

FORVIS

IndyGo 2021 Audit Results

October 20, 2022

Public Sector Group

OVERVIEW

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Responsibility for the audit

■ Management's responsibility

- Preparation & fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States
- Design, implementation, & maintenance of adequate internal controls

■ FORVIS' responsibility

- Express opinions on the fairness of the financial statements, *i.e.*, provide reasonable assurance they are free of material misstatement
- Conduct our audit in accordance with:
 - + Auditing standards generally accepted in the United States
 - + *Government Auditing Standards*
 - + *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, & Audit Requirements for Federal Awards (Uniform Guidance)*
 - + *Uniform Compliance Guidelines for Audit of State & Local Governments by Authorized Independent Public Accountants* (per Indiana State Board of Accounts)

Responsibility for the audit

▪ FORVIS' responsibility

- Perform relevant procedures to obtain audit evidence about the amounts & disclosures in the financial statements
- Assess the risk of material misstatement due to error or fraud
 - + Consider internal control relevant to the preparation & fair presentation of the financial statements
 - + Design appropriate procedures to address identified risks
 - Procedures are not designed to express an opinion on the operating effectiveness of internal controls
 - + Evaluate the appropriateness of accounting policies used & reasonableness of significant estimates, as well as overall presentation of the financial statements

Scope of the audit

- FORVIS opines on the following
 - Statement of net position
 - Statement of revenue, expense, and changes in net position
 - Changes in cash flows
 - Notes to the financial statements
- FORVIS does not provide an opinion on the following
 - Management's discussion & analysis
 - Required supplementary information (RSI)
- We do not audit the introductory or statistical sections of the Annual Comprehensive Financial Report (ACFR), but review it for reasonableness & consistency

Scope of the audit

- *Government Auditing Standards*

- Consider the IPTC's internal control to determine the audit procedures appropriate for expressing our opinions on the financial statements
- Perform tests of compliance with certain provisions of laws, regulations, contracts, & grant agreements, noncompliance with which could have a direct & material effect on the determination of financial statement amounts

Audit results

- Opinions on the financial statements & supplementary information: **Unmodified**
- *Government Auditing Standards* Findings:
 - Internal Controls over Financial Reporting: **None noted**
 - Compliance: **No instances of noncompliance required to be reported**
- *Uniform Guidance* Findings:
 - Internal Controls over Federal Awards: **None noted**
 - Compliance: **No instances of noncompliance required to be reported**

Required auditor communications

▪ Auditor responsibilities

- Reasonable, but not absolute, assurance about the financial statements
- We use scopes & sampling techniques – procedures do not include a detailed audit of every transaction
- An audit does not relieve management, or those charged with governance (including the finance committee), of their collective responsibility for preparing an accurate financial statement

▪ Accounting policies

- IPTC's significant accounting policies are described in Note 1 of the financial statements

▪ Alternative accounting treatments

- No matters are reportable

Required auditor communications

- Management's judgments & accounting estimates
 - Estimated useful lives of capital assets
 - Risk management unpaid claims liability
 - Actuarially determined net pension liability and associated deferred outflows and inflows of resources as of year end
 - Actuarially determined other postemployment obligation (OPEB)

- Significant unusual transactions – None noted

- Financial statement disclosures
 - Note 1 – Significant accounting policies
 - Note 6 – Long-term obligations
 - Note 8 – Defined-benefit pension plan
 - Note 9 – Other postemployment benefit plan

Required auditor communications

- Audit adjustments
 - Proposed audit adjustments recorded
 - + Increase accounts payable and construction in progress
 - Proposed audit adjustments not recorded
 - + Record grant receivable and revenue for eligible federal expenditure identified above
- Significant issues discussed with management and/or significant unusual transactions
 - Issuance of additional bonds during 2021
- Difficulties encountered in performing the audit – We received excellent cooperation from all IPTC personnel
- Other material communications – Management representation letter

Internal control matters

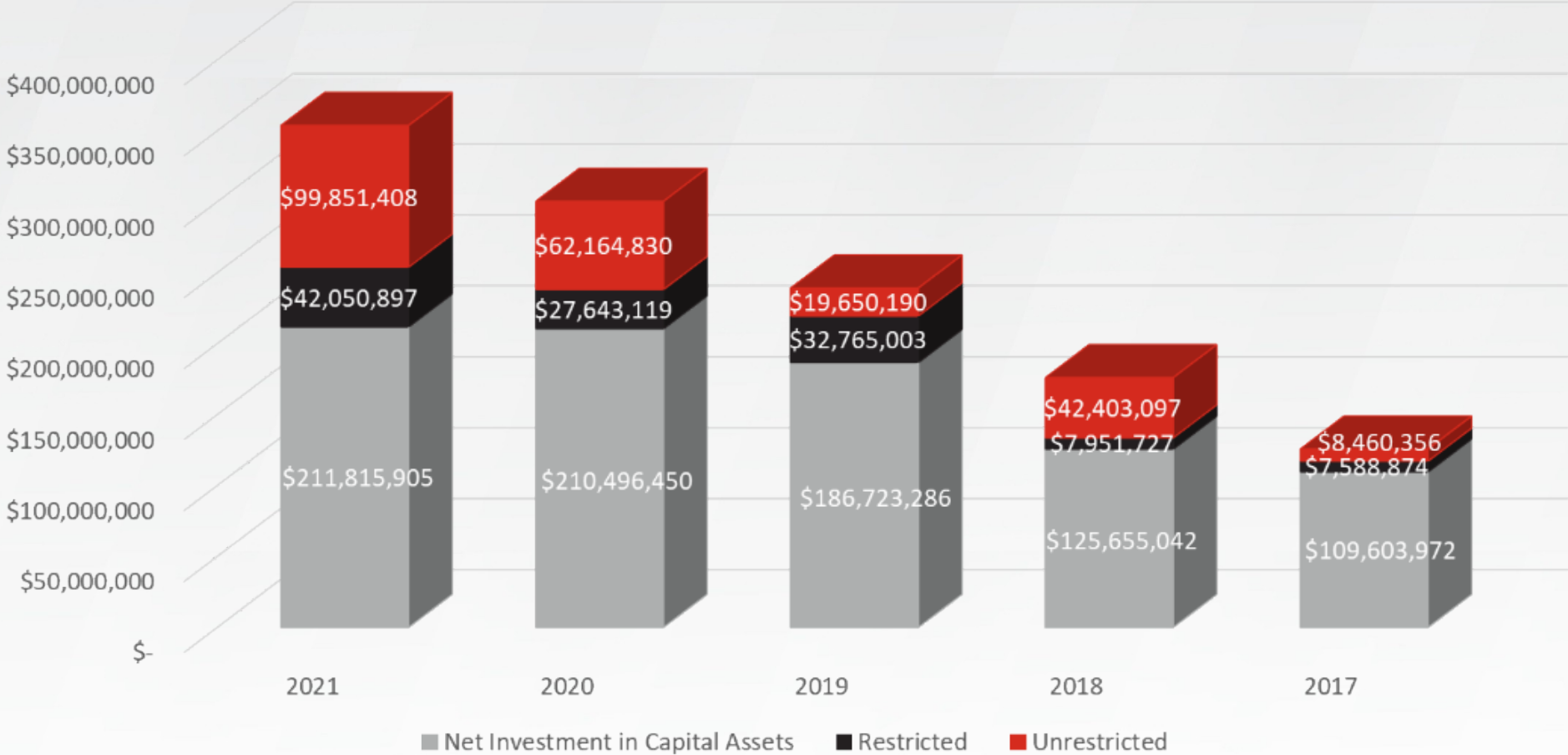
- Deficiency – Audit adjustments
 - Certain adjustments, as noted above, were not detected in a timely matter to prevent the financial statements from being misstated as presented on a GAAP basis
- We verbally communicated to management a deficiency in internal control identified during our audit that is not considered a material weakness or significant deficiency.

Other communications

- Although not considered material weaknesses, significant deficiencies or deficiencies in internal control over financial reporting
 - We observed the following matters & offer these comments & suggestions with respect to matters which came to our attention during the course of the audit of the financial statements:
 - + Future accounting considerations
 - GASB 87, *Leases* – Effective for IPTC’s 2022 fiscal year
 - GASB 93, *Replacement of Interbank Offered Rates* – Effective for IPTC’s 2022 and 2023 fiscal year
 - GASB 96, *Subscription-Based Information Technology Arrangements* – Effective for IPTC’s 2023 fiscal year
 - GASB 99, *Omnibus 2022* – Effective dates through IPTC’s 2024 fiscal year
 - GASB 100, *Accounting Changes and Error Corrections* – Effective for IPTC’s 2024 fiscal year
 - GASB 101, *Compensated Absences* – Effective for IPTC’s 2024 fiscal year

2021 Financial Highlights

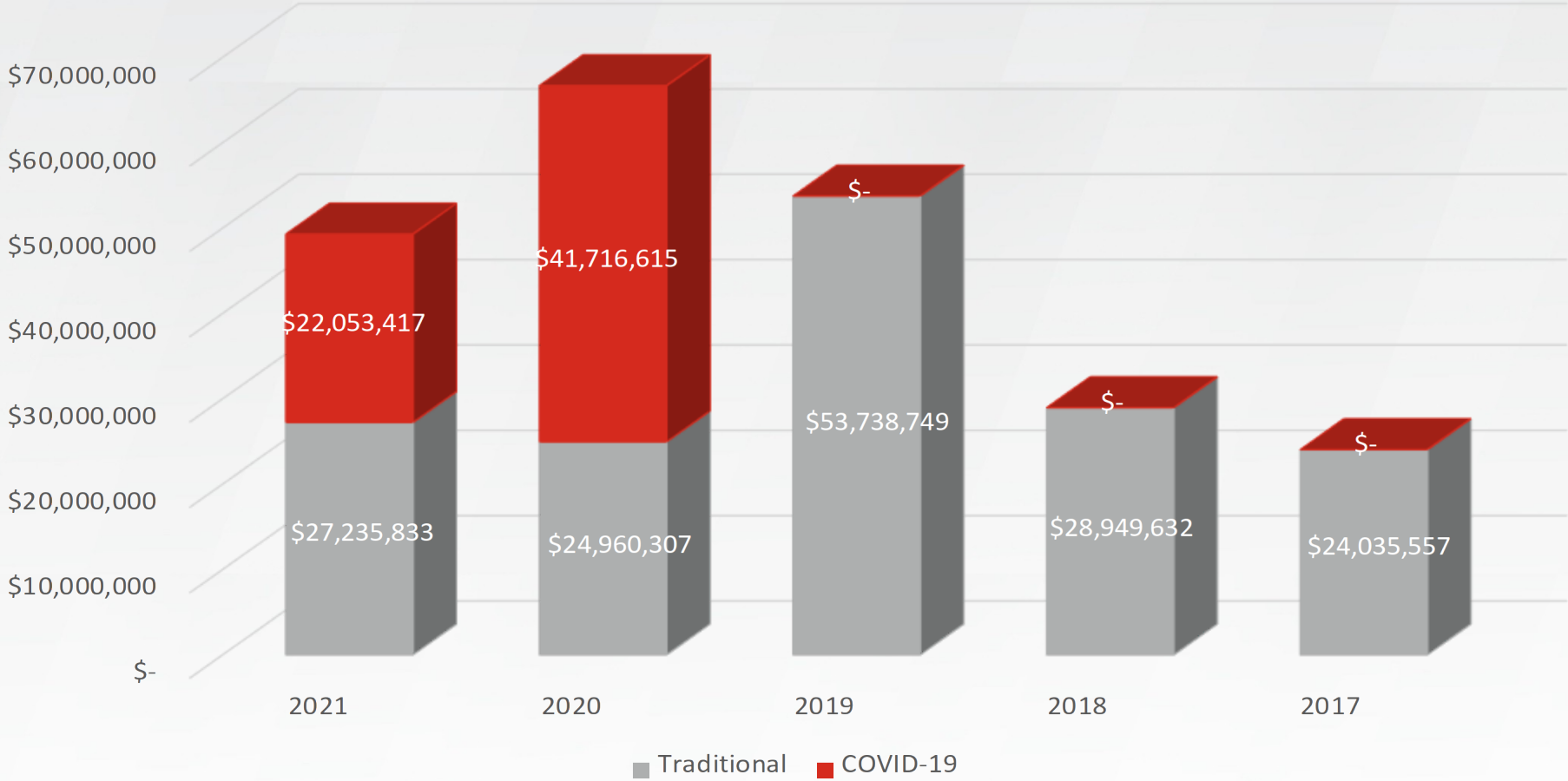
Net Position Summary



2021 Financial Highlights

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Total Federal Expenditures by Year



Single audit results

- Results of the Federal Grant Compliance Audit
 - IPTC was a low-risk auditee for 2021
 - One major program was tested in 2021
 - + Federal transit cluster
 - No compliance findings
 - No material weaknesses or significant deficiencies over compliance

■ Questions?



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