

***NORTHWEST INDIANA REGIONAL  
DEVELOPMENT AUTHORITY***

***Financial Statements***

***Year Ended December 31, 2015***

# **NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Northwest Indiana Regional Development Authority

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating significant accounting estimates made by management as well as evaluating the overall presentation of financial statements.

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

### *Opinion*

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

### *Other Matters*

Accounting principles generally accepted in the United States of America require that that management's discussion and analysis information on pages 4-11 and the retirement plan schedule of proportionate share of pension liability and schedule of contributions on pages 29-30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Our audit was conducted for the purpose of forming opinions on financial statements that collectively comprise Northwest Indiana Regional Development Authority's basic financial statements. The additional information (page 31) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

We also have examined in accordance with attestation standards established by the American Institute of Certified Public Accountants, Northwest Indiana Regional Development Authority's internal control over financial reporting as December 31, 2015, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated April 18, 2016 expressed an unmodified opinion.

London Witte Group, LLC  
Indianapolis, Indiana  
April 18, 2016

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS Years Ended December 31, 2015, 2014 and 2013

The following discussion and analysis of Northwest Regional Development Authority's (the "Authority") financial performance provides an introduction and overview of the Authority's financial activities for the year ended December 31, 2015. Please read this discussion in conjunction with the Authority's financial statements and the notes to financial statements immediately following this section.

### Financial Highlights

#### **2015**

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

#### **2014**

- Operating revenues for 2014 of \$27,500,000 remained constant compared to fiscal year 2013.
- Operating expenses for 2014 of \$30,644,268 increased by \$28,771,040 compared to fiscal year 2013. This increase is primarily due to the Authority providing more grants during the fiscal year.
- Non-operating revenue for 2014 of \$901,544 increased by \$763,253 compared to fiscal year 2013. This increase is due to the Authority receiving more federal funding from the Environmental Protection Agency to fund the Great Lakes Restoration Initiative in Gary, Indiana as well as the Authority receiving more state funding from the State of Indiana for a trauma feasibility study.

#### **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.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended December 31, 2015, 2014 and 2013

### Overview of the Financial Statements

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

The *Statement of Financial Position* present all the Authority's assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by private-sector companies. The difference between the classes is reported as net position. The increase or decrease in net position 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 *Statement of Activities* present all current fiscal year revenues and expenses, regardless of when cash is received or paid, and the ensuing change in net position.

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

The *Notes to Financial Statements* are an integral part of the financial statements; accordingly, such disclosures are essential to a full understanding of the information provided in the financial statements. The Notes to the Financial Statements begin on page 14.

In addition to the financial statements, this report includes additional information. Required additional information begins on page 29 and is related to the Authority's participating in the Public Employer's Retirement Fund. The additional information continues to present the 2015 Supplemental Schedule for Supporting Services on page 31.

### 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 \$3,500,000 each year to the Authority for deposit in the Authority's fund.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Years Ended December 31, 2015, 2014 and 2013**

In 2014 and 2013, the State of Indiana provided \$10,000,000 of funding to the Authority. In 2015 the State of Indiana provided \$5,000,000 of funding to the Authority. The funding agreement with the State of Indiana ended June 30, 2015. The Authority has secured funding from the State of Indiana for \$6,000,000 for fiscal years ending June 30, 2016 and 2017 (House Enrolled Act No. 1001).

The 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 position at December 31, 2015, 2014, and 2013 is as follows:

	<b>2015</b>	<b>2014</b>	<b>2013</b>
Current assets	\$ 87,856,140	\$ 83,549,499	\$ 88,754,244
Property and equipment			
Furniture & fixtures, net	1,929	2,608	3,287
Long-term assets	<u>500,000</u>	<u>1,190,000</u>	<u>2,110,000</u>
Total assets	<u>88,358,069</u>	<u>84,742,107</u>	<u>90,867,531</u>
Deferred outflows of resources	<u>56,704</u>	<u>-</u>	<u>-</u>
Current liabilities	14,561,811	26,988,460	30,887,760
Long-term liabilities	<u>224,426</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>14,786,237</u>	<u>26,988,460</u>	<u>30,887,760</u>
Deferred inflows of resources	<u>44,623</u>	<u>-</u>	<u>-</u>
Net position	<u>\$ 73,583,913</u>	<u>\$ 57,753,647</u>	<u>\$ 59,979,771</u>



# **NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS** **Years Ended December 31, 2015, 2014 and 2013**

### **2015**

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

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

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

### **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 to 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.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended December 31, 2015, 2014 and 2013

### Changes in Net Position

	2015	2014	2013
Operative revenues	\$ 22,500,000	\$ 27,500,000	\$ 27,521,072
Operating expenses	<u>6,628,173</u>	<u>30,644,268</u>	<u>1,873,049</u>
Operating income	15,871,827	(3,144,268)	25,648,023
Non-operating revenue	160,062	901,544	138,111
Period Restatement	<u>17</u>	<u>16,600</u>	<u>40,000</u>
Change in Net Assets	<u>\$ -16,031,906</u>	<u>\$ (2,226,124)</u>	<u>\$ 25,826,134</u>

### 2015

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

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

### 2014

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

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

### 2013

Operating revenues for 2013 were \$27,521,072 while operating expenses for 2013 were \$1,873,049 resulting in operating income for 2013 of \$25,648,023. 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.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS Years Ended December 31, 2015, 2014 and 2013

### Operating Expenses

	2015	2014	2013
Salaries and wages	\$ 726,917	\$ 662,143	\$ 556,380
Professional fees	626,598	625,618	593,337
Program services	5,118,791	29,248,826	618,729
Other	<u>155,867</u>	<u>107,681</u>	<u>104,603</u>
 Total Operating Expenses	 <u>\$ 6,628,173</u>	 <u>\$ 30,644,268</u>	 <u>\$ 1,873,049</u>

### 2015

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

### 2014

The increase in salaries and wages in 2014 was due to a prepayment for payroll services being made to the State Budget Agency in the amount of approximately \$71,000 in December 2014. The increase was also due to an accrual of approximately \$46,000 being made for accrued payroll and vacation as well as 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, who, 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 2013 of \$171,371 is due to the Authority's decreased use of project planning and due diligence services.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended December 31, 2015, 2014 and 2013

### Changes in Cash Flows

	2015	2014	2013
Cash from activities:			
Operating	\$ 5,542,496	\$ (3,762,049)	\$ 5,273,326
Investing	130,421	127,718	117,039
Financing	<u>-</u>	<u>-</u>	<u>(3,596)</u>
Net change in cash	5,672,917	(3,634,331)	5,386,769
Cash:			
Beginning of the year	<u>74,074,757</u>	<u>77,709,088</u>	<u>72,322,319</u>
End of the year	<u>\$ 79,747,674</u>	<u>\$ 74,074,757</u>	<u>\$ 77,709,088</u>

### 2015

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

### 2014

As of December 31, 2014, the Authority's available cash of \$75,534,757 decreased by \$2,174,331 compared to December 31, 2013. This decrease in cash is due to the increase in accounts receivable from the City of Hammond's decreased installment payments to the Authority.

### 2013

As of December 31, 2013, the Authority's available cash of \$77,709,088 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.

# **NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY**

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

**Years Ended December 31, 2015, 2014 and 2013**

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

During 2016, the Authority has awarded two new grants, Pratt Paper (IN), LLC in the amount of \$1,400,000 and an amendment to the Draft Environmental Impact Study in the amount of \$323,608. The Authority will continue to entertain funding applications from its targeted investment areas.

### **Requests for Information**

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

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## STATEMENT OF FINANCIAL POSITION December 31, 2015

	<b>2015</b>
<b>ASSETS</b>	
Current Assets	
Cash and cash equivalents	\$ 82,127,674
Accounts receivable	5,014,194
Note receivable - due within one year	690,000
Prepaid expenses	24,272
TOTAL CURRENT ASSETS	87,856,140
Property and equipment	
Furniture, fixtures & leasehold improvements	49,157
Accumulated depreciation	(47,228)
TOTAL PROPERTY AND EQUIPMENT (NET)	1,929
Long-term assets	
Note receivable - due after one year	500,000
TOTAL LONG-TERM ASSETS	500,000
TOTAL ASSETS	88,358,069
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension costs	56,704
TOTAL DEFERRED OUTFLOWS OF RESOURCES	56,704
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable and accrued expenses	83,224
Accrued vacation	44,434
Grants payable - due within one year	14,434,153
TOTAL CURRENT LIABILITIES	14,561,811
Non-Current Liabilities	
Net pension liability	224,426
TOTAL LIABILITIES	14,786,237
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension costs	44,623
TOTAL DEFERRED INFLOWS OF RESOURCES	44,623
<b>NET POSITION</b>	
Net position	
Unrestricted	73,583,913
TOTAL NET POSITION	\$ 73,583,913

The accompanying notes are an integral part of these statements.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION Year Ended December 31, 2015

	Amount
<b>UNRESTRICTED NET ASSETS</b>	
Support	
Indiana Finance Authority	\$ 5,000,000
City of East Chicago	3,500,000
Lake County	3,500,000
City of Gary	3,500,000
City of Hammond	3,500,000
Porter County	3,500,000
TOTAL SUPPORT	22,500,000
<b>EXPENSES</b>	
Program Services	
Hammond New York Avenue	200,000
NICTD - DEIS Study	1,100,000
Hoist Manufacturing	3,500,000
Southlake County Community Service	318,791
TOTAL PROGRAM SERVICES	5,118,791
Supporting Services	
Salaries & professional services	1,353,515
Operating expenses	155,188
TOTAL SUPPORTING SERVICES	1,508,703
Depreciation expense	679
TOTAL EXPENSES	6,628,173
<b>NON-OPERATING REVENUE</b>	
Federal grants	29,641
Interest income	130,421
TOTAL NON-OPERATING REVENUE	160,062
CHANGE IN NET POSITION	16,031,889
NET POSITION - BEGINNING OF YEAR (RESTATED)	57,552,007
Period restatement	17
NET POSITION - END OF YEAR	\$ 73,583,913

The accompanying notes are an integral part of these statements.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## STATEMENT OF CASH FLOWS Year Ended December 31, 2015

	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Fee revenue	\$ 24,515,447
Payments to grantees	(17,570,760)
Payments to suppliers and employees	(1,402,191)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	5,542,496
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Note receivable repayment	920,000
Investment interest income	130,421
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	1,050,421
 <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	 6,592,917
 <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	 75,534,757
 <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	 \$ 82,127,674
 <b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating income	\$ 16,031,906
Interest income	(130,421)
Depreciation expense	679
Decrease (increase) in assets	
Accounts receivable	1,985,806
Prepaid expenses	70,470
Increase (decrease) in liabilities	
Net pension liability	10,705
Accounts payable and other accruals	25,337
Grants payable	(12,451,986)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 5,542,496

The accompanying notes are an integral part of these statements.



# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2015

### (1) Summary of significant accounting policies

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

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

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

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

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

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

### Power and Duties

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

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2015

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

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

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

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

Reporting Entity – In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. The basic – but not only – criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the Authority and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Authority 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 Authority's reporting entity.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2015

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

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

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

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

The Authority adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* in 2015. The application required a restatement of previously presented net position. Following is a reconciliation of the beginning net position:

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2015

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

Net position at December 31, 2014, as previously reported	\$ <u>57,753,647</u>
Adoption of GASB No. 68	
Net pension liability as of December 31, 2014	(248,318)
Deferred outflows - INPRS contribution for 2014	<u>46,678</u>
Total prior period adjustment	<u>(201,640)</u>
Net position at December 31, 2014, as restated	\$ <u><u>57,552,007</u></u>

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 \$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 terminating as of June 30, 2015. A specific amount of \$20 million was specifically designated for the Gary/Chicago International Airport and was paid during fiscal year 2007.

The Authority has secured future funding through House Enrolled Act No. 1290, introduced and signed into law during the Indiana General Assembly 2016 Session. This continues the collections from the cities and counties. The Authority has also secured future funding from the State of Indiana for \$6,000,000 per State fiscal year ending June 30, 2016 and 2017.

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.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2015

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

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

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 2015, the RDA received \$29,641 from the Department of Natural Resources for research performed on the Marquette Plan.

Accounts Receivable – At December 31, 2015 the RDA had outstanding receivables in the amount of \$5,014,194 which related to the cities of Hammond, East Chicago, and Gary. The receivable from the City of Hammond is \$4,375,000 related to delinquent installments. The remaining receivables from the cities of East Chicago and Gary is related to State of Indiana disbursing admissions tax revenues to the RDA. If the admissions tax disbursement is short of the quarterly installment of \$875,000, the state will make up this shortfall the following year with a supplemental distribution.

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

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

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2015

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

Accrued Vacation – 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.

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.

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

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

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

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

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

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

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2015

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

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

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

Operating Leases – The agency has a thirty-six (36) month rental agreement for office space and supply reimbursement with a two year option to renew. The lease expense for the year ended December 31, 2015 was \$44,676. The RDA has chosen to renew the lease term which will expire June 30, 2016. The monthly lease amount, which is due at the beginning of each month, is \$3,723. The remaining obligation due for the rental agreement is \$22,338.

### (2) Concentrations

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

### (3) Property and equipment

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

Furniture and fixtures	\$	37,655
Leasehold improvements		11,502
Accumulated depreciation		<u>(47,228)</u>
Total property and equipment, net	\$	<u>1,929</u>

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2015

### (4) Pension plan

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

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

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

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

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

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



# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2015

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

At December 31, 2015, The Authority reported a liability of \$224,426 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension used to calculate the net pension was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the Authority's proportion was 0.0000854.

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

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

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

#### Year Ending December 31:

2015	\$	(840)
2016		(840)
2017		(840)
2018		<u>(5,873)</u>
Total	\$	<u>(8,393)</u>

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2015

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

Inflation	3.00%
Salary increases	3.25% - 4.5%, based on projected salary increases based on INPRS experience from 2005 to 2010
Investment rate of return	6.75%
Cost of living adjustment	1.00%

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

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

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

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

	1% Decrease	Current (6.75%)	1% Increase
Board's proportionate share of the net pension liability	\$ 360,280	\$ 224,426	\$ 109,322

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

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Year Ended December 31, 2015

### (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, 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, 2015 was \$1,190,000.

### (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 \$14,434,153 at December 31, 2015 as follows:

Project Name:	Water Filtration Plant Demolition
Nature of Project:	Shoreline Restoration
Date Awarded:	11/13/2008
Initial Total Project Cost:	\$1,980,000
Add-ons or Change Orders:	N/A
Cost through 12-31-2015:	\$225,000
Remaining Balance at 12-31-2015:	\$1,755,000
Percent (%) Complete as of 12-31-2015:	11%
Expected Completion Date:	December 2017

Project Name:	Hammond Lakes Area
Nature of Project:	Shoreline Restoration
Date Awarded:	1/8/2009
Initial Total Project Cost:	\$31,480,000
Add-ons or Change Orders:	N/A
Cost through 12-31-2015:	\$30,504,362
Remaining Balance at 12-31-2015:	\$975,638
Percent (%) Complete as of 12-31-2015:	97%
Expected Completion Date:	Complete

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2015

### (6) Commitments (cont.)

Project Name:	Porter Gateway to the Dunes (Grant 2)
Nature of Project:	Shoreline Restoration
Date Awarded:	7/7/2011
Initial Total Project Cost:	\$3,915,000
Add-ons or Change Orders:	N/A
Cost through 12-31-2015:	\$2,916,094
Remaining Balance at 12-31-2015:	\$998,906
Percent (%) Complete as of 12-31-2015:	74%
Expected Completion Date:	April 2016

Project Name:	Whiting Lakefront Park
Nature of Project:	Shoreline Restoration
Date Awarded:	4/20/2010
Initial Total Project Cost:	\$19,445,000
Add-ons or Change Orders:	N/A
Cost through 12-31-2015:	\$19,357,317
Remaining Balance at 12-31-2015:	\$87,683
Percent (%) Complete as of 12-31-2015:	100%
Expected Completion Date:	April 2016

Project Name:	NICTD
Nature of Project:	Surface Transportation - Commuter Rail
Date Awarded:	5/7/2013
Initial Total Project Cost:	\$275,000
Add-ons or Change Orders:	N/A
Cost through 12-31-2015:	\$133,628
Remaining Balance at 12-31-2015:	\$141,372
Percent (%) Complete as of 12-31-2015:	49%
Expected Completion Date:	April 2016

Project Name:	Modern Forge
Nature of Project:	Other - Deal Closing
Date Awarded:	9/18/2014
Initial Total Project Cost:	\$2,000,000
Add-ons or Change Orders:	N/A
Cost through 12-31-2015:	\$1,968,750
Remaining Balance at 12-31-2015:	\$31,250
Percent (%) Complete as of 12-31-2015:	98%
Expected Completion Date:	April 2016

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2015

### (6) Commitments (cont.)

Project Name:	American Stair
Nature of Project:	Other - Deal Closing
Date Awarded:	12/22/2014
Initial Total Project Cost:	\$1,725,000
Add-ons or Change Orders:	N/A
Cost through 12-31-2015:	\$1,542,676
Remaining Balance at 12-31-2015:	\$182,324
Percent (%) Complete as of 12-31-2015:	89%
Expected Completion Date:	April 2016
Project Name:	Tec Air
Nature of Project:	Other - Deal Closing
Date Awarded:	4/3/2014
Initial Total Project Cost:	\$2,450,000
Add-ons or Change Orders:	N/A
Cost through 12-31-2015:	\$2,441,826
Remaining Balance at 12-31-2015:	\$8,174
Percent (%) Complete as of 12-31-2015:	100%
Expected Completion Date:	April 2016
Project Name:	Shoreline and Demolition
Nature of Project:	Shoreline
Date Awarded:	7/18/2014
Initial Total Project Cost:	\$17,495,000
Add-ons or Change Orders:	N/A
Cost through 12-31-2015:	\$7,784,659
Remaining Balance at 12-31-2015:	\$9,710,341
Percent (%) Complete as of 12-31-2015:	44%
Expected Completion Date:	April 2016
Project Name:	Draft Environmental Impact Study
Nature of Project:	Surface Transportation - Commuter Rail
Date Awarded:	4/15/2015
Initial Total Project Cost:	\$1,100,000
Add-ons or Change Orders:	\$323,608 (as of Feb. 29, 2016)
Cost through 12-31-2015:	\$863,929
Remaining Balance at 12-31-2015:	\$236,071
Percent (%) Complete as of 12-31-2015:	79%
Expected Completion Date:	April 2016

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

Year Ended December 31, 2015

### (6) Commitments (cont.)

Project Name:	South Lake County Community Service
Nature of Project:	Surface Transportation - Bus
Date Awarded:	7/6/2015
Initial Total Project Cost:	\$318,791
Add-ons or Change Orders:	N/A
Cost through 12-31-2015:	\$11,397
Remaining Balance at 12-31-2015:	\$307,394
Percent (%) Complete as of 12-31-2015:	4%
Expected Completion Date:	December 2017

### (7) No interest security forgivable loan

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

### (8) Period restatement

At December 31, 2015, the Sheraton Hotel Project was completed under budget and the grant was closed. The committed but unpaid balance resulted in a net adjustment of \$17.

### (9) Subsequent events

During 2016, the Authority has awarded two new grants, Pratt Paper (IN), LLC in the amount of \$1,400,000 and an amendment to the Draft Environmental Impact Study in the amount of \$323,608.

## **ADDITIONAL INFORMATION**

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## Retirement Plan Schedule of Proportionate Share of Pension Liability

Last 10 Fiscal Years\*

	<u>2014</u>	<u>2013</u>
Board's proportion of the net pension liability	0.0000854	0.0000725
Board's proportionate share of the net pension liability	224,426	248,318
Authority's covered-employee payroll	416,765	348,263
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	53.8%	71.3%
Plan fiduciary net position as a percentage of the total pension liability	84.3%	78.8%

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



# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## Retirement Plan Schedule of Contributions

Last 10 Fiscal Years\*

	2014
Statutorily required contribution	\$ 46,678
Contributions in relation to the statutorily required contribution	<u>46,678</u>
Deficit (excess)	\$ -
Authority's covered-employee payroll	416,765
Contributions as a percentage of covered-employee payroll	11.2%

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

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## Supplemental Schedule for Supporting Services

**For the Year Ended December 31, 2015**

### Salaries and Professional Services

	<b>2015</b>
Accounting	\$ 43,110
Advertising	(265)
Federal/State/Compliance Consultant	258,321
Financial Advisor	127,857
Human Resources Consultant	10,300
Legal	88,994
Planning Consultant	-
Project Specific Consultant	13,366
Public Awareness and Education	41,549
Salaries and Related Personnel Costs	726,917
Special Consultant	43,366
<b>Total Salaries and Professional Services</b>	<b>1,353,515</b>

### Operating Expenses

Bank Charges	325
Conferences	-
Fees and Licenses	2,500
Insurance	42,744
Meals and Entertainment	5,587
Office Supplies	4,258
Postage	279
Professional Development	205
Rent	46,337
Telephone and Fax Services	4,900
Travel	32,901
Tuition Reimbursement	15,152
<b>Total Operating Expenses</b>	<b>155,188</b>
<b>Total Supporting Services Expenses</b>	<b>\$ 1,508,703</b>