

**NORTHWEST INDIANA REGIONAL  
DEVELOPMENT AUTHORITY**

**FINANCIAL STATEMENTS  
WITH  
ADDITIONAL INFORMATION**

**YEARS ENDED DECEMBER 31, 2016 AND 2015**

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Northwest Indiana Regional Development Authority

We have audited the accompanying financial statements of the Northwest Indiana Regional Development Authority, which comprise the statements of net position as of December 31, 2016 and 2015, and the related statements of revenue, expenditures, changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating significant accounting estimates made by management as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Northwest Indiana Regional Development Authority as of December 31, 2016 and 2015, and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

Accounting principles generally accepted in the United States of America require that that management's discussion and analysis information on pages 4-11 and the retirement plan schedule of proportionate share of pension liability and schedule of contributions on pages 31-32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the 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.

Management has omitted the Budgetary Comparison Schedule that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statement is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on financial statements that collectively comprise Northwest Indiana Regional Development Authority's basic financial statements. The additional information (page 33) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Report on Internal Controls over Financial Reporting*

We also have examined in accordance with attestation standards established by the American Institute of Certified Public Accountants, Northwest Indiana Regional Development Authority's internal control over financial reporting as December 31, 2016 and 2015, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated April 13, 2017 expressed an unmodified opinion.

*LWG CPAs & Advisors*

LWG CPAs & Advisors  
Indianapolis, Indiana  
April 13, 2017

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended December 31, 2016, 2015 and 2014

The following discussion and analysis of Northwest Regional Development Authority's (the "Authority") financial performance provides an introduction and overview of the Authority's financial activities for the years ended December 31, 2016. Please read this discussion in conjunction with the Authority's financial statements and the notes to financial statements immediately following this section.

### Financial Highlights

#### **2016**

- Operating revenues for 2016 increased from \$22,500,000 to \$23,500,000 due to State of Indiana funding increasing their contributions by \$1,000,000 in 2016.
- Operating expenses for 2016 increased from \$6,628,173 to \$17,253,506 due to the Authority awarding more grants in 2016.
- Non-operating revenues increased due to interest income increasing from \$130,421 to \$366,305 in 2016 as well as the Authority receiving an additional \$323,827 in federal grants.

#### **2015**

- Operating revenues for 2015 decreased from \$27,500,000 to \$22,500,000 due to State of Indiana funding ending mid-year.
- Operating expenses for 2015 decreased to \$6,628,173 from \$30,644,268 in 2014. The decrease was due to the Authority awarding less grants in 2015.
- Non-operating revenues for 2015 decreased to \$160,062 from \$901,544 in 2014. The decrease was due to no state grants received as well as a decrease in federal grants.
- In 2015, the Authority adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. Based on GASB No. 68, the Authority recorded deferred outflows, deferred inflows, and the net pension liability related to its participation in the Indiana Public Retirement System.

#### **2014**

- Operating revenues for 2014 of \$27,500,000 remained constant compared to fiscal year 2013.
- Operating revenues for 2014 of \$30,644,008 increased by \$28,771,040 compared to fiscal year 2013. This increase is primarily due to the Authority providing grants to the private businesses for economic development in addition to awarding funds to municipalities.
- Non-operating revenue for 2014 of \$901,544 increased by \$763,253 compared to fiscal year 2013. This increase is due to the Authority receiving more federal funding from the Environmental Protection Agency to fund the Great Lakes Restoration Initiative in Gary, Indiana as well as the Authority receiving more state funding from the State of Indiana for a trauma feasibility study.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended December 31, 2016, 2015 and 2014

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements. The Authority's financial statements are comprised of the Financial Statements and the Notes to the Financial Statements. In addition to the financial statements this report also presents Supplementary Information after the Notes to the Financial Statements.

The *Statements of Financial Position* present all the Authority's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by private-sector companies. The difference between assets and liabilities is reported as net assets. The increase or decrease in net assets may serve as an indicator, over time, whether the Authority's financial position is improving or deteriorating. However, the consideration of other non-financial factors such as changes within the Northwest Indiana community may be necessary in the assessment of overall financial position and health of the Authority.

The *Statements of Activities* present all current fiscal year revenues and expenses, regardless of when cash is received or paid, and the ensuing change in net assets.

The *Statements of Cash Flows* report how cash and cash equivalents were provided and used by the Authority's operating, investing, and financing activities. These statements are prepared on a cash basis and present the cash received and disbursed, the net increase or decrease in cash for the year, and the cash balance at year end.

The *Notes to Financial Statements* are an integral part of the financial statements; accordingly, such disclosures are essential to a full understanding of the information provided in the financial statements. The Notes to the Financial Statements begin on page 15.

In addition to the financial statements, this report includes Additional Information. Required additional information begins on page 31 and is related to the Authority's participating in the public Employer's Retirement Fund. The additional information continues to present the 2016 Supplemental Schedule for Supporting Services on page 33.

# **NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Years Ended December 31, 2016, 2015 and 2014**

### **Financial Analysis**

The Authority receives substantially all of its revenue from state, city and county agencies. Beginning in 2006, the fiscal officer of each city and county described in IC 36-7.5-2(b) (other than the (2) largest cities in a county described in IC 36-7.5-2-3(b)(1) (Lake County, Porter County, East Chicago, Gary, and Hammond)) shall each transfer three million five hundred thousand dollars (\$3,500,000) each year to the Authority for deposit in the Authority's fund.

The Authority has secured funding from the State of Indiana for \$6,000,000 for fiscal year ending June 30, 2016 (House Enrolled Act No. 1001). The funding was not received as of December 31, 2016 but is expected to be collected by the Authority. In 2015 the State of Indiana provided \$5,000,000 of funding to the Authority. In 2014 the State of Indiana provided \$10,000,000 of funding to the Authority.

The revenue is ear-marked for projects targeted for development in the Authority Comprehensive Strategic Development Plan. Based on this plan the following projects were identified:

- Commuter Rail Transportation – Plans to extend the South Shore rail line to Lowell and Valparaiso are being reviewed.
- Lake Michigan Shoreline Development – A reinvestment strategy for the Lake Michigan shoreline to provide balance between nature, industry, restoration and redevelopment while reclaiming the shoreline for public access and projects related to the Lake Michigan Marina and Shoreline Development Commission. IC 36-7.5-2-1 identifies the types of projects eligible for RDA funding.
- Town of Porter – Indiana 49 lakeshore gateway corridor area between Interstate 94 to the Indiana Dunes State Park.



# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS Years Ended December 31, 2016, 2015 and 2014

A comparative condensed summary of the Authority's net assets at December 31, 2016, 2015, and 2014 is as follows:

	2016	2015	2014
Current assets	\$ 89,990,741	\$ 87,856,140	\$ 83,549,499
Property and equipment			
Furniture & fixtures, net	1,250	1,929	2,608
Long-term assets	<u>11,325,000</u>	<u>500,000</u>	<u>1,190,000</u>
Total assets	<u>101,316,991</u>	<u>88,358,069</u>	<u>84,742,107</u>
Deferred outflows of resources	<u>152,784</u>	<u>56,704</u>	<u>-</u>
Current liabilities	20,517,413	14,561,811	26,988,460
Long-term liabilities	<u>342,124</u>	<u>224,426</u>	<u>-</u>
Total liabilities	<u>20,859,537</u>	<u>14,786,237</u>	<u>26,988,460</u>
Deferred inflows of resources	<u>35,993</u>	<u>44,623</u>	<u>-</u>
Net position	<u>\$ 80,574,245</u>	<u>\$ 73,583,913</u>	<u>\$ 57,753,647</u>

### 2016

Long-term assets increased by \$11,373,062 due to the Authority issuing a bond anticipation note to the City of Gary. The note will be paid in semi-annual payments over a 10 year period.

Current liabilities increased by \$5,955,602 from 2015 primarily due to an increase in grants payable. The Authority awarded more grants than paid down in 2016.

### 2015

Current assets increased by \$4,306,641 primarily due to an increase in cash and decrease in accounts receivable. In addition, notes receivable decreased due to scheduled collections.

Current liabilities decreased by \$12,426,649 compared to 2014 due to a decrease in grants payable. The Authority paid down grants awards while not awarding as many grants as 2014.

Deferred outflows, deferred inflows, and net pension liability were added in 2015 due to the implementation of GASB No. 68.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS Years Ended December 31, 2016, 2015 and 2014

### 2014

Current assets decreased by \$5,204,745 primarily due to a decrease in accounts receivables and a decrease in notes receivables as compared to fiscal year 2013. There was also a decrease in cash and cash equivalents as compared to fiscal year 2013 primarily due to a decrease in fee revenue for 2014.

The 2014 decrease in current liabilities of \$3,899,300 was due to a decrease in accounts payable, accrued expenses and grants payable due within one year. This is primarily due to the Authority paying down grant awards as well as not awarding grants in large amounts as in prior years.

The 2014 long-term assets decreased due to the outstanding loan to the Little Calumet River Basin Development Commission being repaid in the second installment in July 2014 in the amount of \$1,460,000.

	2016	2015	2014
Operative revenues	\$ 23,500,000	\$ 22,500,000	\$ 27,500,000
Operating expenses	<u>17,253,506</u>	<u>6,628,173</u>	<u>30,644,268</u>
Operating income	6,246,494	15,871,827	(3,144,268)
 Non-operating revenue	 743,838	 160,062	 901,544
 Period Restatement	 <u>-</u>	 <u>17</u>	 <u>16,600</u>
 Change in Net Assets	 <u>\$ 6,990,332</u>	 <u>\$ 16,031,906</u>	 <u>\$ (2,226,124)</u>

### 2016

Operating revenues for 2016 increased by \$1,000,000 due to funding from the State of Indiana increasing in 2016.

Operating expenses for 2016 increased from by \$10,625,333 due to the Authority awarding more grants in 2016.

Non-operating revenue increased in 2016 due to an increase interest income from a loan with the City of Gary and the Authority receiving more federal grants.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS Years Ended December 31, 2016, 2015 and 2014

### 2015

Operating revenues for 2015 decreased \$5,000,000 due to funding from the State of Indiana ending June 30, 2015. Operating expenses decreased \$24,016,095 due to the Authority awarding less grants during 2015.

Non-operating revenue decreased in 2015 due to a decrease in federal and state reimbursement based grants.

### 2014

Operating revenues for 2014 were \$27,500,000 while operating expenses for 2014 were \$30,644,268 resulting in operating income for 2014 of (\$2,226,124). The overall net change was primarily due to an increase in program expenses related to grant awards.

Non-operating revenue of \$901,544 was due to federal and state reimbursement based grants and investment interest income.

	2016	2015	2014
Salaries and wages	\$ 662,948	\$ 726,917	\$ 662,143
Professional fees	1,296,442	626,598	625,618
Program services	15,200,955	5,118,791	29,248,826
Other	<u>93,161</u>	<u>155,867</u>	<u>107,681</u>
 Total Operating Expenses	 <u>\$ 17,253,506</u>	 <u>\$ 6,628,173</u>	 <u>\$ 30,644,268</u>

### 2016

The increase in professional fees was due to increased legal and special consultant work in 2016. There was an increase in the amount of grants awarded in 2016 causing total operating expenses to increase by \$10,625,333.

### 2015

The increase in salaries and wages was mainly due to staff salary increases. The increase in other operating expenses was due to an increase in insurance costs and travel expenditures.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS Years Ended December 31, 2016, 2015 and 2014

### 2014

The increase in salaries and wages of \$105,765 in 2014 was due to a prepayment for payroll services being made to the State Budget Agency in the amount of approximately \$71,000 in December 2014. The increase was also due to an accrual of approximately \$46,000 being made for accrued payroll and vacation. Finally, the increase in salaries and wages resulted from staff cost of living adjustments.

The increase in professional fees in 2014 of \$32,379 is due to the Authority's increased use of project planning and due diligence services.

	2016	2015	2014
Cash from activities:			
Operating	\$ 8,828,367	\$ 5,542,496	\$ (3,762,049)
Investing	(11,506,755)	1,050,421	127,718
Financing	-	-	-
Net change in cash	(2,678,388)	6,592,917	(3,634,331)
Cash:			
Beginning of the year	80,667,674	74,074,757	77,709,088
End of the year	\$ 77,989,286	\$ 80,667,674	\$ 74,074,757

### 2016

The Authority's available cash decreased by \$2,678,389 as of December 31, 2016. The decrease is primarily due to the Authority issuing a bond anticipation note to the City of Gary. The note will be paid in semi-annual payments over a 10 year period.

### 2015

As of December 31, 2015, the Authority's available cash increased \$6,592,917. The increase in cash is due to collection of outstanding accounts receivable, note receivable, and collecting more in revenues than were spent on grants.

# **NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS** **Years Ended December 31, 2016, 2015 and 2014**

### **2014**

As of December 31, 2014, the Authority's available cash of \$75,534,756 decreased by \$2,174,331 compared to December 31, 2013. This decrease in cash is due to the increase in accounts receivable from the City of Hammond's decreased installment payments to the Authority.

### **Factors Bearing on the Future**

During 2017, the Authority has awarded one new grant, Legacy Foundation in the amount of \$75,000. The Authority will continue to entertain funding applications from its targeted investment areas.

### **Requests for Information**

This financial report is designed to provide the reader with a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Northwest Indiana Regional Development Authority's Office.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## STATEMENTS OF FINANCIAL POSITION

December 31, 2016 and 2015

	2016	2015
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 79,449,286	\$ 82,127,674
Accounts receivable	8,794,679	5,014,194
Interest receivable	48,062	-
Note receivable - due within one year	500,000	690,000
Prepaid expenses	8,714	24,272
Current portion of bond receivable	1,190,000	-
<b>TOTAL CURRENT ASSETS</b>	<b>89,990,741</b>	<b>87,856,140</b>
Property and equipment		
Furniture, fixtures & leasehold improvements	49,157	49,157
Accumulated depreciation	(47,907)	(47,228)
<b>TOTAL PROPERTY AND EQUIPMENT (NET)</b>	<b>1,250</b>	<b>1,929</b>
Long-term assets		
Bond receivable	11,325,000	-
Note receivable	-	500,000
<b>TOTAL LONG-TERM ASSETS</b>	<b>11,325,000</b>	<b>500,000</b>
<b>TOTAL ASSETS</b>	<b>101,316,991</b>	<b>88,358,069</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension costs	152,784	56,704
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>152,784</b>	<b>56,704</b>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable and accrued expenses	169,010	83,224
Accrued vacation	49,044	44,434
Grants payable	20,299,359	14,434,153
<b>TOTAL CURRENT LIABILITIES</b>	<b>20,517,413</b>	<b>14,561,811</b>
Non-Current Liabilities		
Net pension liability	342,124	224,426
<b>TOTAL LIABILITIES</b>	<b>20,859,537</b>	<b>14,786,237</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension costs	35,993	44,623
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>35,993</b>	<b>44,623</b>
<b>NET POSITION</b>		
Net position - unrestricted	80,574,245	73,583,913
<b>TOTAL NET POSITION</b>	<b>\$ 80,574,245</b>	<b>\$ 73,583,913</b>

The accompanying notes are an integral part of these statements.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## STATEMENTS OF ACTIVITIES Years Ended December 31, 2016 and 2015

	2016	2015
<b>UNRESTRICTED NET ASSETS</b>		
Support		
Indiana Finance Authority	\$ 6,000,000	\$ 5,000,000
City of East Chicago	3,500,000	3,500,000
Lake County	3,500,000	3,500,000
City of Gary	3,500,000	3,500,000
City of Hammond	3,500,000	3,500,000
Porter County	3,500,000	3,500,000
<b>TOTAL SUPPORT</b>	<b>23,500,000</b>	<b>22,500,000</b>
<b>EXPENSES</b>		
Program Services		
Hammond New York Avenue	-	200,000
NICTD - DEIS Study	323,608	1,100,000
Hoist Manufacturing	-	3,500,000
Southlake County Community Service	-	318,791
City of East Chicago	12,935,000	-
Pratt Paper	1,400,000	-
Brownsfield RLF Loan	388,000	-
West Lake TOD Planning	154,347	-
<b>TOTAL PROGRAM SERVICES</b>	<b>15,200,955</b>	<b>5,118,791</b>
Supporting Services		
Salaries & professional services	1,959,390	1,353,515
Operating expenses	92,482	155,188
<b>TOTAL SUPPORTING SERVICES</b>	<b>2,051,872</b>	<b>1,508,703</b>
Depreciation expense	679	679
<b>TOTAL EXPENSES</b>	<b>17,253,506</b>	<b>6,628,173</b>
<b>NON-OPERATING REVENUE</b>		
Federal grants	353,468	29,641
Brownsfield assessment	24,065	-
Interest income	366,305	130,421
<b>TOTAL NON-OPERATING REVENUE</b>	<b>743,838</b>	<b>160,062</b>
<b>CHANGE IN NET POSITION</b>	<b>6,990,332</b>	<b>16,031,889</b>
<b>NET POSITION - BEGINNING OF YEAR (RESTATE)</b>	<b>73,583,913</b>	<b>57,552,007</b>
Period restatement	-	17
<b>NET POSITION - END OF YEAR</b>	<b>\$ 80,574,245</b>	<b>\$ 73,583,913</b>

The accompanying notes are an integral part of these statements.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## STATEMENTS OF CASH FLOWS Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Fee revenue	\$ 20,097,048	\$ 24,515,447
Payments to grantees	(9,335,749)	(17,570,760)
Payments to suppliers and employees	(1,932,932)	(1,402,191)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>8,828,367</u>	<u>5,542,496</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Long term bonds issued	(13,100,000)	-
Bond repayments	585,000	-
Note receivable repayment	690,000	920,000
Investment interest income	318,245	130,421
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>(11,506,755)</u>	<u>1,050,421</u>
 <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(2,678,388)	6,592,917
 <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>82,127,674</u>	<u>75,534,757</u>
 <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 79,449,286</u>	<u>\$ 82,127,674</u>
 <b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Change in net position	\$ 6,990,332	\$ 16,031,906
Interest income	(366,305)	(130,421)
Depreciation expense	679	679
Decrease (increase) in assets		
Accounts receivable	(3,780,485)	1,985,806
Prepaid expenses	15,558	70,470
Increase (decrease) in liabilities		
Net pension liability	12,988	10,705
Accounts payable and other accruals	90,396	25,337
Grants payable	5,865,204	(12,451,986)
<b>NET CASH PROVIDED (USED) BY OPERATING     ACTIVITIES</b>	<u>\$ 8,828,367</u>	<u>\$ 5,542,496</u>

The accompanying notes are an integral part of these statements.



# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Years Ended December 31, 2016 and 2015

### (1) Summary of significant accounting policies

Nature of Activities – The Northwest Indiana Regional Development Authority (the “RDA” or the “Authority”) was established as a separate body corporate and politic by House Bill 1120 which identifies the board selection process, powers, duties and sources of funding.

If the RDA issues bonds they are to create two funds, a general fund and a lease rental account. It specifies that the lease rental account shall always maintain a balance that is higher than the highest annual debt service and lease payment.

Mission – The RDA operates with the highest ethical principles to stimulate a significant rebirth in Northwest Indiana and is a catalyst in transforming the economy and quality of life in Northwest Indiana. They are guided by a set of principles directing them to be:

- **BOLD** in their thinking
- **COLLABORATIVE** when working with many groups and organizations without regards to political affiliation, race, or social status
- **TRANSPARENT** to the public and press as work is done
- **NON-PARTISAN** as we reach out to all affected parties
- **EFFICIENT** in use of the public’s resources
- **ACCOUNTABLE** for their actions, now and in the future
- **SOCIALLY EQUITABLE** as we conduct business (internal and external) and direct the use of our resources in ways that respect the diversity of our region

The Legislative vision for the RDA from House Bill 1120 is summarized as follows:

Lake and Porter counties face unique and distinct challenges and opportunities related to transportation and economic development. A unique approach is required to fully take advantage of the economic potential of the South Shore, Gary/Chicago Airport, and Lake Michigan shoreline. Powers and responsibilities of the RDA are appropriate and necessary to carry out the public purposes of encouraging economic development and further facilitating the provision of air, rail, and bus transportation services, project, and facilities, shoreline development projects, and economic development projects in eligible counties.

### Power and Duties

- Assist in the coordination of local efforts concerning projects
- Assist a commuter district, airport authority, shoreline development commission and regional bus authority in coordinating regional transportation and economic development
- Fund projects identified in the article
- Fund bus services and projects related to bus services (facilities)

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Years Ended December 31, 2016 and 2015

### (1) Summary of significant accounting policies (cont.)

- May issue grants, make loans and loan guarantees, issue bonds or enter into a lease of a project
- Developed a Comprehensive Strategic Development Plan which identified the following:
  - Projects to be funded
  - Timeline and budget
  - Return on investment
  - Need for ongoing subsidy
  - Expected federal matching funds

Financing – The following identifies the sources of funding for the RDA:

- Riverboat admission, wagering, or incentive payments received by Lake County, Hammond, East Chicago, or Gary
- County economic development income tax received by a county or city
- Amounts from the Toll Road Authority
- Food and beverage tax (the RDA does not have the authority to impose any tax; only the right to receive income in accordance with the legislation.)
- Federal Funds
- Appropriations from the general assembly
- Other revenue appropriated to the fund by a political subdivision
- Gifts, Donations or Grants
- Private Equity

Reporting Entity – In evaluating how to define the Organization for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. The basic – but not only – criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the Organization and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Organization is able to exercise oversight responsibilities. Based upon the application of these criteria, no entities have been considered to be potential component units for the purpose of defining the Organization's reporting entity.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Years Ended December 31, 2016 and 2015

### (1) Summary of significant accounting policies (cont.)

Non-Exchange Transactions – Governmental Accounting Standards Board (“GASB”) No. 33 defines a non-exchange transaction, as a governmental unit that gives (or receives) value without directly receiving (or giving) equal value in return. Because the RDA distributes money to local governmental units without directly receiving equal value in return, the transactions qualify as a non-exchange transaction. On an accrual basis, expenses to grantees are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the monies are required to be used or the fiscal year when use is first permitted, and revenue requirements, in which the monies are provided to the qualified agencies on a reimbursement basis. Monies requested by year end but not reimbursed until the following fiscal year are considered grants payable.

Measurement Focus and Basis of Accounting – The accounting principles of the Authority are based upon accounting principles generally accepted in the United States of America, as prescribed by the GASB. The Authority adopted GASB Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis – for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus* and GASB Statement No. 38, *Certain Financial Statement Disclosures*. The primary impact of adopting these GASB statements is the presentation of net assets, which replaces the previous fund equity section of contributed capital and retained earnings, the presentation of Management’s Discussion and Analysis (MD&A) as required supplementary information, and the addition of a statement of cash flows. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The accounts of the Authority are reported using the flow of economic resources measurement focus.

The accounting policies of the Authority are based upon accounting principles generally accepted in the United States of America, as prescribed by the GASB. The Authority uses the accrual basis of accounting, under which revenues are recognized when earned and expenses are recognized when incurred. Enterprise funds may elect to apply Financial Accounting Standards Board (“FASB”) pronouncements issued after November 30, 1989, provided that such standards are not in conflict with standards issued by the GASB. The Authority has elected not to apply FASB pronouncements issued after November 30, 1989.

Management’s Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Years Ended December 31, 2016 and 2015

### (1) Summary of significant accounting policies (cont.)

Revenue – The RDA receives substantially all of its support revenue from state, city and county agencies. Beginning in 2006, the fiscal officer of each city and county described in IC 36-7.5-2-(b) (other than the two largest cities in a county described in IC 36-7.5-2-3(b)(1) (Lake County, Porter County, East Chicago, Gary, Hammond)) shall each transfer three million five hundred thousand dollars (\$3,500,000) each year to the development authority for deposit in the development authority fund. The State of Indiana will provide \$110 million over ten years. A specific amount of \$20 million was specifically designated for the Gary/Chicago International Airport and was paid during fiscal year 2007.

The IC 8-15-2-14.7 provides that an appropriation made by the general assembly to the Authority may be distributed to the Authority only if all transfers required from cities and counties to the Authority under IC 36-7.5-4-2 have been made.

Revenue is ear-marked for projects recognized with the development of a Comprehensive Strategic Development Plan. Based on this plan the following projects were identified:

- Commuter Rail Transportation – Plans to extend the South Shore rail line to Lowell and Valparaiso are being reviewed.
- Lake Michigan Shoreline Development – A reinvestment strategy for the Lake Michigan shoreline to provide balance between nature, industry, restoration and redevelopment while reclaiming the shoreline for public access and projects related to the Lake Michigan Marina and Shoreline Development Commission. IC 36-7.5-2-1 identifies the types of projects eligible for RDA funding.
- Town of Porter – Indiana 49 lakeshore gateway corridor area between Interstate 94 to the Indiana Dunes State Park.

Federal Grant Funds – The RDA is the recipient and fiscal agent of a Brownfield Revolving Loan Fund (“RLF”) grant sponsored by the US Environmental Protection Agency (EPA). The grant award is \$1,400,000. The reporting requirements for this grant include quarterly progress reports which are due four times a year, within 30 days of the end of each quarter: January 31, April 30, July 31, and October 31. An annual financial report is due at the end of the year and by January 31. Once all data is assembled, the Authority’s project manager submits the quarterly progress report and the annual financial report to the designated EPA project officer.

The RDA is the recipient and fiscal agent of TOD planning on the West Lake extension corridor sponsored by Federal Transit Administration (FTA). The grant award is \$260,000. The reporting requirements for this grant include quarterly progress reports which are due four times a year, within 30 days of the end of each quarter: January 31, April 30, July 31, and October 31. An annual financial report is due at the end of the year and by January 31. Once all data is assembled, the Authority’s project manager submits the quarterly progress report and the annual financial report to the designated FTA project officer.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Years Ended December 31, 2016 and 2015

### (1) Summary of significant accounting policies (cont.)

At times, the RDA receives money from federal agencies and acts as the fiscal agent responsible for distributing funds to local municipalities to leverage local matches from the RDA. The funds are drawn-down from the federal agencies only upon the grantee spending the money and requesting reimbursement. The RDA monitors the grant and the grantee and ensures that the grantee is in compliance with the eligibility on how the monies are spent. The RDA submits quarterly reports to the federal agencies. During 2016, the RDA received \$377,533 of federal funds related to Brownfield and West Lake.

Accounts Receivable -- During 2016, these costs were reimbursed by the state and no further costs were incurred for the year. At December 31, 2016, the total outstanding receivables totaled \$8,794,679. The outstanding receivables were as follows:

City of Gary	\$	425,636
City of Hammond		2,039,795
East Chicago		329,248
State of Indiana		<u>6,000,000</u>
Total	\$	<u>8,794,679</u>

In accordance with IC 8-15-2-14.7 and IC 36-7.5-4-2, the City of Gary's delinquency could result in the State of Indiana no longer making payments to the RDA. At the time of the issuance of the financial statements, there were no indications that the State of Indiana had such intention.

Prepaid Expenses -- Prepaid expenses represent payments to vendors during the current period, which will reflect costs applicable to subsequent accounting periods.

Accounts Payable and Accrued Expenses -- The December 31 accounts payable balance relates to materials, supplies, taxes or services provided to the Authority during one calendar year, and not paid until the following calendar year. Expenses that have occurred but not invoiced through the financial statement date are considered accrued expenses.

Accrued Vacation -- It is the policy of the Authority that unused vacation time can be carried forward. Vacation time earned but not taken is considered accrued vacation and should be paid the employee at the time services are terminated.

Grants Payable and Other Related Accruals -- The Authority is committed to various organizations via reimbursement based grants. These payments are made when the organization has fulfilled the terms of the grant and submitted for reimbursement from the Authority. See Note 7 for further detail.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Years Ended December 31, 2016 and 2015

### (1) Summary of significant accounting policies (cont.)

Operating Revenue, Operating Expenses, and Non-Operating Revenue and Expenses – The principal operating revenue of the Authority is fee revenue. Operating expenses for the Authority include contractual and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Income Tax Status – The RDA is a quasi-government organization that operates as a separate body corporate and politic. An opinion from the Attorney General has been requested regarding the RDA's tax exempt status and Federal and State filing requirements.

Cash and Cash Equivalents – The RDA considers all investments with maturities of three months or less, when purchased, to be cash equivalents. Cash and cash equivalents are stated at fair value and consist of cash bank accounts.

Furniture and Equipment – Furniture and equipment are recorded at cost less accumulated depreciation computed on the straight-line method over the estimated useful life of five to ten years. Leasehold improvements are computed on the straight-line method over the estimated useful life of three years.

Net Position – Net position is comprised of the net earnings from operating and non-operating revenues, expenses and capital contributions. Net position is considered unrestricted and is available for the use of the Authority.

Budgetary Information – Each year, the budget is prepared on or before the first day of December on a basis consistent with generally accepted accounting principles. The budget is adopted by the Board annually and submitted to the state finance committee in January of each year for approval. The legal level of budgetary control is at the total fund expense level.

Staff and Payroll – Staff salaries, other compensation, and related expenses are paid by the state budget agency and reimbursed by the RDA.

Tuition Expense – The agency offers an incentive for employees to further their education with a tuition reimbursement program.

Operating Leases – The agency has a thirty-six (36) month rental agreement for office space and supply reimbursement with a two year option to renew. The lease expense for the year ended December 31, 2016 was \$45,126. The RDA has chosen to renew the lease term which will expire June 30, 2017. The monthly lease amount, which is due at the beginning of each month, is \$3,798. The remaining obligation due for the rental agreement is \$22,788.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Years Ended December 31, 2016 and 2015

### (2) Concentrations

At December 31, 2016 and 2015, \$800,000 of the RDA's cash and cash equivalents was insured by the Federal Depository Insurance Corporation (FDIC), and therefore classified under Risk Category 1. The Public Deposit Insurance Fund (PDIF) was created by the Acts of 1937 in the State of Indiana to protect the public funds of the state and its political subdivisions deposited in approved financial institutions. The PDIF insures those public funds deposited in approved financial institutions which exceed the limits of coverage provided by any FDIC. The RDA has funds deposited in PDIF approved financial institutions.

At December 31, 2016 and 2015, the remaining portion of cash respectively, was covered by the PDIF and classified in Risk Category 1.

### (3) Property and equipment

All furniture and equipment is depreciated using the straight-line method. Depreciation expense at December 31, 2016 and 2015 was \$679. Property and equipment at year end consist of the following:

	2016	2015
Furniture and fixtures	\$ 37,655	\$ 37,655
Leasehold improvements	11,502	11,502
Accumulated depreciation	(47,907)	(47,228)
Total property and equipment, net	\$ 1,250	\$ 1,929

### (4) Pension plan

The Authority is a participating employer in the Indiana Public Retirement System (INPRS). INPRS resulted from legislation passed in 2010 that merged the Public Employers' Retirement Fund (PERF) and the Teacher's Retirement Fund (TRF), with the merger of the funds being effective July 1, 2011. The Authority contributes to the INPRS, a cost-sharing multiple-employer public employee retirement system, which acts as a common investment and administrative agent for units of state and local government in Indiana. INPRS is governed by state statutes I.C.S. 5-10.2 and 5-10.3, effective July 1, 1995. As such, it is INPRS's responsibility to administer the law in accordance with the expressed intent of the Indiana General Assembly. INPRS is a qualified plan under the Internal Revenue Code Section 401(a) and is tax exempt. INPRS is a contributory defined benefit plan that covers substantially all of the Authority's employees.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Years Ended December 31, 2016 and 2015

### **(4) Pension plan (cont.)**

INPRS retirement benefits vest after 10 years of service. Senate Bill 74 enabled INPRS participants to be eligible for early retirement with 100% of the defined benefit pension if certain conditions were met. A participant may retire with full benefits at age 60 with 15 or more years of service or at age 55 if the participant's age plus years of service equals 85 or more (Rule of 85). If neither of the above conditions is met, a participant may retire with 100% of the pension benefit at age 65 with 10 or more years of service. This annual pension benefit is equal to 1.1% times the average annual salary times the number of years and months of INPRS-covered employment. The average annual salary used for calculating the pension benefit is an average of the participant's highest five years of employment earning within the 10 years preceding retirement.

Participants who retire between the ages of 50 and 55 with 15 or more years of service receive a pension benefit that is reduced by various percentages according to the participant's age.

In addition, the participants are required to contribute to an annuity savings account. Legislation permits an INPRS employer to make the participant's contributions on behalf of the participants. Participants may elect to receive the contributions and accumulated earnings in a lump sum at retirement, or, they may choose to receive the annuity amount as a monthly supplement to their employer-provided pension described above. The participant's balance in the annuity savings account may be withdrawn at any time with interest should a participant terminate employment.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to INPRS, One North Capitol Avenue, Suite 001, Indianapolis, Indiana, 46204.

The Authority is required to contribute to the Plan at an actuarially determined rate. The current rate is 11.2% of annual covered payroll. The Authority contributed 3% of the participant's annual salary to the annuity savings account. The contribution requirements of participants are determined by State statute.

The Authority reported a liability of \$342,124 and \$224,426 at December 31, 2016 and 2015, respectively for its proportionate share of the net pension liability. The Authority's proportion of the net pension liability was based on a projection of long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015 and 2014, the Authority's proportion was 0.0000840 and 0.0000854, respectively.



# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Years Ended December 31, 2016 and 2015

**(4) Pension plan (cont.)**

For the years ended December 31, 2016 and 2015, the Authority recognized pension expense of \$63,121 and \$56,999, respectively. At December 31, 2016, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 25,932	\$ 3,110
Differences between expected and actual experience	14,686	708
Net difference of projected and actual investment earnings	57,686	32,175
Changes in assumption	28,921	-
Contribution subsequent to the measurement date	<u>25,559</u>	<u>-</u>
<b>Total</b>	<b>\$ <u>152,784</u></b>	<b>\$ <u>35,993</u></b>

At December 31, 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 36,230	\$ -
Differences between expected and actual experience	-	1,007
Net difference of projected and actual investment earnings	-	43,616
Contribution subsequent to the measurement date	<u>20,474</u>	<u>-</u>
<b>Total</b>	<b>\$ <u>56,704</u></b>	<b>\$ <u>44,623</u></b>

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Years Ended December 31, 2016 and 2015

**(4) Pension plan (cont.)**

As of December 31, 2016 and 2015, \$25,559 and \$20,474 was reported as deferred outflows of resources resulting from Authority contributions subsequent to the measurement date will be recognized with next year's calculation as provided by INPRS. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**Year Ending December 31:**

2017	\$ (30,733)
2018	(30,733)
2019	(15,345)
2020	<u>(14,421)</u>
Total	<u>\$ (91,232)</u>

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.25%
Salary increases	2.5% - 4.5%, based on projected salary increases based on INPRS experience from 2005 to 2010
Investment rate of return	6.75%
Cost of living adjustment	1.00%

Mortality rates were based on the 2013 IRS Static Mortality Tables projected five years with Scale AA. Disability assumptions were based on 2000-2005 experience for males and 1995-2000 for females.

The long-term expected rate of return on pension plan investments is based on an estimated long-term investment yield for the plan, with consideration given to the nature and mix of current and expected plan investments. INPRS' management and Board continually monitor the investment rate of return assumption and the Board formally reviews the assumption and makes changes as appropriate.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Years Ended December 31, 2016 and 2015

**(4) Pension plan (cont.)**

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with the current funding policy adopted by the INPRS Board, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level dollar installments over 30 years utilizing a closed period approach. Since the current funding policy was adopted, the employer contribution rate has been set by the INPRS Board at a level equal to or exceeding the actuarially calculated rate. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.75%)	Current (6.75%)	1% Increase (7.75%)
Board's proportionate share of the net pension liability	\$ 504,662	\$ 342,124	\$ 207,187

Detailed information about the pension plan's fiduciary net position is available in the separately issued INPRS Report on Allocation of Pension Amounts.

**(5) Note receivable**

In 2006, the RDA agreed to loan \$6,000,000 to the Little Calumet River Basin Development Commission. The Indiana General Assembly passed and the Governor signed, Public Law 106 – 2012 which established a revenue mechanism for the Little Calumet River Basin Development Commission and a repayment schedule for the Commission's \$6,000,000, "no interest" loan currently outstanding from the RDA. Providing that no "fiscal emergency" [as defined in IC 14-13-2-18.6(g)] exists for the Commission, the remaining repayment schedule is as follows: July 1, 2017, \$500,000. The amount due to the Authority from the Little Calumet River Basin Development Commission at December 31, 2016 and 2015 was \$500,000 and \$1,190,000 respectively.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Years Ended December 31, 2016 and 2015

**(6) Bond receivable**

In 2016, the RDA agreed to loan \$13,100,000 to the City of Gary, Indiana. The amount due to the Authority from the City of Gary at December 31, 2016 and 2015 was \$12,515,000 and \$0 respectively.

Maturities of long-term bonds receivable and interest are as follows:

<b>Year Ending December 31:</b>	<b>Principal</b>	<b>Interest</b>
2017	1,190,000	244,100
2018	1,220,000	219,850
2019	1,250,000	195,050
2020	1,280,000	169,750
2021	1,305,000	144,000
Thereafter	6,270,000	314,721
<b>Total</b>	<b>12,515,000</b>	<b>1,287,471</b>

**(7) Commitments**

Since the inception of the RDA, there have been contracts awarded for approved projects within Northwest Indiana. Because not all awarded contracts have been completed, the RDA has remaining commitments of \$20,299,359 at December 31, 2016 as follows:

Project Name:	Water Filtration Plant Demolition
Nature of Project:	Shoreline Restoration
Date Awarded:	11/13/2008
Initial Total Project Cost:	\$1,980,000
Add-ons or Change Orders:	N/A
Cost through 12-31-2016:	\$225,000
Remaining Balance at 12-31-2016:	\$1,755,000
Percent (%) Complete as of 12-31-2016:	11%

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Years Ended December 31, 2016 and 2015

### (7) Commitments (cont.)

Project Name:	Hammond Lakes Area
Nature of Project:	Shoreline Restoration
Date Awarded:	1/8/2009
Initial Total Project Cost:	\$31,480,000
Add-ons or Change Orders:	N/A
Cost through 12-31-2016:	\$31,423,728
Remaining Balance at 12-31-2016:	\$56,272
Percent (%) Complete as of 12-31-2016:	100%

Project Name:	Porter Gateway to the Dunes (Grant 2)
Nature of Project:	Shoreline Restoration
Date Awarded:	7/7/2011
Initial Total Project Cost:	\$3,915,000
Add-ons or Change Orders:	N/A
Cost through 12-31-2016:	\$3,344,974
Remaining Balance at 12-31-2016:	\$570,026
Percent (%) Complete as of 12-31-2016:	85%

Project Name:	NICTD
Nature of Project:	Surface Transportation - Commuter Rail
Date Awarded:	5/7/2013
Initial Total Project Cost:	\$275,000
Add-ons or Change Orders:	N/A
Cost through 12-31-2016:	\$247,557
Remaining Balance at 12-31-2016:	\$27,443
Percent (%) Complete as of 12-31-2016:	90%

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Years Ended December 31, 2016 and 2015

### (7) Commitments (cont.)

Project Name:	Modern Forge
Nature of Project:	Other - Deal Closing
Date Awarded:	9/18/2014
Initial Total Project Cost:	\$2,000,000
Add-ons or Change Orders:	N/A
Cost through 12-31-2016:	\$1,968,750
Remaining Balance at 12-31-2016:	\$31,250
Percent (%) Complete as of 12-31-2016:	98%

Project Name:	Tec Air
Nature of Project:	Other - Deal Closing
Date Awarded:	4/3/2014
Initial Total Project Cost:	\$2,450,000
Add-ons or Change Orders:	N/A
Cost through 12-31-2016:	\$2,446,700
Remaining Balance at 12-31-2016:	\$3,300
Percent (%) Complete as of 12-31-2016:	100%

Project Name:	Shoreline and Demolition
Nature of Project:	Shoreline
Date Awarded:	7/18/2014
Initial Total Project Cost:	\$17,495,000
Add-ons or Change Orders:	N/A
Cost through 12-31-2016:	\$12,740,134
Remaining Balance at 12-31-2016:	\$4,754,866
Percent (%) Complete as of 12-31-2016:	73%

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Years Ended December 31, 2016 and 2015

### (7) Commitments (cont.)

Project Name:	Shoreline and Demolition Phase II
Nature of Project:	Shoreline
Date Awarded:	9/22/2016
Initial Total Project Cost:	\$12,935,000
Add-ons or Change Orders:	N/A
Cost through 12-31-2016:	\$0
Remaining Balance at 12-31-2016:	\$12,935,000
Percent (%) Complete as of 12-31-2016:	0%

Project Name:	West Lake TOD Planning
Nature of Project:	Other - Deal Closing
Date Awarded:	12/22/2014
Initial Total Project Cost:	\$40,000
Add-ons or Change Orders:	N/A
Cost through 12-31-2016:	\$28,587
Remaining Balance at 12-31-2016:	\$11,413
Percent (%) Complete as of 12-31-2016:	71%

Project Name:	RLF Loan
Nature of Project:	Other - Deal Closing
Date Awarded:	12/22/2014
Initial Total Project Cost:	\$160,000
Add-ons or Change Orders:	N/A
Cost through 12-31-2016:	\$5,211
Remaining Balance at 12-31-2016:	\$154,789
Percent (%) Complete as of 12-31-2016:	3%

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

Years Ended December 31, 2016 and 2015

**(8) No interest security forgivable loan**

The contingent security interest acquired by the RDA under the forgivable loan program is incrementally released as the grantor complies with the grant requirements. There is no reasonable way to predict future conduct by grantees. Although there is a potential likelihood that the RDA could obtain some form of an asset at some date in the future if grantee noncompliance occurs, there is no way to predict if or when that will occur.

**(9) Subsequent events**

During 2017, the Authority has awarded one new grant, Legacy Foundation in the amount of \$75,000.



## **ADDITIONAL INFORMATION**

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## Retirement Plan Schedule of Proportionate Share of Pension Liability

Last 10 Fiscal Years\*

	2015	2014
Board's proportion of the net pension liability	0.0000840	0.0000854
Board's proportionate share of the net pension liability	342,124	224,426
Authority's covered-employee payroll	402,211	416,765
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	85.1%	53.8%
Plan fiduciary net position as a percentage of the total pension liability	77.3%	84.3%

\* The effort and cost to re-create financial information for 10 years was not practical. The amounts presented for each fiscal were determined as of the previous June 30 year end.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## Retirement Plan Schedule of Contributions Last 10 Fiscal Years\*

	2015	2014
Statutorily required contribution	\$ 45,048	\$ 46,678
Contributions in relation to the statutorily required contribution	45,048	46,678
Deficit (excess)	\$ -	\$ -
 Authority's covered-employee payroll	 402,211	 416,765
 Contributions as a percentage of covered-employee payroll	 11.2%	 11.2%

\* The effort and cost to re-create financial information for 10 years was not practical.  
The amounts presented for each fiscal were determined as of the previous June 30 year end.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## Supplemental Schedule for Supporting Services

**For the Years Ended December 31, 2016 and 2015**

### Salaries and Professional Services

	2016	2015
Accounting	\$ 29,890	\$ 43,110
Advertising	-	(265)
Federal/State/Compliance Consultant	294,281	258,321
Financial Advisor	102,614	127,857
Human Resources Consultant	6,000	10,300
Legal	337,928	88,994
Planning Consultant	-	-
Project Specific Consultant	-	13,366
Public Awareness and Education	40,031	41,549
Salaries and Related Personnel Costs	662,948	726,917
Special Consultant	485,698	43,366
<b>Total Salaries and Professional Services</b>	<b>1,959,390</b>	<b>1,353,515</b>

### Operating Expenses

Bank Charges	645	325
Fees and Licenses	-	2,500
Insurance	-	42,744
Meals and Entertainment	6,200	5,587
Office Supplies	10,379	4,258
Postage	110	279
Professional Development	15	205
Rent	46,987	46,337
Telephone and Fax Services	4,761	4,900
Travel	9,997	32,901
Tuition Reimbursement	13,388	15,152
<b>Total Operating Expenses</b>	<b>92,482</b>	<b>155,188</b>
<b>Total Supporting Services Expenses</b>	<b>\$ 2,051,872</b>	<b>\$ 1,508,703</b>