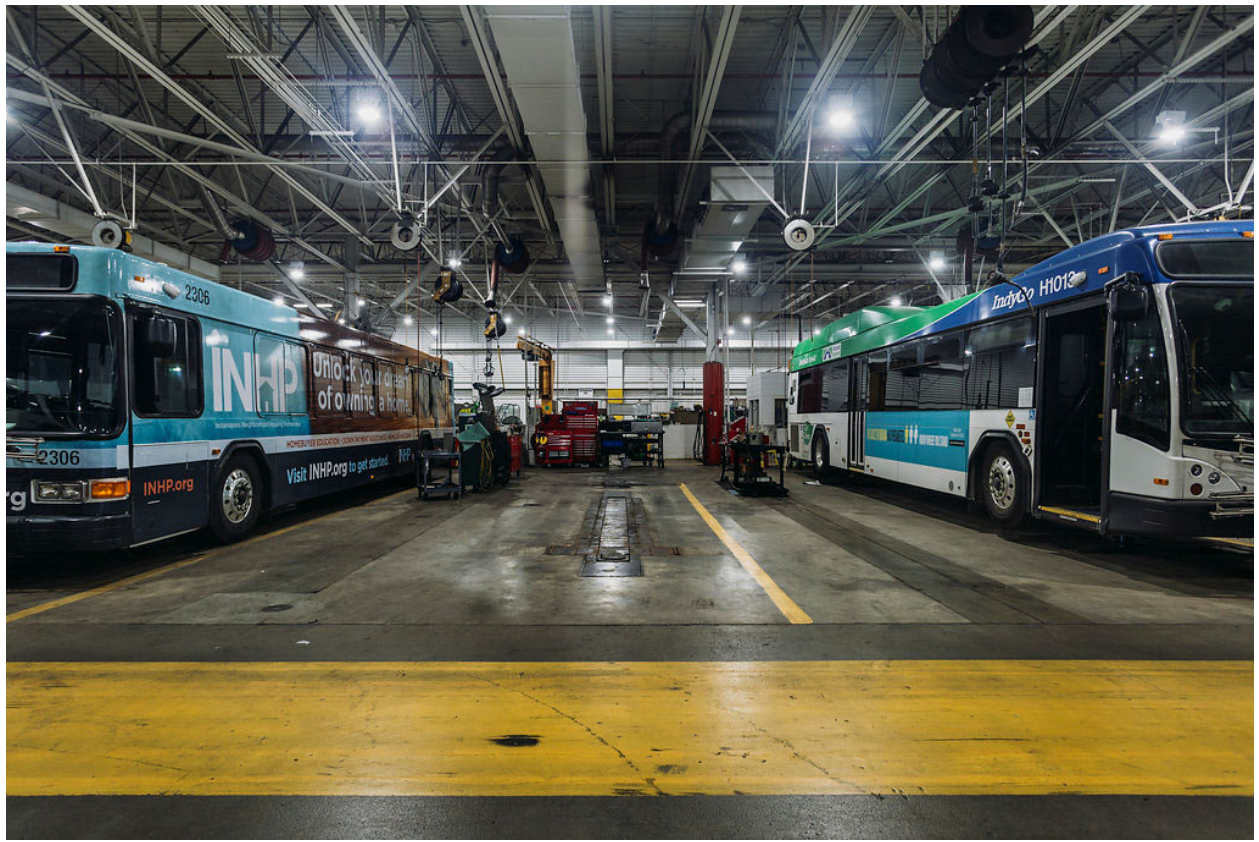
**Notes to Schedule:**

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

**Benefit changes.** No significant changes

**Changes of assumptions.** Discount rate changed from 2.12% at December 31, 2020 to 2.06% at December 31, 2021. The mortality improvement scale was changed from scale MP-2020 to scale MP-2021.

**Trust:** No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75



**Statistical Section (Unaudited)**

# **Indianapolis Public Transportation Corporation**

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

## **Statistical Section (Unaudited)**

### **Table of Contents**

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

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

#### **Demographic and Economic Information**

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

#### **Operating Information**

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

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

**Table I**

**Net Position by Component - Accrual Basis of Accounting**  
**Last Ten Years**  
**(amounts in thousands)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net investment in capital assets	\$ 33,289	\$ 36,110	\$ 42,647	\$ 80,425	\$ 98,024	\$ 109,604	\$ 124,210	\$ 186,723	\$ 210,496	\$ 211,816
Restricted	18,281	16,092	17,760	14,655	9,530	7,589	20,187	32,765	27,643	42,051
Unrestricted	10,473	13,578	12,961	15,456	14,152	8,460	31,613	19,650	62,165	99,851
Total IPTC activities net position	\$ 62,043	\$ 65,780	\$ 73,368	\$ 110,536	\$ 121,706	\$ 125,653	\$ 176,010	\$ 239,138	\$ 300,304	\$ 353,718

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

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

**Table II**  
**Operating Expenses by Type**  
**Last Ten Years**

<b>Calendar Year</b>	<b>Transportation</b>	<b>Maintenance of Equipment Including Fuel</b>	<b>Administrative and General</b>	<b>Claims and Insurance</b>	<b>Subtotal Expenses Before Depreciation</b>	<b>Depreciation</b>	<b>Total Operating Expenses</b>
2012	\$ 28,619,510	\$ 15,434,962	\$ 6,915,103	\$ 1,800,777	\$ 52,770,352	\$ 8,253,598	\$ 61,023,950
2013	29,733,176	17,098,609	10,208,449	1,334,836	58,375,070	7,293,959	65,669,029
2014	32,424,781	18,932,576	10,311,180	1,566,982	63,235,519	7,883,516	71,119,035
2015	29,787,891	16,952,267	9,833,426	1,322,196	57,895,780	7,750,331	65,646,111
2016	35,205,033	16,837,683	11,842,475	1,547,474	65,432,665	9,105,197	74,537,862
2017	38,377,545	16,708,390	12,123,381	2,288,866	69,498,182	10,303,582	79,801,764
2018	45,696,369	21,471,248	17,453,459	1,754,005	86,375,081	12,052,443	98,427,524
2019	51,432,242	25,183,296	17,489,243	2,837,323	96,942,104	12,569,083	109,511,187
2020	57,591,629	26,177,451	16,926,259	2,778,359	103,473,698	20,440,255	123,913,953
2021	55,973,418	24,807,965	18,253,830	2,873,527	101,908,740	19,698,349	121,607,089

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

**Table III**  
**Changes in Net Position**  
**Last Ten Years**

Calendar Year	Operating Revenue	Operating Expense	Operating Loss	Nonoperating Revenue	Income (Loss) Before Capital Contributions	Capital Contributions	Change in Net Position
2012	\$ 11,661,120	\$ 61,023,950	\$ (49,362,830)	\$ 50,265,991	\$ 903,161	\$ 3,710,587	\$ 4,613,748
2013	11,738,207	65,669,029	(53,930,822)	54,831,342	900,520	2,836,387	3,736,907
2014	12,136,882	71,119,035	(58,982,153)	54,548,834	(4,433,319)	12,021,795	7,588,476
2015	11,724,021	65,646,111	(53,922,090)	58,447,464	4,525,374	33,040,761	37,566,135
2016	11,105,202	74,537,862	(63,432,660)	64,881,873	1,449,213	9,721,628	11,170,841
2017	10,628,556	79,801,764	(69,173,208)	63,216,860	(5,956,348)	9,903,586	3,947,238
2018	10,923,994	98,427,524	(87,503,530)	108,098,321	20,594,791	31,355,362	51,950,153
2019	9,880,452	109,511,187	(99,630,735)	120,133,891	20,503,156	42,625,457	63,128,613
2020	6,557,590	123,913,953	(117,356,363)	164,684,745	47,328,382	13,837,538	61,165,920
2021	5,902,425	121,607,089	(115,704,664)	152,531,781	36,827,117	16,586,694	53,413,811

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

**Table IV**  
**Operating Revenues by Source**  
**Last Ten Years**

Calendar Year	Passenger Fares	Advertising	Total
2012	\$ 11,266,129	\$ 394,991	\$ 11,661,120
2013	11,354,576	383,631	11,738,207
2014	11,617,150	519,732	12,136,882
2015	11,232,694	491,327	11,724,021
2016	10,387,232	717,970	11,105,202
2017	9,990,230	638,326	10,628,556
2018	10,287,454	636,540	10,923,994
2019	9,224,816	655,636	9,880,452
2020	5,991,647	565,943	6,557,590
2021	5,190,832	711,593	5,902,425

**Indianapolis Public Transportation Corporation**  
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**Table V**  
**Nonoperating Revenues and Expenses**  
**Last Ten Years**

Calendar Year	Property and Income Tax	Municipalities	FTA Operating Assistance	Other, net	Total Nonoperating Revenue and Expenses
2012	\$ 27,029,782	\$ 10,883,600	\$ 12,320,606	\$ 32,003	\$ 50,265,991
2013	33,105,656	10,842,244	11,017,598	(134,156)	54,831,342
2014	31,729,423	10,877,058	11,855,317	87,036	54,548,834
2015	34,110,139	10,996,469	13,265,041	75,815	58,447,464
2016	39,000,284	11,021,036	11,792,142	3,068,411	64,881,873
2017	39,254,016	11,002,081	13,331,008	(370,245)	63,216,860
2018 (1)	91,732,257	11,386,129	5,243,143	(263,208)	108,098,321
2019	97,092,434	11,251,928	12,755,339	(965,810)	120,133,891
2020 (2)	101,476,572	11,372,796	52,862,338	(1,026,961)	164,684,745
2021	110,896,076	9,900,559	32,702,575	(967,429)	152,531,781

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

(2) Effective 2020, IPTC began receiving additional CARES Act funding from the Federal Transit Administration

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

**Table VI**

**Assessed Value and Estimated Actual Value of Taxable Property (1)**  
**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
2012	\$ 30,767,449,975	\$ 4,966,628,437	\$ 35,734,078,412	0.0803 %	100 %
2013	28,895,562,176	5,076,078,757	33,971,640,933	0.1031	100
2014	29,672,648,271	5,152,942,345	34,825,590,616	0.0938	100
2015	29,582,373,258	5,148,642,743	34,731,016,001	0.0983	100
2016	30,090,249,074	5,471,602,908	35,561,851,982	0.1120	100
2017	31,662,059,780	5,816,440,516	37,478,500,296	0.1074	100
2018	33,189,915,211	5,641,338,056	38,831,253,267	0.1044	100
2019	34,318,475,936	5,824,733,758	40,143,209,694	0.1029	100
2020	36,230,086,348	5,800,307,300	42,030,393,648	0.1000	100
2021	38,382,415,527	6,058,477,663	44,440,893,190	0.0976	100

(1) Source: Indiana Department of Local Government Finance.

**Indianapolis Public Transportation Corporation**  
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**Table VII**  
**Property Tax Levies and Collections (1, 2 & 3)**  
**Last Ten Years**

Year Ended December 31	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy		Collections of Taxes Levied in Prior Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012 (5)	\$ 25,732,422	\$ 25,055,800	97.37%	\$ 957,259	\$ 26,013,059	101.09%
2013	28,011,096	26,490,971	94.57%	1,157,889	27,648,860	98.71%
2014 (4) (6)	25,292,892	26,426,781	104.48%	1,001,691	27,428,472	108.44%
2015	29,823,911	28,690,763	96.20%	1,025,882	29,716,645	99.64%
2016	33,521,071	33,164,540	98.94%	942,355	34,106,895	101.75%
2017	33,174,179	32,980,034	99.41%	1,144,468	34,124,502	102.86%
2018	33,975,127	33,582,649	98.84%	958,308	34,540,957	101.67%
2019	34,404,784	34,991,721	101.71%	941,006	35,932,727	104.44%
2020	35,160,685	34,807,403	99.00%	1,154,229	35,961,632	102.28%
2021	36,063,977	35,874,849	99.48%	1,201,484	37,076,333	102.81%

- (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) Beginning in 2008, the effect of property tax caps has impacted the value of taxes levied.
- (5) Collected more delinquent tax in 2012.
- (6) 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 Personal Income	Actual Taxable Value of Property (2)	Percentage of Actual Taxable Value of Property
2012	\$ 6,425,000	\$ 6,621,748	\$ 5,543	\$ 13,041,205	\$ 14.18	\$ 46,011	0.00037	\$ 35,734,078,412	0.036%
2013	4,675,000	1,549,420	-	6,224,420	6.69	45,197	0.00020	33,971,640,933	0.018%
2014	2,925,000	1,336,688	-	4,261,688	4.55	46,290	0.00010	34,825,590,616	0.012%
2015	1,680,000	967,155	-	2,647,155	2.82	48,238	0.00007	34,731,016,001	0.008%
2016	1,680,000	719,124	-	2,399,124	2.54	49,357	0.00006	35,561,851,982	0.007%
2017	-	621,977	-	621,977	0.65	50,211	0.00001	37,478,500,296	0.002%
2018	28,559,064	284,265	3,859,052	24,984,277	26.17	52,815	0.00049	38,831,253,267	0.064%
2019	26,280,947	-	3,942,811	22,338,136	23.16	54,405	0.00044	40,143,209,694	0.056%
2020	22,471,029	-	3,483,036	18,987,993	19.43	59,264	0.00036	42,030,393,648	0.045%
2021	43,158,833	-	5,927,795	37,231,038	38.34	59,264	0.00063	44,440,893,190	0.084%

- (1) Data presented are per the U.S. Department of Commerce, Bureau of Economic Analysis.  
(2) The legal debt limit for IPTC general obligation bonds is two percent of the actual taxable value of property.

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

**Table IX**  
**Direct and Overlapping Property Tax Rates (1, 3, & 4)**  
**Last Ten Years**

Year	Direct Rates (2)				Overlapping Rates					Total (2)
	Basic Rate	Debt Service	Cumulative Capital	Total Direct Rate	City	County	Other Muni Corp	School	Other	Total
2012	0.0656	0.0051	0.0096	0.0803	1.0034	0.4007	0.3155	1.2711	0.0670	3.1380
2013	0.0870	0.0061	0.0100	0.1031	0.9802	0.3932	0.3283	1.4829	0.0607	3.3484
2014	0.0781	0.0057	0.0100	0.0938	0.7667	0.4034	0.3402	1.2889	0.0620	2.9550
2015	0.0847	0.0044	0.0092	0.0983	0.7069	0.3825	0.3222	1.3504	0.0607	2.9210
2016	0.0983	0.0044	0.0093	0.1120	0.7136	0.3883	0.3334	1.4170	0.0630	3.0273
2017	0.0981	0.0000	0.0093	0.1074	0.7316	0.3940	0.3443	0.9735	0.0619	2.6127
2018	0.0951	0.0000	0.0093	0.1044	1.0279	0.3893	0.3444	0.8300	0.0587	2.7547
2019	0.0936	0.0000	0.0093	0.1029	0.7092	0.3906	0.3467	1.5032	0.0563	3.1089
2020	0.0907	0.0000	0.0093	0.1000	0.7040	0.3869	0.3383	1.4284	0.0568	3.0144
2021	0.0883	0.0000	0.0093	0.0976	0.6973	0.3931	0.3392	1.3785	0.0559	2.9616

- (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) Sources: Marion County Treasurer's Office "Notice to the Taxpayers of Marion County of Tax Rates Charged"

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

**Table X**

**Direct and Overlapping Bonded Debt and Bonding Limit**

**December 31, 2021**

**(amounts in thousands)**

	<b>Bonded Debt Limit (1)</b>	<b>Bonds Outstanding (2)</b>
<b>Overlapping Debt</b>		
City of Indianapolis	\$ 2,734,094	\$ 1,750,560
Marion County	313,533	-
Other Municipal Corporations	1,249,706	238,625
Public Schools	313,533	149,466
Other Cities and Towns	19,977	5,241
Other Misc City and Town Township	316,167	1,708
Total Overlapping Debt	4,947,010	2,145,600
<b>Direct Debt</b>		
Indianapolis Public Transportation Corporation	297,103	43,159
Total Direct and Overlapping Debt	\$ 5,244,113	\$ 2,188,759
<b>IPTC's Percentage of Total Direct and Overlapping Debt</b>	5.67%	1.97%

(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)
2012	919,453	\$ 46,011	33.7	146,175	9.4 %
2013	929,722	45,197	33.9	149,697	7.0
2014	935,745	46,290	34.1	130,007	5.8
2015	940,235	48,238	34.3	130,371	4.6
2016	944,034	49,357	34.4	131,754	3.9
2017	950,082	50,211	34.5	132,596	3.1
2018	954,670	52,815	34.5	132,838	3.4
2019	964,582	54,405	34.2	131,292	2.9
2020	977,203	59,264	34.4	131,830	5.7
2021	971,102	59,264 (6)	34.4 (7)	127,552	1.9

(1) Source: U.S. Census Bureau

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

(3) Data presented by Stats Indiana.

(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 Statistic as of December 2020.

(6) This information will be released by the Bureau of Economic Analysis at a future date; therefore, prior year numbers were utilized.

(7) This information will be released by the U.S. Census Bureau at a future date; therefore, prior year numbers were utilized.

**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**

2021				2012			
Employer (2)	Employees	Rank	Percentage of Total City Employment (1)	Employer (3)	Total Employees	Rank	Percentage of Total City Employment (1)
Indiana University Health	23,187	1	4.81%	Eli Lilly and Company	11,550	1	2.73%
Ascension St. Vincent	17,398	2	3.61%	St. Vincent Hospitals & Health Services	11,075	2	2.62%
Community Health Network	15,000	3	3.11%	Community Health Network	8,079	3	1.91%
IUPUI	14,000	4	2.90%	IUPUI	7,066	4	1.67%
Eli Lilly and Company	10,317	5	2.14%	Rolls-Royce	4,316	5	1.02%
Wal-Mart	9,582	6	1.99%	Fedex	4,311	6	1.02%
Kroger	7,520	7	1.56%	Roche Diagnostic Corporation	4,300	7	1.02%
Federal Express Corporation	6,500	8	1.35%	WellPoint Inc.	3,950	8	0.94%
Anthem	4,870	9	1.01%	St. Francis Hospital & Health Centers	3,628	9	0.86%
Meijer	4,707	10	0.98%	Allison Transmission/Div of GMC	3,400	10	0.81%
		Total	23.46%			Total	14.60%

- (1) Percentage of total City employment is calculated using total Employment Labor Force, which can be found at [www.stats.indiana.edu](http://www.stats.indiana.edu).
- (2) Largest employers can be found at [www.indypartnership.com](http://www.indypartnership.com) (Indy Partnership).
- (3) 2012 largest employers data can be found in IPTC 2012 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)**

	2021				2012			
	Taxpayer	Taxable Assessed Value (1)	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value (2) (4)	Rank	Percentage of Total City Taxable Assessed Value
1	Eli Lilly and Company	\$ 1,388,552	1	2.657%	Eli Lilly and Company	\$ 1,038,078	1	2.654%
2	Citizens Energy Group	511,463	2	0.979%	Indianapolis Power & Light Co.	280,605	2	0.717%
3	Federal Express Corporation	254,753	3	0.488%	Federal Express Corporation	191,125	3	0.489%
4	White Legacy Properties, LLC	208,680	4	0.399%	Convention Headquarters Hotels, LLC	156,907	4	0.401%
5	Allison Transmission Inc.	178,039	5	0.341%	Allison Transmission Inc.	143,606	5	0.367%
6	SFT Property LLC	156,989	6	0.300%	Macquarie Office Monument Center I, LLC	117,671	6	0.301%
7	Indianapolis Power and Light Company	156,313	7	0.299%	Indiana Bell Telephone Company, Inc.	81,452	7	0.208%
8	Rolls-Royce Corporation	124,979	8	0.239%	SVC Manufacturing Inc.	77,263	8	0.198%
9	G&I IX MJW Keystone Crossing, LLC	106,125	9	0.203%	Rolls Royce	76,161	9	0.195%
10	SVC Manufacturing Inc.	91,987	10	0.176%	Hub Properties GA, LLC	73,706	10	0.188%
		\$ 3,177,880		6.081%		\$ 2,236,574		5.718%

- (1) Represents the January 1, 2020 valuations for taxes due and payable in 2021 as represented by the taxpayer.
- (2) Represents the March 1, 2011 valuations for taxes due and payable in 2012 as represented by the taxpayer.
- (3) Taxable assessed value was determined using public records from the Marion County Treasurer's Office.
- (4) Data presented as originally published in the IPTC 2012 annual report.

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

**Table XIV**  
**Operating Information**  
**Last Ten Years**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>EMPLOYEE DATA</b>										
Number of Employees (1)										
Full Time										
Operators	411	477	525	408	379	327	332	341	380	301
Other Transportation	100	69	62	87	68	59	47	35	7	19
Maintenance	117	121	131	100	101	96	88	85	69	79
Administrative & Other	134	158	152	83	71	52	43	43	41	58
Total full-time employees	762	825	870	678	619	534	510	504	497	457
Part Time										
Operators	3	2	2	2	2	2	2	4	5	-
Other	1	2	2	4	4	5	6	5	4	-
Total part-time employees	4	4	4	6	6	7	8	9	9	-
Total Employees	766	829	874	684	625	541	518	513	506	457
<b>PASSENGER DATA</b>										
Passengers (2)	5,203,919	5,841,803	9,556,169	9,115,875	9,064,093	9,494,784	9,951,627	10,574,895	10,526,681	10,248,603
Number of Fixed Routes (3)	32	32	30	31	31	31	31	31	31	30
Annual Vehicle Miles (2)	11,077,544	12,244,966	12,638,190	12,738,058	11,719,245	11,510,632	11,359,866	11,535,338	11,062,831	10,759,404
Annual Vehicle Hours (2)	788,446	764,466	789,200	758,689	562,192	764,275	739,029	635,693	710,253	624,219
Number of Coaches (4)	283	296	280	262	257	268	243	220	233	227
Number of ADA Accessible vehicles (4)	283	296	280	262	257	268	243	220	233	227
Fare (Single Ride) (3)	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75

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

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

(3) Source: IPTC Transportation Department.

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

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

**Table XV**  
**Schedule of Insurance in Force**  
**December 31, 2021**

Type of Coverage	Company	Term	Expiration Date	Limit	Deductible
The Princeton Excess and Surplus					
GL, AL, Public Officials:	Lines Insurance Company	1 year	January 1		
General Liability				\$ 5,000,000	\$ 1,000,000
Wrongful Acts				\$ 5,000,000	\$ 1,000,000
Auto Liability				\$ 5,000,000	\$ 1,000,000
Employee Benefits Liability				\$ 5,000,000	\$ 1,000,000
Sexual Abuse				\$ 5,000,000	\$ 1,000,000
Public Official	RSUI Indemnity Company	1 year	January 1	\$100,000 - \$2,000,000	\$0-\$75,000
Fiduciary Liability	Travelers	1 year	January 1	\$100,000 - \$2,000,000	\$ -
Property:					
Building & Contents				\$ 264,396,228	
Prime	Great American	1 year	January 1	\$ 100,000,000	\$ 100,000
Property Tower	RSUI	1 year	January 1	\$ 50,000,000	
Property Tower	Homeland	1 year	January 1	\$ 61,498,738	
Property Tower	Hallmark	1 year	January 1	\$ 22,028,244	
Property Tower	Mitsui	1 year	January 1	\$ 30,869,246	
Building & Business Personal Property Damage - Per Occurrence					\$ 50,000
Property in Transit					\$ 50,000
EDP Mechanical Breakdown					\$ 50,000
Windstorm/Hail Flat Deductible					\$ 500,000
Earthquake				\$ 25,000,000	\$ 100,000
Flood				\$ -	\$ -
Brands & Labels Expen					\$ 5,000
Fine Arts					\$ 25,000
Debris Removal					\$ 100,000
New Acquired or Constructed Locations Building					\$ 500,000
New Acquired or Constructed Locations Personal Property					\$ 250,000
Crime:	AIG	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
Cyber:	Coalition	1 year	January 1		
Third-Party Liability Coverages					
Network and Information Security Liability				\$ 3,000,000	\$ 25,000
Regulatory Defense Penalties				\$ 3,000,000	\$ 25,000
Multimedia Content Liability				\$ 3,000,000	\$ 25,000
PCI Fines and Assessments				\$ 3,000,000	\$ 25,000
First Party Liability Coverages					
Breach Response				\$ 3,000,000	\$ 25,000
Crisis Management and Public Relations				\$ 3,000,000	\$ 25,000
Cyber Extortion				\$ 3,000,000	\$ 25,000
Business Interruption and Extra Expense				\$ 3,000,000	\$ 25,000
Digital Asset Restoration				\$ 3,000,000	\$ 25,000
Funds Transfer Fraud				\$ 100,000	\$ 25,000
Coverage by Endorsement					
Reputation Repair				\$ 3,000,000	\$ 25,000
Computer Replacement				\$ 1,000,000	\$ 25,000
Service Fraud				\$ 100,000	\$ 25,000
Reputational Harm Loss				\$ 1,000,000	\$ 25,000
Breach Response Separate Limits				\$ 3,000,000	\$ 25,000

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

Source: "Summary of Insurance" report from Aon Risk Services Central, Inc.

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

**Table XVI**  
**Schedule of Transit Vehicles (4)**  
**December 31, 2021**

No. of Vehicles	Year (2)	Manufacturer	Engine Type	Seating Capacity	Lift/Ramp Equipped
Large Bus					
12	2000	ZEPS	Electric	39+2wc	Yes(Lift)
21	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)
16	2017	Gillig	Diesel	38+2wc	Yes(Lift)
17	2018	Gillig	Diesel	38+2wc	Yes(Lift)
16	2019	Gillig	Diesel	38+2wc	Yes(Lift)
31	2019	BYD	Electric	47+2wc	Yes(Lift)
28	2020	Gillig	Diesel	38+2wc	Yes(Lift)
24	2020	Gillig	Diesel	38+2wc	Yes(Lift)
<u>208</u>	Total Large Buses				
Body on Chassis					
16	2017	Ford	Gasoline	10+2wc	Yes(Lift)
15	2018	Ford	Gasoline	9+3wc	Yes(Lift)
5	2019	Dodge	Gasoline	5+1wc	Yes(Lift)
26	2019	Ford	Gasoline	9+3wc	Yes(Lift)
4	2019	Dodge	Gasoline	5+1wc	Yes(Lift)
6	2021	Ford	Gasoline	9+3wc	Yes(Lift)
3	2021	Ford	Gasoline	9+3wc	Yes(Lift)
<u>75</u>	Total Body on Chassis				
<u><u>283</u></u>	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.
- (4) Source: IPTC Operations Department



***IndyGo***<sup>SM</sup>

**(317) 615-2100**

1501 West Washington St. Indianapolis, IN 46222

**[www.IndyGo.net](http://www.IndyGo.net)**

**Indianapolis Public Transportation Corporation**  
(A Component Unit of the Consolidated City of Indianapolis-Marion County)  
Single Audit Report  
For the Year Ended December 31, 2021

**Indianapolis Public Transportation Corporation**  
**(A Component Unit of the Consolidated City of Indianapolis-Marion County)**  
**December 31, 2021**

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**Indianapolis Public Transportation Corporation**  
**(A Component Unit of Consolidated City of Indianapolis-Marion County)**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2021**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided Through to Subrecipients	Direct Federal Expenditures	Total Federal Expenditures
<b>Department of Transportation</b>					
<b>Federal Transit Administration</b>					
Direct programs					
Federal Transit Cluster:					
Capital Investment Grants	20.500	n/a	\$ -	\$ 11,662,630	\$ 11,662,630
Formula Grants	20.507	n/a	-	14,350,050	14,350,050
COVID 19 - Formula Grants	20.507	n/a	-	22,053,417	22,053,417
Bus and Bus Facilities Formula Program	20.526	n/a	-	5,975	5,975
Total Federal Transit Cluster			<u>-</u>	<u>48,072,072</u>	<u>48,072,072</u>
Transit Services Program Cluster:					
Disabilities	20.513	n/a	<u>93,120</u>	<u>1,104,778</u>	<u>1,197,898</u>
Total Transit Services Programs Cluster			<u>93,120</u>	<u>1,104,778</u>	<u>1,197,898</u>
Public Transportation Innovation	20.530	n/a	<u>-</u>	<u>19,280</u>	<u>19,280</u>
			<u>\$ 93,120</u>	<u>\$ 49,196,130</u>	<u>\$ 49,289,250</u>

The accompanying notes are an integral part of this schedule.

**Indianapolis Public Transportation Corporation**  
**(A Component Unit of Consolidated City of Indianapolis-Marion County)**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2021**

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of Indianapolis Public Transportation Corporation (IPTC) under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of IPTC, it is not intended to and does not present the financial position, changes in net position or cash flows of IPTC.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3: Indirect Cost Rate**

IPTC has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

## 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*

### Independent Auditor's Report

Board of Directors  
Indianapolis Public Transportation Corporation  
Indianapolis, Indiana

We have audited, 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, the financial statements of Indianapolis Public Transportation Corporation (IPTC), a component unit of the Consolidated City of Indianapolis-Marion County, which comprise the statement of net position as of December 31, 2021, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 29, 2022.

#### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered IPTC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of IPTC's internal control. Accordingly, we do not express an opinion on the effectiveness of IPTC's internal control.

*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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether IPTC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

## ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the IPTC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**FORVIS,LLP**

Indianapolis, Indiana  
June 29, 2022

## **Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

### **Independent Auditor's Report**

#### **Report on Compliance for IPTC's Major Federal Program**

##### ***Opinion on IPTC's Major Federal Program***

We have audited Indianapolis Public Transportation Corporation's (IPTC) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on IPTC's major federal program for the year ended December 31, 2021. IPTC's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, IPTC complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

##### ***Basis for Opinion on IPTC's Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of IPTC and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of IPTC's compliance with the compliance requirements referred to above.

##### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to IPTC's federal programs.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on IPTC's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about IPTC's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding IPTC's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of IPTC's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of IPTC's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance 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 a 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of IPTC, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise IPTC's basic financial statements. We have issued our report thereon dated June 29, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic 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 basic 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 basic financial statements or to the basic 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 basic financial statements as a whole.

**FORVIS,LLP**

Indianapolis, Indiana  
June 29, 2022



**Indianapolis Public Transportation Corporation**  
**(A Component Unit of Consolidated City of Indianapolis-Marion County)**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2021**

7. Dollar threshold used to distinguish between Type A and Type B programs was \$1,478,678.

8. Auditee qualified as a low-risk auditee?  Yes  No

**Indianapolis Public Transportation Corporation**  
**(A Component Unit of Consolidated City of Indianapolis-Marion County)**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2021**

**Section II – Financial Statement Findings**

<b>Reference Number</b>	<b>Finding</b>
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No matters are reportable.

**Section III – Federal Award Findings and Questioned Costs**

<b>Reference Number</b>	<b>Finding</b>
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No matters are reportable.

**Indianapolis Public Transportation Corporation**  
**(A Component Unit of Consolidated City of Indianapolis-Marion County)**  
**Status of Prior Audit Findings**  
**Year Ended December 31, 2021**

<b>Reference Number</b>	<b>Summary of Finding</b>	<b>Status</b>
2020-001	<b>Controls Over Financial Reporting:</b> Management is responsible for establishing and maintaining effective internal controls over preparation of the schedule of expenditures of federal awards. IPTC's internal control environment over recognition of federal grant revenue and preparation of the schedule of expenditures of federal awards did not timely detect grant revenue related to previous years. A passed adjustment for approximately \$2,900,000 was identified to remove the revenue from the current year and record to the prior year.	Resolved