BKD
CPAs & Advisors

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Board of Directors, Audit Committee and Management
Indianapolis Public Transportation Corporation
Indianapolis, Indiana

As part of our audits of the financial statements and compliance of Indianapolis Public Transportation Corporation (IPTC) as of and for the year ended December 31, 2020, we wish to communicate the following to you.

AUDIT SCOPE AND RESULTS

Auditor's Responsibility Under 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 and U.S. Office of Management and Budget (OMB) Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)

An audit performed 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 and U.S. Office of Management and Budget (OMB) Uniform Guidance is designed to obtain reasonable, rather than absolute, assurance about the financial statements and about whether noncompliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on a major federal program occurred. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement and compliance audits that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

Audits of the financial statements and compliance do not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

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

Alternative Accounting Treatments

No matters are reportable.

PRAXITY
Empowering Business Globally

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following involve significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those 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 benefit obligation (OPEB)

Financial Statement Disclosures

The following areas involve particularly sensitive or significant financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

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

Audit Adjustments

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments which, in its judgment, are required to prevent the financial statements from being materially misstated. A misstatement is a difference between the amount, classification, presentation or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework. Some adjustments proposed were not recorded because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate.

Attached is a summary of uncorrected misstatements we aggregated during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, but more than trivial to the financial statements as a whole.

Auditor's Judgments About the Quality of the Entity's Accounting Principles

During the course of the audit, we made the following observations regarding the IPTC's application of accounting principles:

- No matters are reportable

Other Information in Documents Containing Audited Financial Statements

The audited financial statements are included in the IPTC's Annual Financial Report. As part of our procedures, we read the entire report to determine if financial information discussed in sections outside the financial statements materially contradicts the audited financial statements. If we identify any such matters, we bring them to management's attention and review subsequent revisions.

Other Material Communications

The only other written communication between management and us related to the audit was the management representation letter, a copy of which is attached.

OTHER MATTERS

We observed the following matters and offer these comments and suggestions with respect to matters which came to our attention during the course of the audit of the financial statements. Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not bring to light all weaknesses in policies and procedures that may exist. However, these matters are offered as constructive suggestions for the consideration of management as part of the ongoing process of modifying and improving financial and administrative practices and procedures. We can discuss these matters further at your convenience and may provide implementation assistance for changes or improvements.

Capital Construction Internal Auditing

Organizations who undertake construction projects are financially at risk and often experience cost overruns, excessive change orders and project delays. Engaging a Certified Construction Auditor (CCA) can be an effective method for monitoring risk and controlling construction costs. A CCA will work with your team to provide assistance from the project inception through closeout as follows:

- Before construction, the internal audit team can help navigate negotiations of terms and conditions to help protect the organization's financial interest. In addition, the internal auditor can review budgetary information, subcontractors, cost recovery risks, ambiguous language risks and other various contractual clauses.
- During construction, the internal audit team analyzes project billings to consider whether the project charges are adequately supported and in accordance with the terms and conditions of the contract. Items typically reviewed include: equipment rentals, insurance certificates and bonds, subcontractors pay applications, job cost data, payroll registers, labor burdens, lien waivers, project schedules and more.
- After construction, the internal audit team will conduct a closeout review. During a closeout internal audit engagement, the organization's accounting records are reconciled to the general contractor's records. Areas reviewed typically include the following: job cost data, change orders, allowance and contingencies, equipment charges, labor and labor burdens, overhead rates and re-compute shared savings (if applicable).

We recommend conducting construction internal audits on all significant construction projects to help reduce risk and control costs. If you are interested in learning more about our construction internal audit services, please contact your BKD Advisor.

Meeting the Increasing Challenges of Cybersecurity

The increasing value of electronic protected health information (ePHI), payment card data and intellectual property (e.g. trade secrets) is driving more organizations of all sizes to prepare for the potential of a cyberattack.

Hackers and cyber-thieves have become adept at pilfering confidential information, using ransomware to extort money and leveraging social engineering techniques to trick employees into wiring funds.

As a first step to improving their cyber-readiness, companies need to perform a cybersecurity risk assessment to determine the current state of cybersecurity processes, controls and technology. This effort can determine how well the organization can prevent, detect and respond to cyber-attacks.

Key to the assessment process is choosing an appropriate framework against which the organization may be evaluated. In fact, nationally recognized organizations have developed cybersecurity frameworks.

The National Institute of Standards and Technology (NIST) has developed a Cybersecurity Framework to assist organizations manage cybersecurity-related risk more effectively. The NIST Cybersecurity Framework provides a prioritized, flexible, repeatable and a cost-effective approach that can be used in any industry or organization.

Once the framework has been chosen, we recommend that management consider performing a cybersecurity risk assessment to gauge the overall readiness and maturity of existing controls and perform appropriate testing of the IT infrastructure and employee awareness.

FUTURE ACCOUNTING CONSIDERATIONS

Governmental Accounting Standards Board Statement No. 87*, Leases*

Governmental Accounting Standards Board (GASB) Statement No. 87 provides a new framework for accounting for leases under the principle that leases are financings. No longer will leases be classified between capital and operating. Lessees will recognize an intangible asset and a corresponding liability. The liability will be based on the payments expected to be paid over the lease term, which includes an evaluation of the likelihood of exercising renewal or termination options in the lease. Lessors will recognize a lease receivable and related deferred inflow of resources. Lessors will not derecognize the underlying asset. An exception to the general model is provided for short-term leases that cannot last more than 12 months. Contracts that contain lease and nonlease components will need to be separated so each component is accounted for accordingly.

GASB 87 includes a provision that excludes "certain regulated leases", which could include airline use/operating agreements. To meet the definition of a "regulated lease", all of the following requirements must be met:

- Lease rates cannot exceed a reasonable amount, with reasonableness being subject to determination by an external regulator.
- Lease rates should be similar for lessees that are similarly situated.
- The lessor cannot deny potential lessees the right to enter into leases if facilities are available, provided that the lessee's use of the facilities complies with generally applicable use restrictions.

GASB 87 is effective for financial statements for fiscal years beginning after June 15, 2021 (IPTC's 2022 fiscal year). Earlier application is encouraged. Governments will be allowed to transition using the facts and circumstances in place at the time of adoption, rather than retroactive to the time each lease was begun.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*

Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). The Authority's variable rate debt and related interest rate swaps are examples of such financial instruments. As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates by either (a) changing the reference rate or (b) adding or changing fallback provisions related to the reference rate. The objective of GASB 93 is to address the accounting and financial reporting effects that result from the replacement of LIBORs with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022 (IPTC's 2023 fiscal year). All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021 (IPTC's 2022 fiscal year).

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

It has become common for governments to enter into subscription-based contracts to use vendor-provided IT. Subscription-based Information technology arrangements (SBITAs) provide governments with access to vendors' IT software and associated tangible capital assets for subscription payments without granting governments perpetual license or title to the IT software and associated tangible capital assets. The objective of GASB 96 is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs.

Under GASB 96, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

The requirements of GASB 96 are effective for fiscal years beginning after June 15, 2022 (IPTC's 2023 fiscal year), and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented.

* * * * * * * * * *

This communication is intended solely for the information and use of management, the Board of Directors, Audit Committee and others within IPTC and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

June 24, 2021

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Representation of:
Indianapolis Public Transportation Corporation
1501 West Washington Street
Indianapolis, IN 46222

Provided to:
BKD, LLP
Certified Public Accountants
201 North Illinois Street, Suite 700
Indianapolis, Indiana 46204

The undersigned ("We") are providing this letter in connection with BKD's audit(s) of our financial statements as of and for the year ended December 31, 2020 and your audit of our compliance with requirements applicable to each of our major federal awards programs as of and for the year ended December 31, 2020.

Our representations are current and effective as of the date of BKD's report: June 24, 2021.

Our engagement with BKD is based on our contract for services dated: December 29, 2020.

Our Responsibility and Consideration of Material Matters

We confirm that we are responsible for the fair presentation of the financial statements subject to BKD's report in conformity with accounting principles generally accepted in the United States of America.

We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, operations and compliance, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Confirmation of Matters Specific to the Subject Matter of BKD's Report

We confirm, to the best of our knowledge and belief, the following:

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.

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2. We acknowledge our responsibility for the design, implementation and maintenance of:

    a. Internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

    b. Internal control to prevent and detect fraud.

3. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.

4. We have provided you with:

    a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation and other matters.

    b. Additional information that you have requested from us for the purpose of the audit.

    c. Unrestricted access to persons within the Indianapolis Public Transportation Corporation (ITPC) from whom you determined it necessary to obtain audit evidence.

    d. All minutes of meetings of the governing body held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the governing body, if applicable, and maintained as part of our records.

    e. All significant contracts and grants.

5. All transactions have been recorded in the accounting records and are reflected in the financial statements.

6. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:

    a. Misappropriation of assets.

    b. Misrepresented or misstated assets, liabilities or net position.

7. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule relating to the misstatement of grant revenue in 2019 are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

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8. We have no knowledge of any known or suspected fraudulent financial reporting or misappropriation of assets involving:

    a. Management or employees who have significant roles in internal control, or

    b. Others, where activities of others could have a material effect on the financial statements.

9. We have no knowledge of any allegations of fraud or suspected fraud affecting the IPTC received in communications from employees, customers, regulators, suppliers or others, not already communicated to BKD.

10. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

11. We have disclosed to you the identity of the IPTC's related parties and all the related party relationships and transactions of which we are aware. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

    We understand that the term <u>related party</u> refers to an affiliate; management and members of their immediate families, component units and any other party with which the entity may deal if the IPTC can significantly influence, or be influenced by, the management or operating policies of the other. The term <u>affiliate</u> refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

12. Except as reflected in the financial statements, there are no:

    a. Plans or intentions that may materially affect carrying values or classifications of assets and liabilities.

    b. Material transactions omitted or improperly recorded in the financial records.

    c. Material gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.

    d. Events occurring subsequent to the balance sheet date through the date of this letter requiring adjustment or disclosure in the financial statements.

    e. Agreements to purchase assets previously sold.

    f. Restrictions on cash balances or compensating balance agreements.

    g. Guarantees, whether written or oral, under which IPTC is contingently liable.

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13. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

    We have no reason to believe the IPTC owes any penalties or payments under the Employer Shared Responsibility Provisions of the *Patient Protection and Affordable Care Act* nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.
14. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

15. Adequate provisions and allowances have been accrued for any material losses from:

    a. Uncollectible receivables.

    b. Reducing obsolete or excess inventories to estimated net realizable value.

    c. Purchase commitments in excess of normal requirements or above prevailing market prices.

16. Except as disclosed in the financial statements, the entity has:

    a. Satisfactory title to all recorded assets, and they are not subject to any liens, pledges or other encumbrances.

    b. Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.

17. The financial statements disclose all significant estimates and material concentrations known to us. Significant estimates are estimates at the balance sheet date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply or markets for which events could occur which would significantly disrupt normal finances within the next year. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

18. The fair values of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto are reasonable estimates based on the methods and assumptions used. The methods and significant assumptions used result in measurements of fair value appropriate for financial statement recognition and disclosure purposes and have been applied consistently from period to period, taking into account any changes in circumstances. The significant assumptions appropriately reflect market participant assumptions.

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19. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations.

20. With respect to any nonattest services you have provided us during the year, including preparation of the Comprehensive Annual Financial Report:

    a. We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.

    b. We have established and monitored the performance of the nonattest services to ensure they meet our objectives.

    c. We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.

    d. We have evaluated the adequacy of the services performed and any findings that resulted.

21. We have notified you of any instances of noncompliance with applicable disclosure requirements of the SEC Rule 15c2-12 and applicable state laws.

22. With regard to deposit and investment activities:

    a. All deposit, repurchase and reverse repurchase agreements and investment transactions have been made in accordance with legal and contractual requirements.

    b. Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.

    c. We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.

23. As an entity subject to *Government Auditing Standards*:

    a. We acknowledge that we are responsible for compliance with applicable laws, regulations and provisions of contracts and grant agreements.

    b. We have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that have a direct and material effect on the determination of amounts in our financial statements or other financial data significant to the audit objectives.

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c. We have identified and disclosed to you any violations or possible violations of laws, regulations and provisions of contracts and grant agreements whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.

d. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts or violations of provisions of contracts or grant agreements that you or other auditors report.

e. We have a process to track the status of audit findings and recommendations.

f. We have identified to you any previous financial audits, attestation engagements, performance audits or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements or other studies.

g. We have provided our views on any findings, conclusions and recommendations, as well as our planned corrective actions with respect thereto, to you for inclusion in the findings and recommendations referred to in your report on internal control over financial reporting and on compliance and other matters based on your audit of the financial statements performed in accordance with *Government Auditing Standards.*

24. With regard to federal awards programs:

a. We have identified in the schedule of expenditures of federal awards all assistance provided (either directly or passed through other entities) by federal agencies in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, commodities, insurance, direct appropriations or in any other form.

b. We have identified the types of compliance requirements described in the *U.S. Office of Management and Budget* (OMB) *Compliance Supplement* regarding activities allowed or unallowed; allowable costs/cost principles; cash management; eligibility; equipment and real property management; matching, level of effort, earmarking; period of performance of federal funds; procurement and suspension and debarment; program income; reporting; subrecipient monitoring; and special tests and provisions that are applicable to each of our federal awards programs. We have identified to you our interpretation of any applicable compliance requirements subject to varying interpretations.

c. We are responsible for complying, and have complied, with the requirements of Uniform Guidance.

d. We are responsible to understand and comply with the requirements of federal statutes, regulations and the terms and conditions of federal awards related to each

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of our federal awards programs and have disclosed to you any and all instances of noncompliance with those requirements occurring during the period of your audit or subsequent thereto to the date of this letter of which we are aware. Except for any instances of noncompliance we have disclosed to you, we believe IPTC has complied with all applicable compliance requirements.

e. We are responsible for establishing and maintaining effective internal control over compliance to provide reasonable assurance we have administered each of our federal awards programs in compliance with federal statutes, regulations and the terms and conditions of the federal awards.

f. We have made available to you all federal awards (including amendments, if any) and any other correspondence or documentation relevant to each of our federal awards programs and to our compliance with applicable requirements of those programs.

g. The information presented in federal awards program financial reports and claims for advances and reimbursements is supported by the books and records from which our financial statements have been prepared.

h. The costs charged to federal awards are in accordance with applicable cost principles.

i. The reports provided to you related to federal awards programs are true copies of reports submitted or electronically transmitted to the federal awarding agency, the applicable payment system or pass-through entity in the case of a subrecipient.

j. Amounts claimed or used for matching were determined in accordance with Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) regarding cost principles.

k. We have monitored any subrecipients to determine that they have expended federal awards in accordance with federal statutes, regulations and the terms and conditions of the subaward and have met the audit and other requirements of the Uniform Guidance.

l. We have taken appropriate corrective action on a timely basis after receipt of any subrecipient's auditor's report that identified findings and questioned costs pertaining to federal awards programs passed through to the subrecipient by us.

m. We have considered the results of any subrecipient's audits received and made any necessary adjustments to our books and records.

n. We have disclosed to you any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the applicable

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compliance requirements for each of our federal awards programs, including any communications received from the end of the period of your audit through the date of this letter.

o. We have identified to you any previous compliance audits, attestation engagements and internal or external monitoring related to the objectives of your compliance audit, including findings received and corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements or other monitoring.

p. Except as described in the schedule of findings and questioned costs, we are in agreement with the findings contained therein and our views regarding any disagreements with such findings are consistent, as of the date of this letter, with the description thereof in that schedule.

q. We are responsible for taking corrective action on any audit findings and have developed a corrective action plan that meets the requirements of Uniform Guidance.

r. The summary schedule of prior audit findings correctly states the status of all audit findings of the prior audit's schedule of findings and questioned costs and any uncorrected open findings included in the prior audit's summary schedule of prior audit findings as of the date of this letter.

s. The reporting package does not contain any protected personally identifiable information.

25. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis, other post-employment benefits information and pension information, has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The information contained therein is based on all facts, decisions and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.

26. With regard to supplementary information:

a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.

b. We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.

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c. The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period.

d. We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.

e. If the supplementary information is not presented with the audited financial statements, we acknowledge we will make the audited financial statements readily available to intended users of the supplementary information no later than the date such information and the related auditor's report are issued.

27. For disclosure requirements related to GASB 77, Tax Abatement Disclosures, IPTC has reviewed a complete listing of description of the tax abatement program in place, calculation of the gross dollar amounts by which tax revenues were reduced and information regarding any other commitments made under tax abatement agreements.

28. We have reviewed the actuarial assumptions applied to IPTC's pension and other post-employment benefits (OPEB) plan in calculating the net pension and total OPEB liability, related expense and other components and have determined that those assumptions are reasonable.

29. Due care has been exercised in the preparation of the introductory and statistical sections of the IPTC's comprehensive annual financial report (CAFR) and we are not aware of any information contained in those sections of the CAFR that is inconsistent with information contained in IPTC's basic financial statements and notes thereto.

30. We acknowledge the current economic condition presents difficult circumstances and challenges for virtually all industries. Entities are facing declines in the fair values of investments and other assets, declines in the volume of business, constraints on liquidity and potential difficulty obtaining financing. We understand the values of the assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments to asset values, allowances for accounts receivable, net realizable value of inventory, etc., that could negatively impact the IPTC's ability to meet debt covenants or maintain sufficient liquidity.

    We acknowledge that you have no responsibility for future changes caused by the current economic environment and the resulting impact on the entity's financial statements. Further, management and governance are solely responsible for all aspects of managing the IPTC, including questioning the quality and valuation of investments, inventory and other assets, reviewing allowances for uncollectible amounts and evaluating capital needs and liquidity plans.

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Inez Evans 6/28/2021
9DF9289898BE4D2...
Ms. Inez Evans, President and CEO
ievans@indygo.net

DocuSigned by:
Bart Brown 6/24/2021
DD2B134F6D17460...
Mr. Bart Brown, VP of Finance/CFO
bbrown@indygo.net

IndyGo

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflect the effects on the financial statements if the uncorrected misstatements identified were corrected.

IndyGo

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	109,437,911		109,437,911	
Non-Current Assets & Deferred Outflows	228,196,082		228,196,082	
Current Liabilities	(14,034,561)		(14,034,561)	
Non-Current Liabilities & Deferred Inflows	(23,295,033)		(23,295,033)	
Current Ratio	7.798		7.798	
Total Assets & Deferred Outflows	337,633,993		337,633,993	
Total Liabilities & Deferred Inflows	(37,329,594)		(37,329,594)	
Total Net Position	(300,304,399)		(300,304,399)	
Operating Revenues	(6,557,590)		(6,557,590)	
Operating Expenses	123,913,953		123,913,953	
Nonoperating (Revenues) Exp	(178,522,283)	2,932,831	(175,589,452)	-1.64%
Change in Net Position	(61,165,920)	2,932,831	(58,233,089)	-4.79%

Client: IndyGo

Period Ending: December 31, 2020

IndyGo

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

			Assets & Deferred Outflows		Liabilities & Deferred Inflows						Net Effect on Following Year	
Description	Financial Statement Line Item	Factual (F), Judgmental (J) or Projected (P)	*Current*	*Noncurrent*	*Current*	*Noncurrent*	Operating Revenues	Operating Expenses	Nonoperating (Revenues) Exp	Net Position	*Change in Net Position*	*Net Position*
			DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)
To correct grant revenue inappropriately recorded in the current year.		F	0	0	0	0	0	0	2,932,831	(2,932,831)	0	0
	Grant Revenue								2,932,831			
	Beginning Net Position									(2,932,831)		
Total passed adjustments			0	0	0	0	0	0	2,932,831	(2,932,831)	0	0

Impact on Change in Net Position	**2,932,831**
Impact on Net Position	**0**