

The logo for the Regional Development Authority (RDA) features the letters 'RDA' in a bold, dark blue, sans-serif font. The 'R' and 'D' are connected, and the 'A' is slightly separated. The background of the entire page is a vibrant, textured painting of a coastal landscape with a railway track curving through it. The painting uses a rich palette of blues, oranges, purples, and greens, with visible brushstrokes and a halftone dot pattern.

REGIONAL DEVELOPMENT AUTHORITY

TRUSTED. TESTED. RESULTS.

2015

ANNUAL REPORT

LAKE

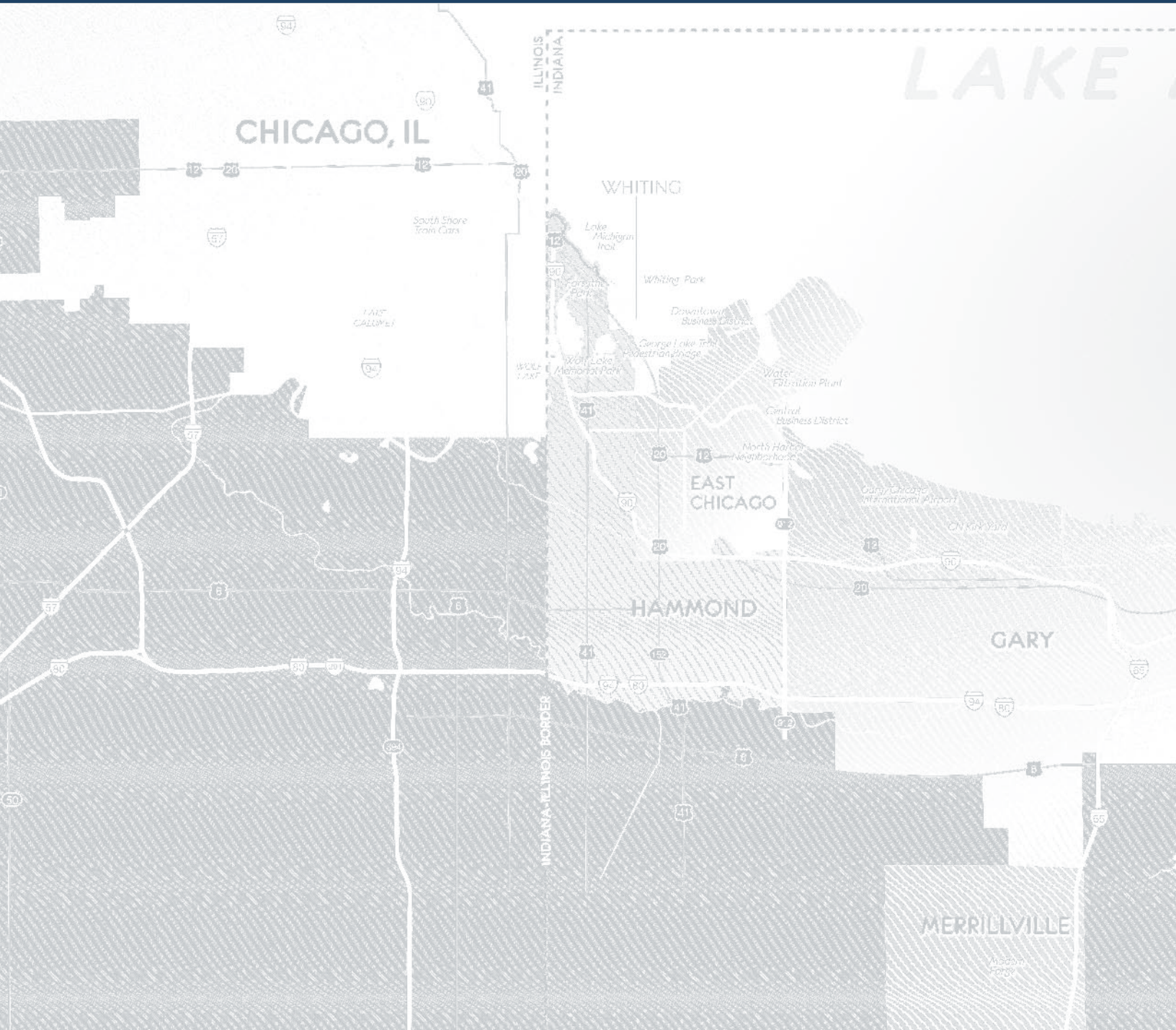


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FROM THE CHAIRMAN AND THE PRESIDENT/CEO



BILL HANNA
PRESIDENT AND CEO

On behalf of the Board of Directors and the staff of the Northwest Indiana Regional Development Authority, we are pleased to present our 2015 annual report. This report includes the results of our fiscal 2014 audit. For the tenth straight year, the RDA has passed its annual audit with no issues, while funding projects through the region that will have a lasting economic impact on all of Northwest Indiana.

The past 12 months have been some of the most eventful and important in the brief history of the RDA. From the completion of the Whiting Lakefront Park to the opening of the expanded runway at the Gary/Chicago International Airport, we have finished much of the work begun in our first decade of existence. Now, the state legislature has laid out a new mission for, and dedicated new funding to, the RDA. We are grateful to the many regional and state leaders who worked so diligently alongside us in these endeavors.

For ten years, the RDA has focused its efforts primarily on the implementation of the **Marquette Plan** on the Lake Michigan shoreline and the expansion of the **Gary/Chicago International Airport**. On the shoreline, our activities centered mainly on stretches of the lakefront, while technically available for public use, were either limited or closed due to a lack of maintenance or in need of extensive renovation to realize their full potential.

With the cooperation of local, state, federal and private partners, portions of the lakefront have been redeveloped to an extent never before seen in Northwest Indiana, and it now serves as launching points for economic development in their respective communities: Hammond, Whiting, Gary and Portage. Work in East Chicago on the **Waterfront Revitalization Initiative** and the **restoration of Jeorse Beach**. The RDA will continue to seek opportunities to work collectively with businesses and government to further upgrade and enhance the shoreline.

At the **Gary/Chicago International Airport**, a milestone was reached in mid-2015 with the opening of the expanded runway. More than 15 years in the making, the expanded airport in Gary is already drawing new investments to the region. Like the shoreline, the RDA will continue to work with the City of Gary to encourage business and industrial development at and around the facility.

However, there is little time to savor our successes. In the 2015 session of the Indiana General Assembly, state legislators pointed the RDA in a new direction: toward Chicago. The state has committed \$6 million annually for the next 30 years to the expansion of the **South Shore commuter rail in Northwest Indiana**. This investment which will finally make the long-discussed **West Lake Corridor** a reality. The phase one environmental impact statement is already underway. We have an ambitious timeline for construction on the \$571 million project to begin in 2018 with service to start by 2023.

There are many potential benefits from fully integrating into the larger Chicago economy. These include the opportunity to reverse population declines in Northwest Indiana, increase household incomes, and attract and retain talent that will make the region more competitive with the rest of the Chicago market for business relocations and expansions.

Over the next 12 months, we anticipate completion of the initial environmental study and the start of design and engineering work on the **West Lake expansion**. We are also pursuing competitive grants in cooperation with the City of Gary and the Northwest Indiana Commuter Transportation District that would fund transit-oriented development and service improvements on the existing South Shore line. We are looking forward to the completion of the first phase of work on the East Chicago shoreline and further development around the Gary/Chicago International Airport.

We are grateful for the many people and organizations that came together over the past year to ensure that the RDA continues to exist and remain a vehicle for positive, transformational change in Northwest Indiana. These include Congressman Peter J. Visclosky, Governor Mike Pence, the Indiana General Assembly including all of Northwest Indiana's



DONALD P. FESKO
CHAIRMAN OF THE BOARD

state Senators and Representatives, its Mayors, county councilmen and commissioners, business leaders and individuals too numerous to mention. Thank you all. We are honored by your continued trust in the RDA and we look forward to our tasks ahead.

A handwritten signature in black ink that reads "Donald P. Fesko".

DONALD P. FESKO
CHAIRMAN OF THE BOARD

A handwritten signature in black ink that reads "Bill Hanna".

BILL HANNA
PRESIDENT AND CEO

BOARD OF DIRECTORS



DONALD P. FESKO - GOVERNOR'S APPOINTMENT, CHAIRMAN OF THE BOARD

Donald Fesko, OD, MBA, FACHE is the CEO of The Community Hospital in Munster. A doctor of optometry, Fesko also holds a Bachelor's degree in Economics from Purdue University and a Master's in Business Administration from Indiana University. He was named a Modern Healthcare Up & Comer in 2008, designated as a Fellow of the American College of Healthcare Executives (ACHE) in 2009 and was the recipient of the group's Robert S. Hudgens Award honoring the Young Healthcare Executive of the Year in 2012. Fesko is active on numerous boards and councils including the Munster Medical Research Foundation Board, the Community Cancer Research Foundation Board, the Indiana University School of Medicine Advisory Council, the Hospice of the Calumet Area Board and the Community Care Physician Network Board.



HARLEY SNYDER - GOVERNOR'S APPOINTMENT, VICE CHAIRMAN OF THE BOARD

Harley Snyder is a nationally recognized real estate and land development executive with more than 50 years experience in housing, commercial development, mortgage banking, board service and governance. He has extensive board experience with a number of publicly traded companies. He is President of HSC, Inc., a real estate consulting and investment firm; Managing Member, Parke & Associates, LLC; Managing Partner, Reason Bell, LLC; and Managing Partner, South Coast, LLC. Snyder serves on the boards of the Valparaiso Economic Development Corporation and Valparaiso University. He is also a past Chairman of the Northwest Indiana Forum. Snyder was President of the National Association of Realtors (NAR) in 1983, and has been a NAR Director since 1972. He is a past President and current Director of the Indiana Association of Realtors as well. Snyder was awarded an Honorary Doctor of Management from Purdue University in 2004 and named Sagamore of the Wabash by the State of Indiana in 1982.



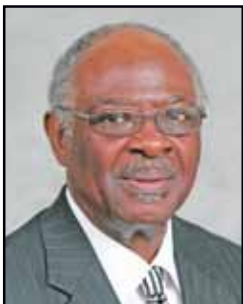
BILL JOINER - GARY APPOINTMENT, SECRETARY/TREASURER

Bill Joiner is a private investment portfolio manager, President of Gary's Economic Development Commission, where he has overseen the sale of more than \$400 million in Industrial Revenue Bonds and a member of the Gary Redevelopment Commission. He also sits on the Investment Committee of the Legacy Foundation and is a member of the Board of Directors of the Visiting Nurse Association Foundation of Porter County and St. Mary Medical Center. He is a former SVP Gainer Corp, First Vice President of Bank One / First Chicago NBD Bank and was President and Secretary of Structure Resources, LLC, a consulting firm specializing in business development and best management practices.



TOM DABERTIN - HAMMOND APPOINTMENT

Thomas Dabertin is a certified management consultant and the president of Shared Resource Solutions, Inc., a Hammond-based consulting firm. He has held a variety of senior management and executive positions in the governmental, not-for-profit, service, education and manufacturing sectors of business. He is a lifelong resident of Northwest Indiana and is heavily involved in numerous community and not-for-profit organizations, serving on more than 15 boards of organizations including serving as President of the Whiting-Robertsdale Chamber of Commerce, St. Joseph's Carmelite Home Advisory Board, Northshore Health Systems, a board member of the Lake Area United Way, and the Hammond Housing Authority Board of Commissioners. He has a Master's degree in Business Administration from Purdue University.



ED GLOVER - EAST CHICAGO APPOINTMENT

Ed. Glover is a certified Housing Development Finance and Construction Professional with over 30 years experience and is former Executive Director of Community Reinvestment Project of East Chicago, Inc., a nonprofit dedicated to the development of affordable housing and community economic development in Northwest Indiana. He is former Chairman of the Gary East Chicago Hammond Empowerment Zone; past President of the Indiana Association for Community Economic Development; Vice President of the Indiana Redevelopment Corporation; former Chairman of the Finance/Investment Committee for St. Catherine Hospital Foundation and a seven-year Conference Committee member for Indiana Housing and Community Development Authority. Glover is a former member of several Advisory Councils, including Northern Indiana Public Service Company and the Federal Home Loan Bank of Indianapolis. He is also a member of the National Association of Housing and Redevelopment Officials.



CHRISTOPHER CAMPBELL - PORTER COUNTY APPOINTMENT

Chris Campbell, an executive at Centier Bank, oversees lending in Porter, LaPorte, Marshall, St. Joe and Elkhart Counties along with small business lending. He serves on several nonprofit boards, including the Porter Starke Foundation Board, where he is finance chairman. He also serves as the treasurer for the Valparaiso Community Festivals and Events Board, and is the endowment chairman for the Valparaiso Parks Foundation board, and the redevelopment commission for Valparaiso. Chris has recently joined the boards of the NWI RDA and the Porter County Boys and Girls Club. He also is chairman of the EF Wildermuth Foundation, an organization that is dedicated to helping people with eyesight issues. He holds an undergraduate degree from Wittenberg University and an MBA from Valparaiso.

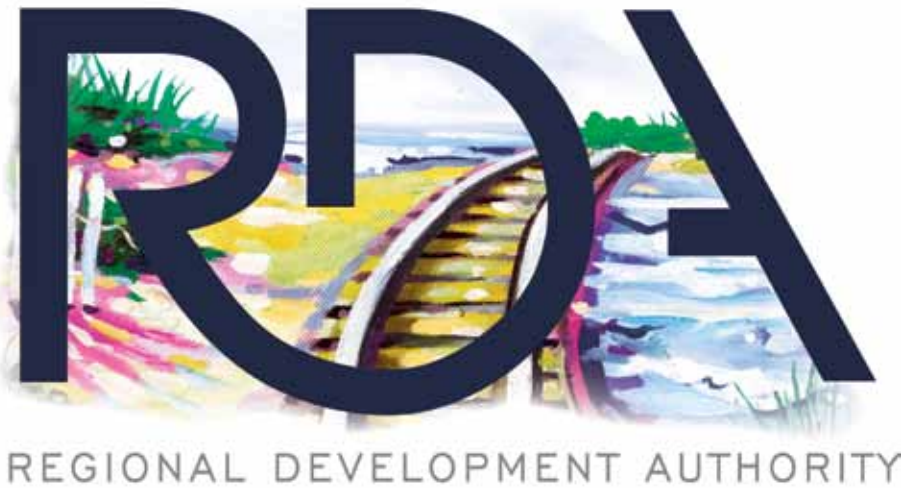


RANDOLPH PALMATEER - LAKE COUNTY APPOINTMENT

Randolph Palmateer is Business Manager of the Northwestern Indiana Building Trades Council. He is a 16-year veteran of the Northwest Indiana construction industry, joining the International Brotherhood of Electrical Workers Local 697 as an apprentice in 1997. He holds multiple industry certifications and an Associate's Degree in Applied Science from Ivy Tech Community College. Palmateer is active on numerous boards throughout the region, including those of the Lake Area United Way, South Shore Promotions, the Challenger Learning Center at Purdue Calumet, and the Construction Advisory Board of Ivy Tech. He also sits on the Board of Public Works for the City of Crown Point and is a member of the Lake County Redevelopment Commission.

2015

A SEASON OF CHANGE



The RDA updated its logo in 2015 to reflect its new mission.

The year 2015 is a year of change for the Northwest Indiana Regional Development Authority. When we began operation in 2006, we were instructed to focus on four project areas: expansion of the Gary/Chicago International Airport; implementation of the Marquette Plan on the Lake Michigan shoreline; expansion of commuter rail and regional bus services; and economic development.

As of July 1, 2015, the first of those goals, expansion of the Gary Airport, is substantially complete. The newly lengthened runway is open for business. Work related to the expansion (primarily environmental in nature) will continue for some time, but both the airport, its P3 partner and the City of Gary are turning

their attention to attracting investment at and around the facility. In early summer 2015, Carmuse Lime & Stone announced a \$31 million expansion near the airport, and the city announced a deal with a developed for an 85-acre industrial park at the airport.

The first phase of Marquette Plan implementation has been completed in Hammond, Gary, Whiting, Porter and Portage. The only remaining portion of this initiative, which sought to substantially upgrade portions of the shoreline already set aside for public use, is the reconstruction of Jeorse Beach in East Chicago. This work is ongoing. Under a grant from the RDA, the Northwestern Indiana Regional Planning Commission in June

delivered an updated Marquette Plan that will guide our future lakefront efforts.

Also as of July 1, 2015, our last two project areas have been modified by order of the Indiana General Assembly. Legislation passed in the last session removed economic development from the RDA's list of project areas. As a result, the RDA has shuttered its Deal-Closing Fund, through which we had partnered with the Indiana Economic Development Corporation to help attract private industry to Northwest Indiana.

Additionally, the legislature dedicated new funding to the RDA for expansion of commuter rail in Northwest Indiana. Subject to a regular review of our progress, the legislature agreed to provide \$6 million annually for the next 30 years to fund the West Lake Corridor extension of the South Shore commuter rail line. This follows the 2014 session in which legislators directed a portion of funds derived from closing a property tax loophole (approximately \$4 million annually) to the RDA to establish an operating fund for trains running on the West Lake Corridor.

These two investments by the state replace the \$10 million annually that the RDA was receiving from the Major Moves fund. The RDA's Major Moves funding expired in 2015. The RDA continues to receive an additional \$17.5 million in local annual funding for its projects.

The successes of the RDA at the airport, on the lakeshore and in the economic development field over the past decade did not go unnoticed in 2015. Our efforts were rewarded with international, local and individual recognition this year.

On the international stage, the RDA was recognized by the International Economic Development Council with a Gold Excellence in Economic Development Award for its recent shoreline and economic

development projects in Northwest Indiana. The award, presented at the IEDC's Annual Conference in Fort Worth in October, was in the category of Regionalism and Cross-Border Collaboration for communities with populations of greater than 500,000.

IEDC's Excellence in Economic Development Awards recognize the world's best economic development programs and partnerships, marketing materials, and the year's most influential leaders. These awards honor organizations and individuals for their efforts in creating positive change in urban, suburban, and rural communities.

Also in October, the RDA was inducted into The Society of Innovators of Northwest Indiana at the Society's 10th Annual Induction Ceremony at the Horseshoe Casino in Hammond. The RDA received the 2014 Accelerating Greatness award, "presented to an innovative team that makes a significant contribution to innovation in accelerating greatness."

Lake County appointee to the RDA Board of Directors Randy Palmateer and RDA COO Sherri Ziller were named two of the 20 Under 40 leaders in Northwest Indiana by the Times of Northwest Indiana. Ziller was also one of the 25 women recognized at the 4th Annual Influential Women of Northwest Indiana gala in Merrillville in November. She was

named as the Up and Coming Woman of the Year in the category of Economic Development.

Pursuant to instruction given to us by the

consulting firm KatzSapperMiller (Indianapolis), found that building a new trauma center in Northwest Indiana would likely cannibalize patients and jobs from existing facilities. Similarly, a separate academic medical center (also often called a "teaching hospital") is not justified given the number of available hospital beds in the region.

Instead, the report recommended that one or more area hospitals pursue a trauma center designation with the goal of becoming a level 1 or high-level-2 trauma center by 2018. It also recommended that area hospitals partner with the medical program at Indiana University Northwest (IUN) to create a residency program to train new doctors for Lake, Porter and surrounding counties, which are medically underserved areas. The full report was delivered to the Indiana General Assembly in November 2014.

Finally, in March 2015 the RDA welcomed Christopher Campbell to its Board of Directors. Campbell, Senior Vice President at Centier Bank, serves as Porter County's representative to the RDA. Campbell replaced Jeff Good, who stepped down after being elected to the Porter County Board of Commissioners in November.



COO Sherri Ziller was named an Influential Woman of Northwest Indiana in 2014.



The RDA's induction into the Northwest Indiana Society of Innovators was recognized in the U.S. Congressional Record by Congressman Peter J. Visclosky.



RDA staff present the Society of Innovators and IEDC Economic Development awards to the Board of Directors in November 2014.



Board member Randy Palmateer and COO Sherri Ziller were among the Northwest Indiana Times' 20 Under 40 honorees in 2014.

legislature in the 2014 session, the RDA oversaw completion of a report on the potential for a trauma center and an academic medical center in Northwest Indiana. The report, developed by

GARY/CHICAGO INTERNATIONAL AIRPORT

MISSION ACCOMPLISHED





RDA President and CEO Bill Hanna speaks at the runway celebration.



The groundbreaking at Carmeuse Lime & Stone on \$31 million worth of improvements.



The crowd gathers for the official dedication of the new runway at the Gary/Chicago International Airport.

In July of 2015, the Gary/Chicago International Airport formally opened its new, 8,900-foot runway to the applause of hundreds gathered below skies crowded with jets and planes practicing for the upcoming Gary Air Show. Airport Interim Director Dan Vicari called the new runway a game-changer for Northwest Indiana and Gary Mayor Karen Freeman-Wilson predicted that it would benefit the entire region.

Indeed, an analysis conducted by the RDA in 2012 projects that the expanded airport will help create more than 2,000 new jobs in the region by 2025 and increase personal income by an estimated \$156 million annually. Its impact was already being felt in the days leading up to the runway dedication ceremony with the announcement of two fresh private investments in the footprint of the airport.

First, Carmeuse Lime & Stone broke ground on

a new rail terminal, part of a \$31 million package of investments that include a new waste-to-energy facility. The company plans to add 30 to 40 jobs as a result of the expansion. Just hours after the groundbreaking, Mayor Freeman-Wilson unveiled a partnership with Terre Haute-based Garmong Construction Services to develop an 85-acre industrial park at the airport.

Both projects are being supported by a \$7.5 million grant from the RDA. This grant matches funding from the City of Gary and the Indiana Economic Development Corporation to pay for \$13.5 million in access road improvements to the sites of Carmeuse Lime and the new industrial park. This project will expand the newly constructed Gary Marina Access Road (Buffington Harbor Drive) to include an additional travel lane that provides direct access to industrial sites near the Gary/Chicago International Airport and the

lakefront from Cline Avenue. This will allow industrial traffic to be separated from Majestic Star Casino traffic and enhance economic development efforts at the airport.

While some work remains to be completed at the airport, the opening of the runway marks the culmination of an effort by the Federal Aviation Administration, the Federal Highway Administration, the State of Indiana and the Northwest Indiana Regional Development Authority, the Chicago Department of Aviation, and the City of Gary that took more than a decade to reach this point. Among its many challenges was the relocation of a rail line used by three Class 1 railroads. This critical piece of the project was finally completed in 2014 with the opening of a new rail line circumnavigating the airport and the removal of the old tracks and the 40-foot embankment they stood on.

THE LAKE MICHIGAN SHORELINE

NWI'S GREATEST ASSET



Ribbon-cutting at the new Unity Plaza in East Chicago.

Ongoing lakefront work at Jeorse Beach in East Chicago.

In the summer of 2014, city, region, state and federal officials, area business leaders and residents gathered on Indiana's Lake Michigan shoreline to dedicate the new Whiting Lakefront Park. The project was one of several Marquette Plan projects the RDA has funded in Whiting, Hammond, Portage, East Chicago and Gary. Overall, the RDA and these communities have invested more than \$200 million in the Lake Michigan shoreline since 2006. Over the next ten years, these investments are projected to generate more than 1,000 jobs and will add \$93 million a year to the region's total economic output by 2025.

"It never gets old, looking behind me at one of

our most famous suburbs – Chicago," quipped Whiting Mayor Joe Stahura, referring to the park's view of the Chicago skyline across Lake Michigan. The mayor extended the thanks of his community to all members of the RDA, past and present, for the financial assistance which made the project possible. "You also deserve much of the credit for the millions of dollars in additional public and private investment being made in our community today," he added.

The \$47 million renovation on the lakeshore was fueled by \$22 million in grants from the RDA. Over the past six years, more than 200 full- and part-time construction workers

labored to transform the park into an economic asset and attraction for the community. Initial infrastructure phases, including new sewer and utility lines and a lift station, were completed in 2011. New concessions stands, restrooms and a performing arts pavilion were added in 2012 and 2013. Further improvements included pedestrian and bicycle connections to a regional trail network; safe and engaging watercraft access to the Lake Michigan waterfront; and a new fishing pier, gazebo and promenade along the shoreline. Plans are underway for a new restaurant on the site formerly occupied by the Whiting gun club building.



State and local officials and Whiting residents gather for the Whiting Lakefront Park dedication.



The new park has helped to spur development in the City of Whiting.



Whiting residents enjoy their new park.

The restoration of the shoreline in Whiting is part of the Marquette Plan championed by Indiana Congressman Pete Visclosky. That Plan envisions recapturing 75 percent of the lakeshore for public use. Speaking at the dedication, Congressman Visclosky said that the event was “one of the happiest days of my life because of what Mayor Stahura, the city officials of Whiting and the people of Whiting have done. They have shown us the future in Northwest Indiana.”

RDA President and CEO Bill Hanna noted that projects like the Whiting Lakefront Park were exactly what the Indiana General Assembly had in mind when it created the RDA almost a decade ago. “Now we have to keep this going,” he said. “This is the stake that has been driven into the ground by this mayor, this congressman, this general assembly and people will remember this as a golden era for Whiting and Northwest Indiana. Change happened, and we have set a new course for the future.”

Other revived stretches of the shoreline began to pay dividends in 2015. In Gary’s Miller neighborhood, Marquette Park, restored with the aid of a \$28 million RDA grant, once again

played host to the annual Gary Air Show and its thousands of spectators.

“What was done at Marquette Park was done with the air show in mind, and this really does bring together two of the RDA’s most significant investments, the park and the airport,” Gary Mayor Karen Freeman-Wilson said when announcing the return of the show last December. Added Gary Common Councilman Ronald Brewer, “we have had all these great renovations, and now it’s time to show off our jewel.”

Mayor Freeman-Wilson noted that the show drives tourism dollars into the city, and Gary Chamber President/CEO Chuck Hughes said that was great news for businesses in Gary that the air show used to boost. “Many members of the Chamber look forward to being vendors at the show,” he said.

One segment of shoreline that remains to be completed is on Jeorse Beach in East Chicago. The RDA has provided \$17 million in matching funds for this and other lakefront revitalization projects planned in East Chicago over the next several years. Work is underway on the beach and the nearby breakwater that will transform it into a vital recreation and event destination for the residents of East Chicago.



U.S. Senator Joe Donnelly and Rep. Pete Visclosky were among those on hand to cut the ribbon to open the new Whiting Lakefront Park.

“Restoring the shoreline in East Chicago will encourage new business development and give residents of East Chicago a tremendous asset to enjoy for generations to come,” says Ed Glover, East Chicago’s representative on the RDA Board of Directors. According to East Chicago Mayor Anthony Copeland, the Jeorse Beach project is part of \$30 million in improvements across the city being done this year.

Moving forward, the RDA will continue to look at opportunities to assist Northwest Indiana communities in improving their portions of the shoreline and in ways to open up more of the lakefront for public use.

ECONOMIC DEVELOPMENT

SUNSET OF A PROGRAM



The RDA's No-Interest Securitized Forgivable Loan Program sunsets in 2015.

In 2011, the RDA's Board of Directors created the No-Interest Securitized Forgivable Loan Program, also known as the "deal-closing fund," to be used in conjunction with the Indiana Economic Development Corporation's business attraction and retention efforts in Northwest Indiana. In the years since, the RDA and IEDC have worked together to bring or retain nearly 1,200 jobs and more than half a billion dollars worth of private investment to the region.

The most recent project involved the relocation of American Stair, a designer and manufacturer of industrial stairways and mezzanines, from

the Chicago suburbs to Hammond. The project involved relocation of the company's corporate headquarters, manufacturing facilities, engineering and R&D facilities and distribution facilities. Approximately 100 jobs were relocated to Indiana as a result of the move, and the company projects that an additional 80 will be created by 2018. As part of an incentive package that included both local and state incentives, the RDA provided \$1.7 million from the deal-closing fund to help secure the relocation.

In the 2015 session of the Indiana General Assembly, language in the RDA's original enabling

legislation under which the deal-closing program had been authorized was struck. Legislators instructed the RDA to focus on regional infrastructure projects involving mass transit and the Lake Michigan shoreline. As a result, the No-Interest Securitized Forgivable Loan Program was closed as of July 1, 2015.

However, at the time of the program's sunset date, there were still two projects that the RDA had committed to funding if they were successfully finalized. If so, these will represent the final two uses of the RDA's deal-closing fund.



Groundbreaking at Pratt Industries in Valparaiso.



Groundbreaking at MonoSol in Portage.



Gov. Mike Pence was among those at the groundbreaking for Land O'Frost in Munster.



Completed Modern Forge facility in Merrillville.

RDA DEAL-CLOSING FUND ACTIVITY 2011-2014

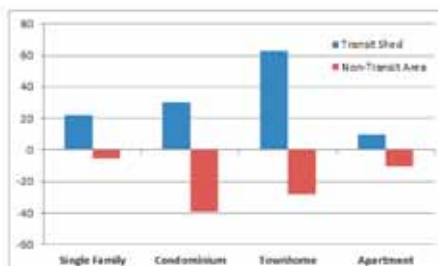
COMPANY	LOCATION	JOBS	RDA \$ (MILLIONS)	LEVERAGE \$ (MILLIONS)	TOTAL \$ (MILLIONS)
CN Kirk Yard	Gary	119	\$1.90	\$141.00	\$142.90
Modern Forge	Merrillville	240	\$2.00	\$37.90	\$39.90
Land O' Frost	Munster	50	\$0.75	\$6.40	\$7.15
Tec Air	Munster	258	\$2.45	\$15.00	\$17.45
AM Manufacturing	Munster	40	\$0.40	\$2.28	\$2.68
American Stair	Hammond	180	\$1.70	\$2.90	\$4.60
Subtotal – Lake County		877	\$9.20	\$205.48	\$214.68
Pratt Industries	Valparaiso	137	\$1.40	\$260.00	\$261.40
MonoSol	Portage	150	\$1.58	\$65.00	\$66.58
Subtotal – Porter County		287	\$2.98	\$325.00	\$327.98
GRAND TOTAL		1,174	\$12.18	\$530.48	\$542.66

SURFACE TRANSPORTATION

REBUILDING THE MIDDLE CLASS IN NWI



Percent change in average residential sales price relative to the region by property type in Chicago, 2006-11



Source: *The New Real Estate Mantra, ATA/NAR, 2013*

The 2015 Indiana General Assembly approved, and Gov. Mike Pence subsequently signed, a budget that includes a 30-year, \$180 million investment from the State of Indiana to build the West Lake Corridor extension of the South Shore commuter railroad.

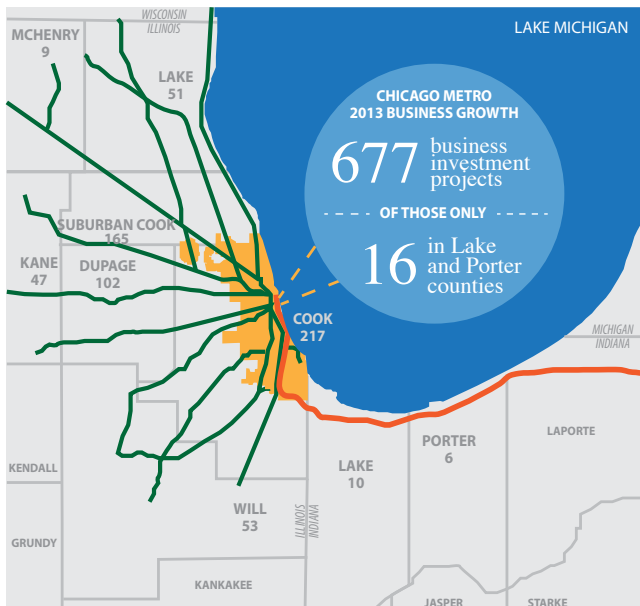
The West Lake Corridor extension and upgrades to the existing line are projected to create nearly 2,000 jobs in Northwest Indiana. The project is part of the Northern Indiana Commuter Transportation District's (NICTD) 20-year strategic plan to create jobs and boost the economy of the region and the state.

This investment comes on the heels of operational funding provided during the 2014 session. Last year, the legislature directed a portion of revenues garnered from closing a tax loophole

to the RDA in order to establish an operating fund for trains on the West Lake Corridor. This funding, approximately \$4.2 million annually, brings the total amount provided for construction and operation of the expansion to more than \$10 million a year.

The RDA has pledged up to \$8.3 million annually over the next 30 years to fuel construction of the West Lake Corridor. Lake County and about a dozen local communities have also agreed to provide funding from the County Economic Development Income Tax (CEDIT) revenues.

Currently, commuters who use the existing South Shore line and ChicaGo Dash buses to travel to jobs in Chicago bring back a combined \$430 million in personal income annually to spend on goods and services here in Northwest



Source: World Business Chicago



Indiana. When in full operation, the West Lake extension will serve more than 5,000 daily riders who will bring back an additional \$231 million in personal income to the region. The extension will also increase property values, spur transit-oriented development in communities on and near the new line, and increase the region's attractiveness to companies looking to relocate to Indiana.

Today, the region lags behind the rest of the Chicago market in terms of attracting new business investment. In 2014, the Chicago market led the nation in business investment for the second straight year, according to *Site Selection* magazine's annual rankings. Overall, the State of Indiana shared in three of the top 10 metro areas with a population over 1 million: Chicago, Cincinnati, OH, and Louisville, KY. Of these, the Chicago market was by far the strongest, recording more business investment projects than the other two combined.

In conjunction with *Site Selection's* rankings, World Business Chicago released its annual report of business deals in the metro area, including those

in Northwest Indiana. The good news: WBC counted 19 business investment projects in Lake and Porter counties in 2014, up from 16 in 2013. The bad news: that remains a meager fraction of the total deals — 624 in 2014 — done in the metro area in 2013.

Overlaid on a map of rail lines in Chicago and Northwest Indiana, the pattern becomes clear: businesses are choosing to invest in the parts of the Chicago market where the rail, and the population, are strong.

What this tells us is that all rungs of the development ladder must be strong when competing in a market like Chicago. Increased commuter access will make us a true part of the third-largest economy in our nation. This, along with our other advantages, puts

us on parity with Illinois suburbs of Chicago and will help us reestablish the middle class in Northwest Indiana. This is the strategy for new jobs, new residents and new investment that will turn Northwest Indiana in an established direction of success.

Expanding commuter rail in Northwest Indiana will also increase property values and, for those riding the train, reduce transportation costs.

A 2013 study commissioned by the American Public Transportation Association and the National Association of Realtors found that residential home sale prices were on average 42% higher during the Great Recession in neighborhoods with proximity to transit versus further away.

In order to maximize this benefit to residents of Northwest Indiana, the RDA will be active in encouraging and supporting Transit-Oriented Development along the existing South Shore line as well as the new West Lake Corridor. As an example, in the Spring of 2015, the RDA joined with the City of Gary and the NICTD in

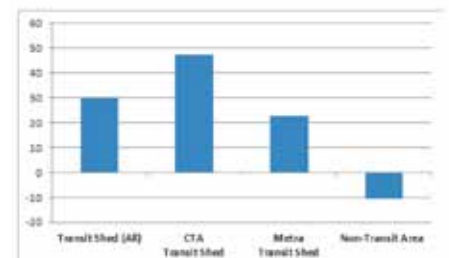
applying for a federal grant to fund TOD at and around the South Shore station in Gary's Miller neighborhood.

Gary is applying for a \$21.05 million grant from the U.S. Department of Transportation's Transit Investment Generating Economic Recovery, or TIGER, competitive grant program. Gary, NICTD and the RDA are pooling resources to provide the necessary local match for the grant application. NICTD is providing \$860,000, Gary \$1 million and the RDA \$4.26 million.

If awarded the grant, the funds will be used for TOD at the Miller station, including the new high-level boarding platform called for in the NICTD 20-Year Strategic Business Plan.

The RDA would like to thank the many people and organizations who have worked so hard over the past two years to make this investment in Northwest Indiana's future happen. These include Congressman Pete Visclosky, whose challenge to the region in October of 2013 started this whole ball rolling; all the members of the Northwest Indiana legislative delegation, as well as many legislators from elsewhere around the state who also saw the value of commuter rail expansion; the local officials who took time from their schedules to go to Indianapolis and speak in favor of the project; civic leaders from the Emerging Leaders of Northwest Indiana and One Region; the Northern Indiana Commuter Transportation District, operator of the South Shore; the Northwestern Indiana Regional Planning Commission (NIRPC); the Northwest Indiana Forum; and a host of others too numerous to mention.

Percent change to average residential sales prices relative to the region in Chicago, 2006-11



Source: The New Real Estate Mantra, ATA/NAR, 2013

LOCAL CONTRACTOR AND MBW/WBE PARTICIPATION



Ongoing lakefront work at Jeorse Beach in East Chicago.

The Board of Directors of the RDA has set goals of 15% minority-owned business (MBE) and 5% women-owned business (WBE) participation of RDA-funded projects. We have engaged Organizational Development Solutions (ODS) to track and report on the hiring of MBEs, WBEs and local companies on our initiatives. The results of the most recent report on MBE/WBE participation, covering the period from November 1, 2014 to January 31, 2015, are presented in the table on the opposite page.

ODS also found that all of the 14 subcontractors working on these projects during the period were Northwest Indiana firms. These companies

employed 64 workers, 39 of whom were residents of Lake and Porter counties.

Two important caveats about these numbers:

- The RDA does not usually fund the entirety of a project. Typically, our funds are used to match local, federal or private dollars. This “leverage” increases the impact of our investment and allows for projects that otherwise would not have enough money to move forward. As an example, the RDA has provided a total of \$50 million for the runway expansion project at the Gary Chicago International Airport. The total cost of the project is \$177 million; that other \$127 million comes from local and federal funds. The ODS report

reflects only how the RDA’s investment is being utilized. It does not represent the local or M/WBE participation on the project as a whole.

- Not all companies working on RDA-funded projects have provided the requested information. The majority have, and we are grateful for how far they have gone above and beyond. The data we have requested is not something usually required and so has imposed an extra expense and reporting burden on them. We appreciate their cooperation and we continue to work with our grantees to collect data from their contractors and subcontractors.

As of February 28, 2014, grantees reported the following:

PROJECT	% COMPLETED	AWARD AMOUNT	MBE EXPENDITURES	WBE EXPENDITURES
GARY MARQUETTE PARK EAST PHASE 2B	 99%	\$1,004,852	\$159,923 105.65% OF GOAL	\$364,793 726.06% OF GOAL
GARY MARQUETTE PARK EAST PHASE 2C	 99%	\$2,502,207	\$513,613 136.84% OF GOAL	\$95,508 76.34% OF GOAL
GARY MARQUETTE PARK EAST PHASE 2A1	 7%	\$1,000,000	\$6,904 4.6% OF GOAL	\$4,578 9.16% OF GOAL
GARY MARQUETTE PARK EAST CONSTRUCTION	 58%	\$21,551,941	\$4,915,617 152.05% OF GOAL	\$1,738,936 161.37% OF GOAL
HAMMOND LAKES AREA	 97%	\$31,480,000	\$4,098,868 86.80% OF GOAL	\$4,964,668 315.42% OF GOAL
EAST CHICAGO GATEWAY	 72%	\$3,900,000	\$774,586 132.41% OF GOAL	\$222,375 114.04% OF GOAL
PORTER GATEWAY TO THE DUNES YEAR 2	 76%	\$3,915,000	\$181,935 30.98% OF GOAL	\$83,510 42.66% OF GOAL
WHITING LAKEFRONT DEVELOPMENT PHASE II	 97%	\$19,455,000	\$2,964,736 101.59% OF GOAL	\$1,287,538 132.36% OF GOAL
GARY/CHICAGO INTERNATIONAL AIRPORT EXPANSION	 75%	\$30,000,000	\$5,120,011 113.78% OF GOAL	\$1,660,058 117.34% OF GOAL

2014 INDEPENDENT AUDITORS' REPORT

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Board of Directors
Northwest Indiana Regional Development Authority:

We have audited the accompanying financial statements of the Northwest Indiana Regional Development Authority (the "RDA" or the "Authority"), as of December 31, 2014 and 2013, and the related statements of changes in net assets 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.

■ ■ Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain 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 the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2014 and 2013, and the results of its operations, and its cash flows, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information and Supplementary Information

The Management's Discussion and Analysis on pages 3 through 9 and Budgetary Schedule on page 27 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures that consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and we express no opinion or any other form of assurance on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information listed in the foregoing table of contents, which is also the responsibility of the Authority's management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such additional information (page 26) has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly presented, in all material respects, when considered in relation to the financial statements taken as a whole.

Whittaker & Company PLLC

Gary, Indiana
Whittaker & Company, PLLC
February 13, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012

The following discussion and analysis of Northwest Indiana Regional Development Authority's (the "Authority") financial performance provides an introduction and overview of the Authority's financial activities for the year ended December 31, 2014. Please read this discussion in conjunction with the Authority's financial statements and the notes to financial statements immediately following this section.

FINANCIAL HIGHLIGHTS

2014

- Operating revenues for 2014 of \$27,500,000 remained constant compared to fiscal year 2013.
- Operating expenses 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.
- Nonoperating 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 center feasibility study.

2013

- Operating revenues for 2013 of \$27,521,072 decreased by \$77,870 compared to fiscal year 2012. This decrease is due to the Authority receiving less federal funding from the USDA Forest Service program to fund the Valparaiso PES project.
- Operating expenses for 2013 of \$1,873,049 decreased by \$29,849,123 compared to fiscal year 2012. This decrease is primarily due to the Authority approving a grant for an Airport expansion project in 2013 and smaller funded projects in the prior year.

2012

- Operating revenues for 2012 of \$27,598,942 decreased by \$162,028 compared to fiscal year 2011. This decrease is primarily due to the Authority receiving less federal funding from the USDA Forest Service program to fund the Valparaiso PES project.
- Operating expenses for 2012 of \$31,722,172 increased by \$23,411,772 compared to fiscal year 2011. This increase is primarily due to the Authority approving a grant for an Airport expansion project in the

amount of \$30,000,000 and other smaller funded projects.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of the Financial Statements and the Notes to the Basic Financial Statements.

In addition to the basic financial statements this report also presents Additional Information after the Notes to the Basic Financial Statements. The Statements of Financial Position present all 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 the Basic 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 Basic Financial Statements begin on page 13.

In addition to the basic financial statements, this report includes Additional Information. The Additional Information section presents the 2014 Supplemental Schedule for Supporting Services on page 26 and Budgetary Comparison Schedule on page 27.

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.

In 2014, 2013 and 2012, the state of Indiana provided \$10,000,000 of funding to the Authority.

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

- **The Regional Bus Authority** – To increase opportunities for senior citizens, the handicapped community and Hoosiers without their own transportation.
- **The Gary/Chicago International Airport Runway Expansion and EJ&E Railroad Re-Routing Plan** – To provide access to Chicago's business districts, Northwest Indiana, and surrounding Midwest states. The 715 acre site has an FAA approved expansion plan adding 320 acres ensuring long term growth for the airport and the Northwest Indiana economy.
- **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.

A comparative condensed summary of the Authority's net assets at December 31, 2014, 2013, and 2012 is as follows:

NET ASSETS

	2014	2013	2012
CURRENT ASSETS	\$83,549,499	\$88,754,244	\$83,395,650
TOTAL CURRENT ASSETS	83,549,499	88,754,244	83,395,650
PROPERTY AND EQUIPMENT	2,608	3,287	6,883
FURNITURE & FIXTURES, NET			
LONG-TERM ASSETS	1,190,000	2,110,000	3,570,000
TOTAL ASSETS	84,742,107	90,867,531	86,972,533
CURRENT LIABILITIES	26,988,460	30,887,760	52,797,824
TOTAL CURRENT LIABILITIES	26,988,460	30,887,760	52,797,824
TOTAL LIABILITIES	26,988,460	30,887,760	52,797,824
UNRESTRICTED	57,753,647	59,979,771	34,174,709
TOTAL LIABILITIES AND NET ASSETS	\$84,742,107	\$90,867,531	\$86,972,533

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.

2013

Current assets increased by \$5,385,594 primarily due to an increase in the overall amount of funds received to the Authority from the City of Gary, which in the past had been delinquent on payments. Increase also due to the Authority receiving the loan repayment relating the Little Calumet River Basin Development Commission. The amount due within one year has been reclassified from long-term to current in the amount of \$1,460,000.

The 2013 decrease in current liabilities of \$21,910,064 was due to a decrease in grants payable due to the Authority awarding new grants in smaller amounts in the current year.

The 2013 long-term assets decreased due to the outstanding loan to the Little Calumet River Basin Development Commission being repaid in the first installment in July 2013 in the amount of \$2,430,000. Also the amount due in July 2014 has been recorded as a current asset.

2012

Current assets decreased by \$11,114,185 primarily due to an increase in the overall amount of funds the Authority used on current projects.

The 2012 decrease in current liabilities \$7,197,563 was due to a decrease in accounts payable and grants payable.

The 2012 long-term assets decreased from 2012 due to the outstanding loan to the Little Calumet River Basin Development Commission schedule for payment to occur within the next year. Because of this, the amount has been reclassified to short-term in the amount of \$2,430,000.

CHANGES IN NET ASSETS

	2014	2013	2012
OPERATING REVENUES	\$27,500,000	\$27,521,072	\$27,598,942
OPERATING EXPENSES	30,644,268	1,873,049	31,722,172
OPERATING INCOME	(3,144,268)	25,648,023	(4,123,230)
NON-OPERATING REVENUE	901,544	138,111	149,401
PERIOD RESTATEMENT	16,600	40,000	36,202
CHANGE IN NET ASSETS	\$(2,226,124)	\$25,826,134	\$(3,937,627)

2014

Operating revenues for year 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.

2013

Operating revenues for year 2013 were \$27,521,072 while operating expenses for 2013 were \$1,873,049 resulting in operating income for 2013 of \$25,648,023. A period restatement in the amount of \$40,000 was made due to the initial grant award to the Town of Pines being made for \$200,000 but the final amount awarded being \$160,000, resulting in a net adjustment of \$40,000. The overall net increase of \$29,742,689 was primarily due to a decrease in the Authority's program expenses due to fewer grants with lower amounts being awarded during the year.

Non-operating revenue of \$117,039 was due to investment interest income.

2012

Operating revenues for year 2012 were \$27,598,942. Operating expenses for 2012 were \$31,722,172. Operating loss for 2012 was \$(3,937,627). This decrease was primarily due to an increase in the Authority's program expenses.

Non-operating revenue of \$149,401 was due to investment interest income. Period restatement in the amount of \$36,202 was made to properly report grants payable for grants which closed.

OPERATING EXPENSES

	2014	2013	2012
SALARIES AND WAGES	\$662,145	\$556,380	\$437,054
PROFESSIONAL FEES	625,616	593,337	764,708
PROGRAM SERVICES	29,248,826	618,729	30,413,737
OTHER	107,681	104,603	106,673
TOTAL OPERATING EXPENSES	\$30,644,268	\$1,873,049	\$31,722,172

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 for 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.

2013

The increase in salaries and wages of \$119,326 in 2013 was due to a prepayment for payroll services being made to the State Budget Agency in the amount of \$42,000 during December 2013. The increase was also due to an accrual of approximately \$38,900 being made for accrued payroll and vacation. Additionally, the increase related to the hiring of the Executive Assistant, whom, in the past, was an independent contractor. Finally, the increase in salaries and wages resulted from staff cost of living adjustments.

The decrease in professional fees in 2014 of \$171,371 is due to the Authority's decreased use of project planning and due diligence services.

2012

The increase in salaries and wages of \$74,795 in 2013 was due to staffing the Communication Manager position.

The increase in professional fees in 2013 of \$65,401 is due to the Authority's increased use of project planning and due diligence services.

CHANGES IN CASH FLOWS

	2014	2013	2012
CASH FROM ACTIVITIES:			
OPERATING	\$(2,302,049)	\$5,273,326	\$(13,012,875)
INVESTING	128,397	117,039	149,401
FINANCING	(679)	(3,596)	(3,124)
NET CHANGE IN CASH			
CASH:			
BEGINNING OF THE YEAR	77,709,087	72,322,318	85,188,916
END OF THE YEAR	\$75,534,756	\$77,709,087	\$72,322,318

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 receivables from the City of Hammond's decreased installment payments to the Authority.

2013

As of December 31, 2013, the Authority's available cash of \$77,709,087 increased by \$5,386,769 compared to December 31, 2012. This increase in cash is due to the increase of cash received from the City of Gary for all four installments in the current year as well as the repayment of the Little Calumet River Basin Commission outstanding loan.

2012

As of December 31, 2012, the Authority's available cash of \$72,322,318 decreased by \$12,866,598 compared to December 31, 2012. This decrease in cash is due to the increase in the outlay of cash to fund program services.

FACTORS BEARING ON THE FUTURE

During 2015, the Authority has not awarded any new grants. The Authority will continue to entertain funding applications from its four targeted investment areas as well as other qualifying economic development projects.

The Indiana General Assembly appropriated from the Major Moves Construction Fund, as described in State of Indiana Code {IC 8-14-14-6(a)(2)}, \$120,000,000 to the Northwest Indiana Regional Development Authority for the following purposes: 1) \$20 million to be distributed to the Gary/Chicago International Airport for its runway extension project, 2) \$20 million for the RDA's statutory purposes as described in IC 36-7.5, and 3) \$80 million to be distributed \$10 million per State Fiscal Year through State Fiscal Year 2014-2015. The final \$10 million will therefore be distributed to the RDA by June 30, 2015. The RDA is currently

engaged in an effort to secure "reauthorization" of the State of Indiana allocation from the Indiana General Assembly. Obviously the result of that effort is not yet known but the Authority remains confident that the effort will result in a reallocation of state funding.

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.



CN Kirk Yard, Gary, IN.

Northwest Indiana Regional Development Authority
STATEMENT OF FINANCIAL POSITION
 For the Years Ended December 31, 2014 and 2013

	2014	2013
ASSETS		
Current assets		
• Cash and cash equivalents (Note 2)	\$75,534,757	\$77,709,087
• Accounts receivable (Note 1)	7,000,000	9,521,072
• Note receivable - due within one year (Note 5)	920,000	1,460,000
• Prepaid expenses	94,742	64,085
Total current assets	\$83,549,499	\$88,754,244
Property and equipment		
• Furniture, fixtures & leasehold improvements (Note 3)	49,157	49,157
Total property and equipment	49,157	49,157
• Accumulated depreciation	-46,549	-45,870
Total property and equipment (net)	\$2,608	\$3,287
Long-term assets		
• Note receivable - due after one year (Note 5)	1,190,000	2,110,000
Total long-term assets	1,190,000	2,110,000
Total assets	\$84,742,107	\$90,867,531
LIABILITIES AND NET ASSETS		
Current liabilities		
• Accounts payable and accrued expenses	56,213	122,447
• Accrued payroll and vacation	46,108	38,889
• Grants payable -due within one year (Notes 1 and 6)	26,886,139	30,726,424
Total current liabilities	26,988,460	\$30,887,760
Long-term liabilities		
• Grants payable - Due after one year (Note 6)	-	-
Total long-term liabilities	-	-
Total liabilities	\$26,988,460	\$30,887,760
Net assets		
• Unrestricted	57,753,647	59,979,771
Total net assets	57,753,647	59,979,771
Total liabilities and net assets	\$84,742,107	\$90,867,531

Northwest Indiana Regional Development Authority

STATEMENT OF ACTIVITIES

For the Years Ended December 31, 2014 and 2013

		2014	2013
UNRESTRICTED NET ASSETS			
SUPPORT	Indiana Finance Authority	\$10,000,000	\$10,000,000
	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
	Other	-	-
	Total Support	\$27,500,000	\$27,500,000
EXPENSES			
PROGRAM SERVICES	AM Manufacturing	400,000	-
	American Stair	1,725,000	-
	Canadian National	1,880,000	-
	City of East Chicago Shoreline & Demo	17,495,000	-
	City of Valparaiso	200,000	-
	Land O' Frost	750,000	-
	Modern Forge	2,000,000	-
	MonoSol	1,575,000	-
	Tech Air	2,450,000	-
	Federal Grants (Note 1)	355,826	-
	Trauma Center - Feasibility Study (Note 1)	418,000	-
	City of Gary, Phase III	-	100,000
	Marquette Plan	-	18,729
	Indiana Landmark	-	25,000
	NICTD	-	275,000
	Sheraton Hotel	-	200,000
	Total Program Services	\$29,248,826	\$618,729
SUPPORTING SERVICES	• Salaries & professional services	1,287,761	1,149,717
	• Operating expenses	106,822	101,007
	Total Supporting Services	\$1,394,584	\$1,250,724
	• Depreciation expense	679	3,596
	Total Expenses	\$30,644,088	\$1,873,049
NON-OPERATING REVENUE EXPENSE	Interest expense	-180	-
	Federal Grants (Note 1)	355,826	-
	State Grants (Note 1)	418,000	21,072
	Interest Income	127,718	117,039
	Total non-operating revenue	901,365	138,111
	Change in Net Assets	-2,242,724	25,765,062
	Net Unrestricted Assets - Beginning of Year	59,979,771	34,174,709
	Period Restatement (Note 8)	16,600	40,000
	Net Unrestricted Assets - End of Year	\$57,753,647	\$59,979,771

See accompanying notes to the basic financial statements.

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Northwest Indiana Regional Development Authority

STATEMENT OF CASH FLOW

For the Years Ended December 31, 2014 and 2013

	2014	2013
Cash flows from operating activities		
• Fee revenue and repayments	\$30,794,898	\$37,004,804
• Little Calumet repayment	1,460,000	2,430,000
• Payments to employees for services	-651,403	-533,705
• Payments to grantees for awarded contracts	-33,052,153	-32,971,788
• Payments to other suppliers for goods and services	-853,391	-655,985
Cash flows from operating activities	-2,302,049	5,273,326
Cash flows from investing activities		
• Investment interest income	127,718	113,443
Net cash from investing activities	127,718	113,443
Cash flows from financing activities		
• Purchase of fixed assets and leasehold improvements	-	-
Net cash from investing activities	-	-
Net change in cash and cash equivalents	-2,174,331	5,386,769
Cash and cash equivalents at beginning of year	77,709,087	72,322,318
Cash and cash equivalents at end of year	\$75,534,757	\$77,709,087

RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:

Operating income	-\$2,226,124	\$25,805,063
Interest income	-127,718	-113,443
Depreciation expense	679	3,595
Changes in assets and liabilities		
• Decrease/(Increase) in accounts receivable	2,521,072	-896,072
• Decrease in notes receivable	1,460,000	2,430,000
• (Increase) in prepaid expenses	-30,656	-45,753
• Decrease in accounts payable and other accruals	-59,015	64,304
• (Decrease) in grants payable	-3,840,287	-21,970,771
Cash flows from operating activities	-\$2,302,049	\$5,276,922

Northwest Indiana Regional Development Authority

SUPPLEMENTAL SCHEDULE OF SUPPORTING ACTIVITIES

For the Years Ended December 31, 2014 and 2013

	2014	2013
SALARIES & PROFESSIONAL SERVICES		
Professional Fees		
Accounting	\$54,544	\$36,120
Advertising	18,649	-
Communications/marketing consultant	-	405
Compliance consultant		
Federal/State/compliance consultant	135,432	242,441
Financial Advisor	166,028	103,325
Human resources consultant	11,100	4,500
Legal	67,424	88,070
Planning consultant	17,047	21,250
Project specific consultant	91,657	28,310
Public awareness and education	32,945	68,916
Salaries and related personnel costs	662,145	556,380
Special consultant	30,792	-
Total Salaries & Professional Services	\$1,287,761	\$1,149,717
OPERATING EXPENSES		
Bank charges	\$514	\$-
Background check	-	-
Conferences	426	-500
Fees and licenses	-	69
Insurance	15,218	15,417
Meals and entertainment	8,034	8,502
Membership dues	-	-
Office supplies	4,212	4,893
Postage	147	668
Professional development	4,484	2,126
Rent	47,990	48,074
Telephone, phone and fax services	4,726	5,959
Travel	8,664	7,888
Tuition reimbursement	12,407	7,910
Total Operating Expenses	\$106,822	\$101,007
Total Supporting Services Expenses	\$1,394,584	\$1,250,724

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 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 principals 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)
- 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 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 the 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 equity 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.

Non-exchange Transactions

Governmental Accounting Standards Board ("GASB") No. 33 defines a nonexchange 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 nonexchange 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 policies of the Authority are based upon accounting principles generally accepted in the United States of America, as prescribed by the Government Accounting Standards Board (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 Government Accounting Standards Board ("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.

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:

- The Regional Bus Authority – To increase opportunities for senior citizens, the handicapped community and Hoosiers without their own transportation.
- The Gary/Chicago International Airport Runway Expansion and EJ&E Railroad Re-Routing Plan – To provide access to Chicago's business districts, Northwest Indiana, and surrounding Midwest states. The 715 acre site has an FAA approved expansion plan adding 320 acres ensuring long term growth for the airport and the Northwest Indiana economy.
- 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. IC36-7.5-2-1 identifies the types of projects eligible for RDA funding.

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 \$800,000. 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.

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 2014, the RDA received \$20,359 from the Department of Natural Resources for research performed on the Marquette Plan. The RDA also received \$335,467 from the United States Environmental Protection Agency for Great Lake Restoration Initiative to implement green storm water best management practices in the Marquette Park Lagoon watershed in Gary, Indiana.

At December 31, 2014, the Authority received and expended \$355,826 from federal agencies which were reimbursements for funds spent in compliance with grant guidelines.

State Grant Funds

During 2014 a feasibility study was performed to determine whether a trauma center and an academic medical center would be beneficial and feasible for Northwest Indiana. In the Authority's determination and research, the State of Indiana agreed to reimburse the Authority up to \$500,000 relating to costs incurred as a result of the study. At December 31, 2014, the Authority received \$439,072 from the state of Indiana which was reimbursement for funds spent in compliance with the feasibility study.

Accounts Receivable

At December 31, 2014 the RDA had outstanding receivables in the amount of \$7,000,000 which related to the Cities of Gary and Hammond being delinquent on installments in the amounts of \$875,000 and \$6,125,000, respectively.

During 2013, the Authority agreed to perform a feasibility study to determine whether a trauma center and an academic medical center would be beneficial and feasible for Northwest Indiana. In the Authority's determination and research, the State of Indiana agreed to reimburse the Authority up to \$500,000 relating to costs incurred as a result of the study. At December 31, 2013, the Authority had spent \$21,072 for services relating to the study of which is to be reimbursed by the state.

During 2014, these costs were reimbursed by the state and no further costs were incurred for the year. At December 31, 2013, the total outstanding receivables totaled \$9,521,072. The outstanding receivables

were as follows:

CITY OF GARY	\$6,000,000
CITY OF HAMMOND	\$3,500,000
STATE OF INDIANA	\$21,072
GRAND TOTAL	\$9,521,072

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. At December 31, 2014 and 2013, prepaid assets amounted to \$94,742 and \$64,085 respectively.

Accounts Payable and Accrued Expenses

The December 31st 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. At December 31, 2014 and 2013, the Authority had accounts payable and accrued expenses in the amounts of \$56,213 and \$122,447 respectively.

Accrued Payroll and Vacation

Wages, salaries, and related payroll taxes and benefits that have been earned by the Authority's employees but not yet paid are considered accrued payroll. At December 31, 2014 and 2013, accrued payroll was \$0 and \$14,351 respectively.

It is the policy of the RDA that unused vacation time can be carried forward. Vacation time earned but not taken is considered accrued vacation and should be paid to the employee at the time services are terminated. At December 31, 2014 and 2013 accrued vacation was \$46,108 and \$24,538 respectively.

Grants Payable and other related accruals

The Authority is committed to various governmental organizations for reimbursement-based grants in which the organization had fulfilled the terms of the grant and submitted for reimbursement from the Authority. At December 31, 2014 and 2013, the total grants payable amounts were \$26,886,139 and \$30,726,424 respectively as follows:

BEGINNING BALANCE	\$30,726,424
INCREASE	\$28,475,000
(DECREASE)	\$(32,315,285)
ENDING BALANCE	\$26,886,139
DUE WITHIN ONE YEAR	\$26,886,139

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 Assets

Net Assets are comprised of the net earnings from operating and non-operating revenues, expenses and capital contributions. Net assets are displayed in three components – invested in capital assets, net of related debt; restricted for debt service, capital projects, passenger facility charges, airport use agreement and other requirements; and unrestricted. Invested in capital assets, net of related debt consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt net of debt service reserve and unspent proceeds.

Restricted net assets consist of net assets for which constraints are placed thereon by external parties (such as lenders and grantors) and laws, regulations and enabling legislation. Unrestricted net assets consist of all other net assets not categorized as either of the above. At December 31, 2014 and 2013, there were no restricted assets as all assets are unrestricted

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 expenses 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 expense reimbursement program.

Operating Leases

The agency has a thirty-six month (36) rental agreement for office space and supply reimbursement with a two year option to renew. The RDA has chosen to renew the lease term which will expire May 31, 2015. The monthly lease amount, which is due at the beginning of each month, is \$3,723. The following is the remaining obligation due for the rental agreement:

YEAR ENDED	AMOUNT
MAY 31, 2015	\$22,338
TOTAL	\$22,338

Deposits and Investments

State statutes authorize the RDA to invest in obligations of the U.S. agency, U.S. government securities, U.S. instrumentality obligations, certain highly-rated commercial paper, institutional money market mutual funds, corporate bonds, and repurchase agreements. Changes in fair value of investments are recorded as investment income.

NOTE 2 - CONCENTRATIONS

At December 31, 2014 and 2013, \$800,000 respectively, 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, 2014 and 2013, the remaining portion of \$74,734,757 and \$76,909,087, respectively, was covered by the PDIF and classified in Risk Category 1.

NOTE 3 – PROPERTY AND EQUIPMENT

All furniture & equipment is depreciated using the straight line method. Depreciation expense at December 31, 2014 and 2013 was \$679 and \$3,596, respectively. Property and Equipment at year end consist of the following:

	2014	2013
FURNITURE & FIXTURES	\$37,655	\$37,655
LEASEHOLD IMPROVEMENTS	11,502	11,502
LESS: ACCUMULATED DEPRECIATION	(46,549)	(45,870)
NET FURNITURE & FIXTURES	\$2,608	\$3,287

NOTE 4 – PUBLIC EMPLOYEES’ RETIREMENT FUND

To provide retirement benefits for its full-time employees, the Authority participates in the Public Employees’ Retirement Fund of Indiana (PERF), cost-sharing, multiple employer public employees’ retirement system. The contribution requirement, which was made by the Authority for employees covered by the PERF, was \$12,067. The Authority is required to and did contribute 3% of their employee’s compensation to the PERF. The contribution requirement, which was made by the Authority to fund retirement benefits, was \$45,050. These contributions represent 11% of covered payroll for 2014. To obtain more information please visit the Public Employees’ Retirement Fund at www.in.gov/perf.

NOTE 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, 2014, \$1,460,000; on July 1, 2015, \$920,000; on July 1, 2016, \$690,000; and on July 1, 2017, \$500,000. The amount due to the Authority from the Little Calumet River Basin Development Commission at December 31, 2014 and 2013 was \$2,110,000 and \$3,570,000 respectively.

NOTE 6 - 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 \$26,886,139 at December 31, 2014 as follows:

PROJECT NAME

Shoreline Park Gateway & Community Gateway

Nature of Project	<i>Shoreline Restoration</i>
Date Awarded	03/25/2008
Initial Total Project Cost	\$3,900,000
Add-ons or Change Orders	N/A
Cost Through 12-31-2014	\$3,038,236.35
Remaining Balance at 12-31-2014	\$861,763.65
Percent (%) Complete as of 12-31-2014	78%
Expected Completion Date	June 2015



PROJECT NAME

Water Filtration Plant Demolition

Nature of Project	<i>Shoreline Restoration</i>
Date Awarded	11/13/2008
Initial Total Project Cost	\$1,980,000
Add-ons or Change Orders	N/A
Cost Through 12-31-2014	\$225,000
Remaining Balance at 12-31-2014	\$1,755,000
Percent (%) Complete as of 12-31-2014	11%
Expected Completion Date	December 2017

PROJECT NAME	Hammond Lakes Area
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Nature of Project	<i>Shoreline Restoration</i>
Date Awarded	<i>January 8, 2009</i>
Initial Total Project Cost	<i>\$31,480,000</i>
Add-ons or Change Orders	<i>N/A</i>
Cost Through 12-31-2014	<i>\$30,415,588.82</i>
Remaining Balance at 12-31-2014	<i>\$ 1,064,411.18</i>
Percent (%) Complete as of 12-31-2014	<i>97%</i>
Expected Completion Date	<i>December 2015</i>



PROJECT NAME	Porter Gateway to the Dunes (Grant 2)
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Nature of Project	<i>Shoreline Restoration</i>
Date Awarded	<i>July 7, 2011</i>
Initial Total Project Cost	<i>\$3,915,000</i>
Add-ons or Change Orders	<i>N/A</i>
Cost Through 12-31-2014	<i>\$1,907,645.54</i>
Remaining Balance at 12-31-2014	<i>\$2,007,354.46</i>
Percent (%) Complete as of 12-31-2014	<i>49%</i>
Expected Completion Date	<i>September 2015</i>

PROJECT NAME	Whiting Lakefront Park
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Nature of Project	<i>Shoreline Restoration</i>
Date Awarded	<i>April 20, 2010</i>
Initial Total Project Cost	<i>\$19,445,000</i>
Add-ons or Change Orders	<i>N/A</i>
Cost Through 12-31-2014	<i>\$18,633,312.67</i>
Remaining Balance at 12-31-2014	<i>\$ 811,687.33</i>
Percent (%) Complete as of 12-31-2014	<i>96%</i>
Expected Completion Date	<i>December 2015</i>



PROJECT NAME	Town of Pines
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Nature of Project	<i>Challenge Grant</i>
Date Awarded	<i>November 20, 2012</i>
Initial Total Project Cost	<i>\$160,000</i>
Add-ons or Change Orders	<i>N/A</i>
Cost Through 12-31-2014	<i>\$160,000.00</i>
Remaining Balance at 12-31-2014	<i>\$0.00</i>
Percent (%) Complete as of 12-31-2014	<i>100%</i>
Expected Completion Date	<i>December 2014</i>

PROJECT NAME	Sheraton Hotel Challenge Grant
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Nature of Project	<i>Other - Challenge Grant</i>
Date Awarded	<i>November 27, 2013</i>
Initial Total Project Cost	<i>\$200,000</i>
Add-ons or Change Orders	<i>N/A</i>
Cost Through 12-31-2014	<i>\$ 49,981.70</i>
Remaining Balance at 12-31-2014	<i>\$150,018.30</i>
Percent (%) Complete as of 12-31-2014	<i>25%</i>
Expected Completion Date	<i>July 2014</i>



PROJECT NAME	NICTD
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Nature of Project	<i>Surface Transportation – Commuter Rail</i>
Date Awarded	<i>May 7, 2013</i>
Initial Total Project Cost	<i>\$275,000</i>
Add-ons or Change Orders	<i>N/A</i>
Cost Through 12-31-2014	<i>\$133,628.26</i>
Remaining Balance at 12-31-2014	<i>\$141,371.74</i>
Percent (%) Complete as of 12-31-2014	<i>51%</i>
Expected Completion Date	<i>January 2015</i>

PROJECT NAME	Indiana Landmarks
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Nature of Project	<i>Other</i>
Date Awarded	<i>October 29, 2013</i>
Initial Total Project Cost	<i>\$25,000</i>
Add-ons or Change Orders	<i>N/A</i>
Cost Through 12-31-2014	<i>\$3,081.89</i>
Remaining Balance at 12-31-2014	<i>\$21,918.11</i>
Percent (%) Complete as of 12-31-2014	<i>12%</i>
Expected Completion Date	<i>June 2015</i>



PROJECT NAME	Modern Forge
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Nature of Project	<i>Other - Deal Closing</i>
Date Awarded	<i>September 18, 2014</i>
Initial Total Project Cost	<i>\$2,000,000</i>
Add-ons or Change Orders	<i>N/A</i>
Cost Through 12-31-2014	<i>\$1,237,500</i>
Remaining Balance at 12-31-2014	<i>\$762,500</i>
Percent (%) Complete as of 12-31-2014	<i>62%</i>
Expected Completion Date	<i>December 2014</i>

PROJECT NAME	American Stair
Nature of Project	<i>Other – Deal Closing</i>
Date Awarded	<i>December 22, 2014</i>
Initial Total Project Cost	<i>\$1,725,000</i>
Add-ons or Change Orders	<i>N/A</i>
Cost Through 12-31-2014	<i>\$0</i>
Remaining Balance at 12-31-2014	<i>\$11,725,000</i>
Percent (%) Complete as of 12-31-2014	<i>0%</i>
Expected Completion Date	<i>June 2015</i>



PROJECT NAME	Tec Air
Nature of Project	<i>Other – Deal Closing</i>
Date Awarded	<i>April 3, 2014</i>
Initial Total Project Cost	<i>\$2,450,000</i>
Add-ons or Change Orders	<i>N/A</i>
Cost Through 12-31-2014	<i>\$1,619,518.29</i>
Remaining Balance at 12-31-2014	<i>\$830,481.71</i>
Percent (%) Complete as of 12-31-2014	<i>66%</i>
Expected Completion Date	<i>June 2015</i>

NOTE 7 – OTHER MATTERS

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.

NOTE 8 – PERIOD RESTATEMENT

At December 31, 2014, the Town of Porter-Phase 1 project was completed under budget and the grant was closed. The committed but unpaid balance resulted in a net adjustment of \$16,600.

At December 31, 2013, the Town of Pines grant was originally approved for \$200,000. Upon completion of the signed grant agreement, the total amount awarded amounted to \$160,000 resulting in a net adjustment of (\$40,000) to the Authority.

NOTE 9 – SUBSEQUENT EVENTS

In accordance with FASB ASC Topic 855, Subsequent Events, the Organization has evaluated subsequent events through February 13, 2015 which is the date these financial statements were available to be issued. Subsequent events requiring recognition as of December 31, 2014 have been incorporated into these financial statements.

State of Indiana Code {IC 36-7.5-4-2} requires Hammond, as one of the units within Lake County, to make transfers of admissions tax monies received from the State of Indiana in the amount of \$875,000 per calendar year quarter to the Northwest Indiana Regional Development Authority. This obligation is unqualified with respect to local exigencies and not subject to local legislative actions. It is not clear when the City of Hammond might make the required repayments of this arrearage, however, it is not within the legal discretion of the Northwest Indiana Regional Development Authority to “forgive” or remove this obligation nor does the statute provide the Regional Development Authority with an enforcement mechanism.

The Indiana General Assembly appropriated from the Major Moves Construction Fund, as described in State of Indiana Code {IC 8-14-14-6(a)(2)}, \$120,000,000 to the Northwest Indiana Regional Development Authority for the following purposes: 1) \$20 million to be distributed to the Gary/Chicago International Airport for its runway extension project, 2) \$20 million for the RDA’s statutory purposes as described in IC 36-7.5, and 3) \$80 million to be distributed \$10 million per State Fiscal Year through State Fiscal Year 2014-2015. The final \$10 million will therefore be distributed to the RDA by June 30, 2015. The RDA is currently engaged in an effort to secure “reauthorization” of the State of Indiana allocation from the Indiana General Assembly. Obviously the result of that effort is not yet known but the Authority remains confident that the effort will result in a reallocation of state funding.

STAFF



BILL HANNA, PRESIDENT AND CHIEF EXECUTIVE OFFICER

Bill Hanna is President and CEO of the RDA. Prior to his current assignment, Hanna was the City Manager for the City of Valparaiso for three years, the Economic Development Director for Valparaiso and Vice President of the Valparaiso Economic Development Corporation. Hanna earned his Juris Doctor from Valparaiso University, his MBA from National-Louis University in Chicago, and his Bachelor's degree in Organizational Management and Human Resources from Colorado Christian University. His military career in the U.S. Army as a paratrooper from 1995 to 1999 included membership in the Army's Official Presidential Escort and service as the Head Trainer/Guard at the Tomb of the Unknown Soldier in Washington, D.C.



SHERRI ZILLER, CHIEF OPERATING OFFICER

Sherrri Ziller, a lifelong resident of Northwest Indiana, was named Chief Operating Officer of the RDA in 2012, responsible for day-to-day operations, strategic planning and fiscal management of the organization. Previously she was the organization's Finance and Grants Manager. Ziller has been with the RDA since its inception in the spring of 2006 and provides leadership to our efforts to maximize the economic development and redevelopment potential throughout the region, increase job creation and develop greater connectivity to Chicago to promote new economic growth statewide. She holds a Master's degree in Education and a Bachelor's in Political Science from Purdue University Calumet.



JILLIAN HUBER, GRANTS MANAGER

Jillian Huber serves as the Grants Manager for the RDA. Jillian currently oversees the financial and record-keeping aspects of the RDA grants program and all outside grants received by the RDA. She works closely with the State's internal programs to ensure accurate financial, reporting, and procedural compliance on all grants. She researches external grant opportunities, as well as helps to develop a response to applicable grant solicitations. Jillian helps to set relevant policies and provides technical assistance as required. Jillian also maintains relationships with internal and external partners, and compiles non-financial data for the preparation of reports, compliance requirements, and grant billings. Jillian holds a Master's degree in Public Administration from Capella University, and a bachelor's degree in Labor Studies from Indiana University.



AMY JAKUBIN, EXECUTIVE ASSISTANT

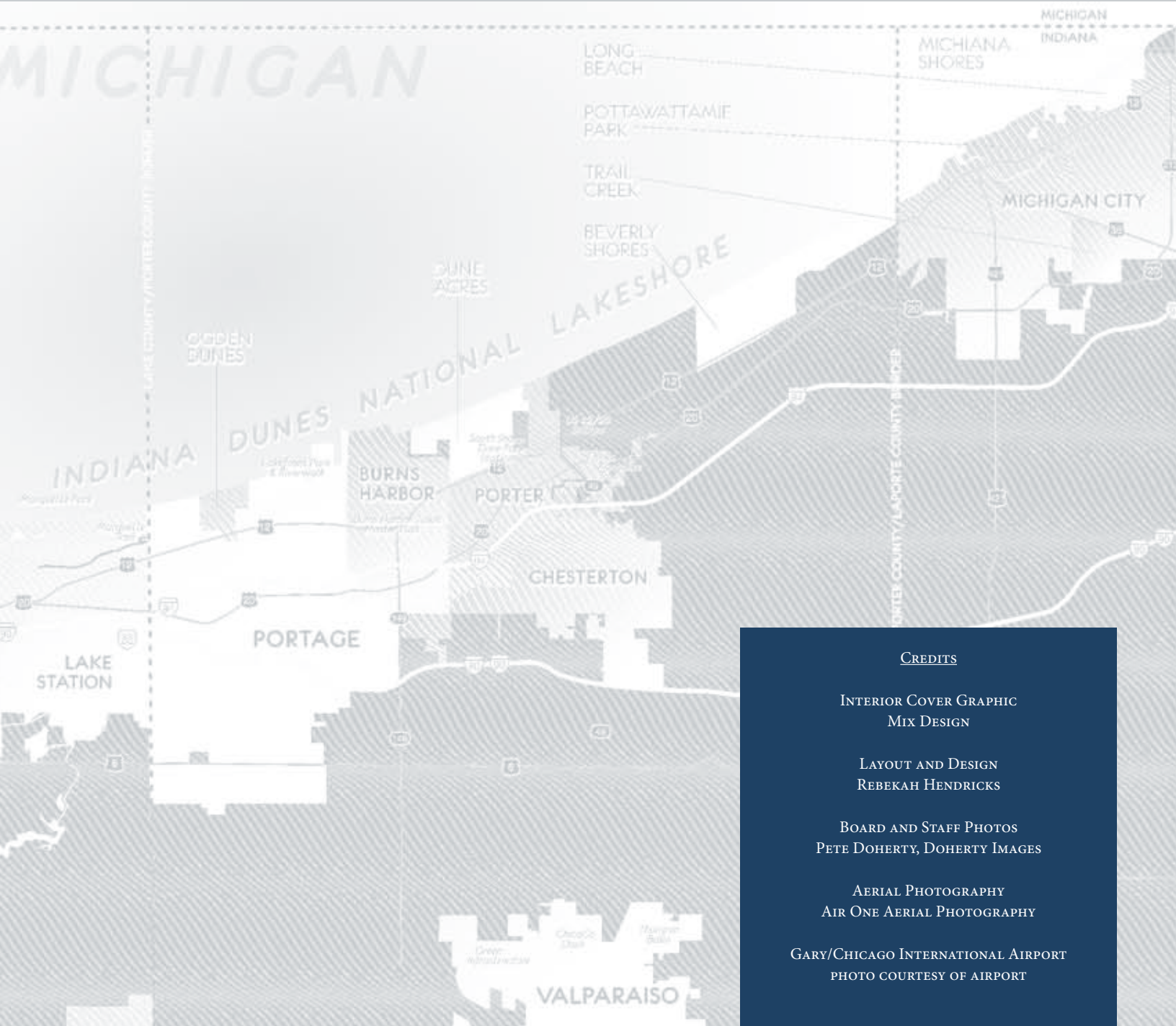
Amy Jakubin, a resident of Crown Point, is the Executive Assistant at the RDA. She has been with the organization since 2011. Jakubin works with the President, COO, Board of Directors and staff to provide dedicated administrative support. Prior to joining the RDA, Amy worked as a Nursing Assistant/Preceptor for Manor Care in Homewood, IL. Jakubin has a Nursing Assistant certification from South Suburban College and is pursuing a Bachelor's in Health Care Administration.



DAVID WELLMAN, COMMUNICATIONS MANAGER

David Wellman joined the RDA in 2012 as Communications Manager. A 20-year business-to-business media veteran, Wellman was previously senior writer for *Building Indiana* magazine. Prior to that, he held various positions ranging from assistant editor to editor-in-chief for a diverse collection of b2b publications, including *Frozen Food Age*, *Supermarket Business* and *Food & Beverage Marketing*. His work has also appeared in publications such as *Ad Age*, *Convenience Store News*, *Tobacco Outlet Business* and the Times of Northwest Indiana. He holds a Bachelor's degree in Journalism from Ohio University.

MICHIGAN



CREDITS

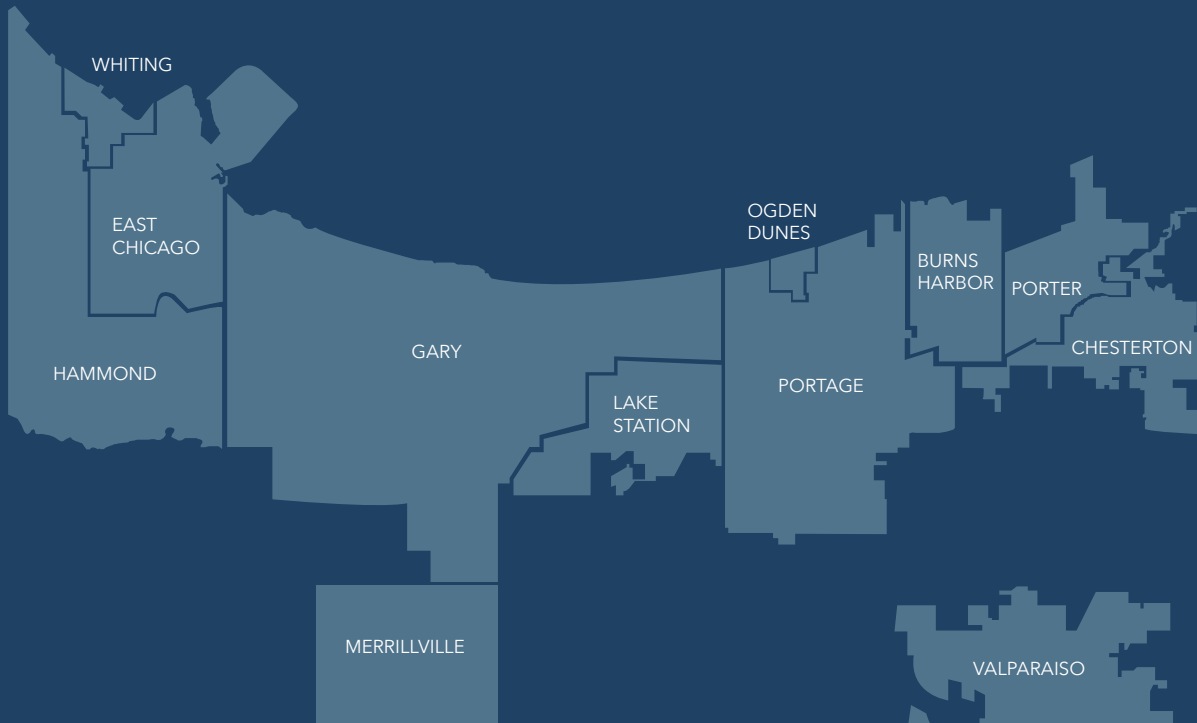
INTERIOR COVER GRAPHIC
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LAYOUT AND DESIGN
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