

2021

NORTHWEST INDIANA
REGIONAL DEVELOPMENT AUTHORITY

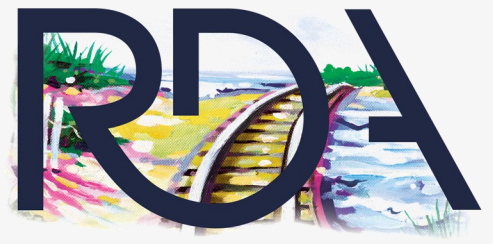
ANNUAL REPORT



OUR VISION

NORTHWEST INDIANA will be the first choice in suburban Chicago for new and current residents, businesses and access to jobs.

With diverse opportunities in all areas, Northwest Indiana will be the leading area for economic growth in Indiana. We will be the best example in the nation for balancing growth with preservation, exciting and trendy urban and lakefront communities with tranquil rural areas. Northwest Indiana will be the example of what Hoosiers can be when given global opportunity.



REGIONAL DEVELOPMENT AUTHORITY

TABLE OF CONTENTS

FROM THE CHAIRMAN AND PRESIDENT/CEO	4
THE BOARD OF DIRECTORS	6
THE TRANSIT DEVELOPMENT DISTRICTS	8
LOCAL CONTRACTOR AND MBE/WBE PARTICIPATION	12
INDEPENDENT AUDITOR'S REPORT	14
STAFF	32

FROM THE CHAIRMAN AND PRESIDENT/CEO



Donald P. Fesko
Chairman of the Board

Sherri Ziller
President & CEO

On behalf of the Board of Directors and Staff of the Northwest Indiana Regional Development Authority (RDA), we are pleased to present the 2021 annual report. This report includes the results of our fiscal 2020 audit conducted by the London Witte Group.

The 16th year of operation of the Northwest Indiana Regional Development Authority was a year of beginnings and endings. It was a year that started with tremendous momentum on the heels of a ceremonial groundbreaking for the West

Lake Corridor in Munster, Indiana, and one whose first few weeks brought the long-awaited signing of a full funding grant agreement with the Federal Transit Administration that secured matching funds for the Double Track project. The two South Shore Commuter Rail projects the RDA had worked for eight years to fund had finally come to fruition.

It was a signature accomplishment for RDA President and CEO Bill Hanna. His unflagging commitment was vital to securing local, state and finally federal funding for the com-

bined \$1.2 billion initiatives that will transform The Region's relationship with Chicago and bring more than \$2 billion in private investment to Northwest Indiana over the coming decades.

If Bill was ever our secret, that accomplishment certainly let the proverbial cat out of the bag. A few weeks into 2021, a terrific opportunity to lead the Dean and Barbara White Family Foundation came his way. We cannot thank Bill enough for all he did in his time at the RDA. We are confident Bill will share his vision and provide his high performing leadership in his new role.

The Board of Directors considered a number of highly qualified candidates for the position of President and CEO. In October, they voted unanimously to offer the position to the RDA's Chief Operating Officer, Sherri Ziller. Sherri, who has been with the organization since its inception in 2006, had led the RDA as Interim President and CEO since Bill's departure. She is uniquely qualified to take on this role given her track record of success with the RDA. The Board is confident she will continue to deliver on the RDA's goals of making Northwest Indiana the leading area for economic growth in Indiana

During her tenure as COO, Sherri led the initiative to establish the Transit Development Districts (TDDs) in the vicinity of all South Shore stations to accelerate transit-oriented

development in Northwest Indiana. As President and CEO, she will continue to lead the RDA's mission to expand commuter rail and surface transportation assets in Northwest Indiana, and to leverage those assets to bring economic development and private investment to our service area. More details about the TDDs can be found in the following pages.

Over the next 20 years, this investment in commuter rail will change the face of Northwest Indiana. Many of Chicago's Illinois suburbs have seen significant development surrounding Metra rail stations, providing strong and enduring real estate development. The planned improvements along the South Shore corridor and the creation of the West Lake line will provide the catalyst for similar development in Northwest Indiana.

The end result will see more jobs in Northwest Indiana, as well as better access to high-paying careers in Chicago. We will see growing walkable communities attractive to everyone from singles to new families to seniors. We will see higher incomes and home values, creating a stronger tax base funding better roads, schools and local services. And we will see a more economically diversified service area better able to withstand the winds of recession and to take advantage of the good times. In the coming decades, we will build on this historic opportunity and create stronger, more economically vibrant and desirable communities throughout Northwest Indiana. □

THE BOARD OF DIRECTORS



DONALD P. FESKO

Governor's Appointment and Chairman of the Board

Donald Fesko, OD, MBA, FACHE is the President and CEO of the Community Foundation of Northwest Indiana. A doctor of optometry, Fesko also holds a Bachelor's degree in Economics from Purdue University and a Masters in Business Administration from Indiana University Northwest. 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 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.



RANDOLPH PALMATEER

Lake County Appointment and Vice-Chairman of the Board

Randolph Palmateer is Business Manager of the Northwestern Indiana Building Trades Council. He is a 23-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 and commissions throughout the region, including those of South Shore Promotions, the Challenger Learning Center at Purdue Calumet, the Saint John Economic Development Commission, the Lake County Economic Alliance and the Urban League of Northwest Indiana.



CHRIS CAMPBELL

Porter County Appointment and Treasurer

Chris Campbell, is an executive at Centier Bank. He is president of the bank holding company and a member of Centier's Board of Directors. He serves on several nonprofit boards, including Chair of The Boys and Girls Club of Greater Northwest Indiana, the Valparaiso Economic and Development Commission and Indiana State Chamber. Campbell 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 University.



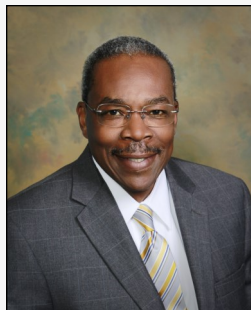
MILTON REED
East Chicago Appointment

Milton Reed Jr. is Principal of Global Consulting Solutions. Reed is an economic development and organizational cost reduction specialist with over 20 years of experience in business and economics. He received a Bachelor of Science Degree from Purdue University and is a six sigma certified Engagement Manager for strategic, technical and efficiency oriented projects. He has worked for many years leading senior managers and directors in large-scale projects from engineering concept, contractual agreement, compliance and vertical integration. Reed is a lifelong resident of Northwest Indiana, enthusiastic supporter of “The Region” and community volunteer.



AFRICA TARVER
Hammond Appointment

Africa Tarver is Executive Director of Planning and Development for the City of Hammond. Ms. Tarver is a native of Hammond and received her Bachelor of Science Degree in Organization Management from Calumet College St. Joseph. She has been employed with the City since 2001 in various positions. She serves on multiple commissions and professional organizations throughout the region. Africa maintains a strong commitment to supporting the local business and non-profit communities to continuously move the region forward.



DARNAIL LYLES
Gary Appointment

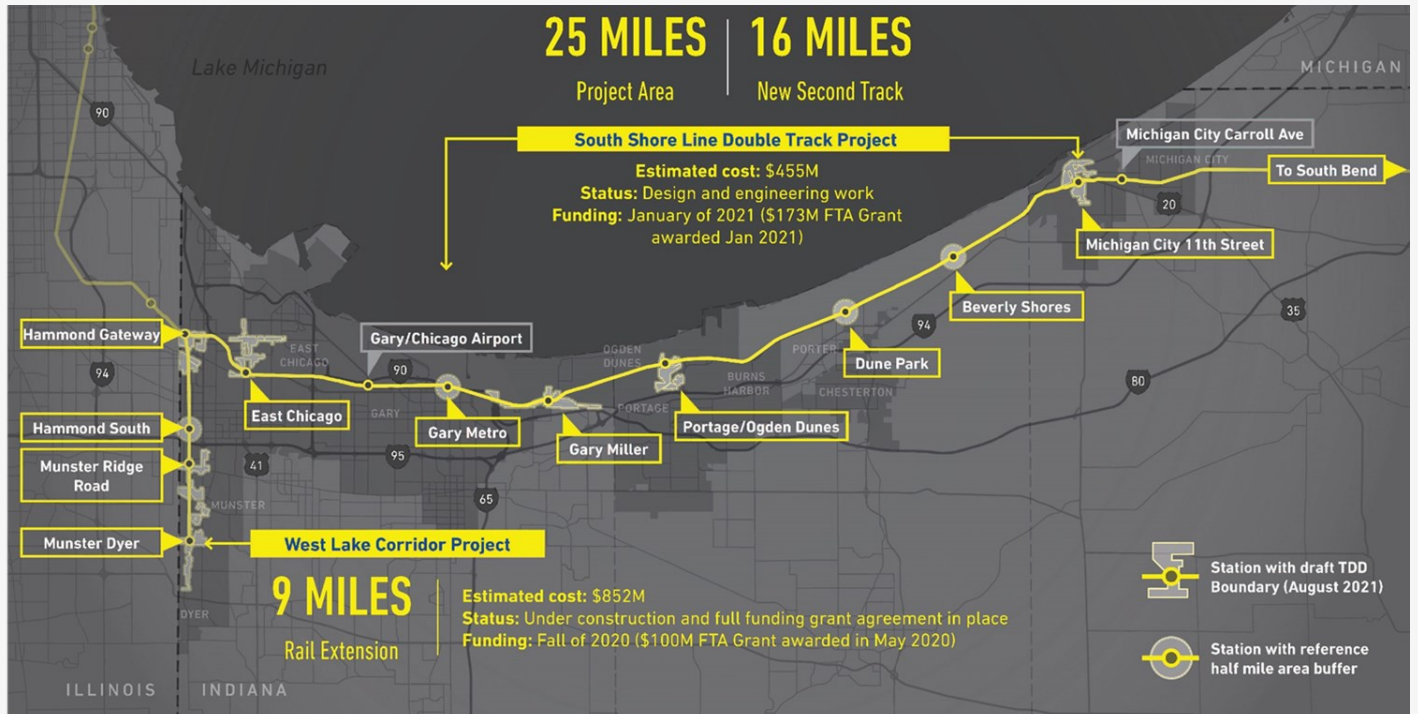
Darnail Lyles, BS, JD, graduated from Howard University in 1981; he received his Law Degree from the Howard University School of Law in 1986. He has practiced law in Indiana for three decades. He also develops real estate. His largest Project to date was a 100 Unit Senior Building in the Miller Beach section of Gary, Indiana. His civic engagements include Board Memberships on the Gary Sanitary District and the South Shore Convention and Visitors Authority. He is currently Special Counsel to Jerome Prince, Mayor of the City of Gary, Indiana.



PATRICK LYP
Governor's Appointment

Patrick Lyp serves as the City Attorney for the City of Valparaiso. He earned his Bachelor's degree in Philosophy from The Catholic University of America and his law degree from Seton Hall University. He currently serves on the Board of Directors for Opportunity Enterprises and as a board member of the Valparaiso Economic Development Corporation and Valparaiso Human Relations Committee.

THE TRANSIT DEVELOPMENT DISTRICTS



In order to accelerate and maximize the return on the state's investment in commuter rail expansion in Northwest Indiana, the Regional Development Authority was tasked with creating Transit Development Districts, or TDDs, around each South Shore station.

Transit Development Districts are defined by a contiguous boundary drawn around a station area. They must be no more than 0.5 square miles (about 320 acres) in area. They capture incremental growth in local income and property tax revenue for use in public investment related to the sta-

tion area. Revenue collected from a district must be spent in that district. Two public hearings must be held before the RDA establishes the TDD boundaries, and they are also subject to review by the State Budget Committee.

Over the course of 2020 and 2021, the RDA has engaged three consulting firms — KPMG, MKSK and Policy Analytics — to create the boundaries of each district. In all phases of the process, the RDA and its team are engaged with community leadership to ensure that the TDD matches the plans and vision of the community. This is critical, because while

the RDA has the ability to collect incremental property and income tax from the TDD and to fund development, control over the type and extent of development is retained by the local communities.

The RDA has hosted a series of public meetings in each community to present the proposed boundaries of the district. Due to the COVID-19 pandemic, we have conducted these events as hybrid in-person and virtual meetings. Prior to each meeting, materials explaining each district are prepared and set up in the community at a location such as the town hall. These are accompanied by comment forms and the exhibits themselves have QR codes allowing those with smartphones to take an online survey and provide feedback about the district.

Virtual versions of all these materials are hosted online at www.nwitdd.com, a new website set up to keep the public informed of the progress of the TDDs. We regularly update the site to answer questions submitted via our online or in-person comment forms and also send out status reports to those who provide an email address. Recordings of all the meetings conducted to date have been uploaded to the RDA's YouTube, shared on our Facebook and Twitter accounts, and linked to on nwitdd.com.

By the end of 2020, the RDA had conducted meetings for the Munster Ridge Road station, the Munster Dyer Main Street station and the Ogden Dunes portion of the Portage Ogden Dunes station. In 2021, public engagement sessions were held for Portage, the Miller station in Gary, the East Chicago station, Hammond Gateway and the 11th Street station in Michigan City.

Following these events, we have finalized the boundaries for all these TDDs. They will be presented to the RDA Board and the State Budget Committee for final reviews and approval in 2022. TDD boundaries for the Beverly Shores, Porter/Dune



East Chicago

Hammond Gateway





Michigan City

Park, Gary Metro, Hammond South and South Bend Airport stations are still in development. In addition to drawing up the TDDs, the RDA has begun efforts to reach out to the development community to spread the word about opportunities here.

The RDA hosted its first “Industry Day” presentation for Developers in late September 2021. This Zoom event featured Munster and Portage. A second Industry Day was held in early November focused on Hammond’s Gateway and downtown station TDDs. More Industry Days are scheduled for 2022.

Separately, Michigan City held its own live Industry Day specific to a Request for Proposals (RFP) it issued for the 11th Street station. They invited the RDA to speak to the assembled developers about the Michigan City TDD as part of this event.

Even in draft form, the Transit Development Districts and commuter rail expansion projects are already attracting interest around the Region. For example, in Hammond, NWI Development Group has proposed a \$24 million redevelopment of the Bank Calumet building. Built in 1925, the 99,000-square-foot office building would be converted into 100 apartments and 7,000 square feet of ground-floor commercial space just two blocks from the proposed Downtown Hammond Station.

In Munster, plans have been announced to transform the Indiana side of the Lansing Country Club into a \$160 million hub for medically focused technology and commercial businesses. Development firm Saxon Partners was attracted by the property’s proximity to Interstates 80/94 and 90, the concentration of health care providers on Calumet Avenue, and the future West Lake Corridor commuter railroad. The 59-acre site is expected to eventually employ upwards of 2,700 people.

In Michigan City, multiple projects were announced including a \$35 million apartment building that will offer 200 apartments within walking distance of the station.



Gary Miller

The developer explicitly cited the Double Track project as a reason for the project. Another developer announced plans for a \$150 million project that would include a hotel and 140 condos. This would also be in the TDD.

Finally, as November ended, the City of Portage issued an RFP for a nearly 44-acre portion of the proposed Portage/Ogden Dunes TDD. This would serve as a “gateway for visitors” and the city would like it to include things like restaurants, offices, specialty retail and possibly a hotel and conference center.

The Northern Indiana Commuter Transportation District (NICTD) sought and was awarded a grant from the Federal Transit Administration for Transit Oriented Development planning in 2021. They in turn awarded a contract to urban planning firm MKSK and asked the RDA to co-manage the effort to ensure that it was complimentary to our own TDD work. Options for local communities include:

- Advance land use projections & development scenarios
- Evaluation of zoning needs and formulation of zoning recommendations and design guidelines
- Coordinating with NICTD Design/Engineering on ongoing efforts on facilities, street design and infrastructure
- Providing planning activities at appropriate scales for each community
- Compiling station area Capital Improvement Plans to address necessary upgrades to utilities, streets, and public improvements
- Identifying performance metrics to evaluate the effectiveness of planning and engagement activities
- Advancing development readiness by crafting updated policies and regulations that effectuate investment

This process got underway in Munster, Hammond, Portage and Michigan City in 2021, with more communities to follow in 2022. ☐

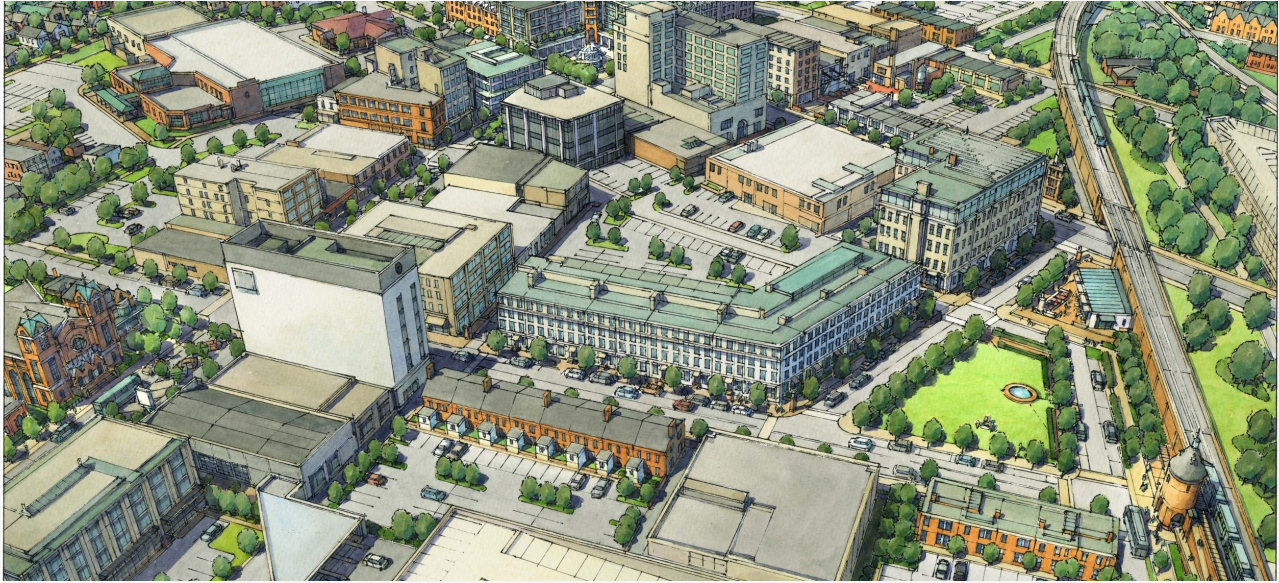


Munster Ridge Road

Portage/Ogden Dunes



LOCAL CONTRACTOR AND MBE/WBE PARTICIPATION



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.

The results of the most recent report on MBE/WBE participation on our active projects through Q4 of 2021 are presented on the opposite page. Two important caveats about these numbers:

First, 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 provided a total of \$50 million for the runway expansion

project at the Gary Chicago International Airport. The total cost of the project was approximately \$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 MBE/ WBE participation on the project as a whole.

Second, 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.

The RDA has also established a “buy Indiana” initiative to encourage the use of local contractors and workers on projects funded by the RDA. In order to be considered an Indiana business, a contractor must meet at least one of four criteria:

- A business whose principal place of business is located in Indiana.
- A business that pays a majority of its payroll (in dollar volume) to residents of Indiana.

- A business that employs Indiana residents as a majority of its employees.
- A business that makes “significant capital investments” in Indiana demonstrating a minimum capital investment of \$5 million or more in plan/equipment or annual lease payments of \$2.5 million or more.

As of the end of the fourth quarter of 2021, more than 78% of the contractors tracked met these criteria. Additionally, 64% of contractors were based in Lake or Porter counties. ☐

PROJECT	% COMPLETED	AWARD AMOUNT	MBE EXPENDITURES	% OF GOAL	WBE EXPENDITURES	% OF GOAL
East Chicago Lakefront Phase I	96.1%	\$17,495,000	\$2,773,595	105.7%	\$884,954	101.2%
East Chicago Lakefront Phase II	97.0%	\$12,925,000	\$288,958	14.9%	\$253,510	39.2%
East Chicago Lakefront Phase III	96.3%	\$8,545,000	\$327,997	25.6%	\$166,201	38.9%
Valparaiso Chicago Dash	41.4%	\$6,847,000	\$681,068	66.9%	\$624,930	182.5%
Gary Buffington Harbor	100.0%	\$7,456,000	\$387,545	34.7%	\$591,689	158.7%
City of Gary	96.1%	\$4,500,000	\$717,164	106.3%	\$882,323	392.1%
Porter Lakefront Phase II	85.0%	\$3,915,000	\$206,624	35.2%	\$380,626	110.2%
Hobart 69th Avenue	83.6%	\$2,500,000	\$13,629	3.5%	\$406,542	325.2%
Porter County Airport	70.7%	\$317,197	\$109,598	230.4%	\$279,323	1761.2%

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF THE NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

We have audited the accompanying financial statements of the Northwest Indiana Regional Development Authority, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Northwest Indiana Regional Development Authority as of December 31, 2020 and 2019, and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

We also have audited in accordance with attestation standards established by the American Institute of Certified Public Accountants, Northwest Indiana Regional Development Au-

thority's internal control over financial reporting as December 31, 2020, 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 28, 2021 expressed an unmodified opinion.

OTHER MATTERS

Government Auditing Standards require that that management's discussion and analysis information on pages 16-23 and the retirement plan schedule of proportionate share of pension liability and schedule of contributions on page 29 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 additional information in accordance with government auditing standards, 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 is required by the Government Accounting Standards Board 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 35) 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.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with Government Auditing Standards, we have also issued our report dated April 28, 2021 on our consideration of Northwest Indiana Regional Development Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Northwest Indiana Regional Development Authority's internal control over financial reporting and compliance.



LWG CPAs & Advisors
Indianapolis, Indiana
April 28, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEARS ENDED DECEMBER 31, 2020, 2019, AND 2018

The following discussion and analysis of Northwest Regional Development Authority's (the "Authority") financial performance provides an introduction and overview of the Authority's financial activities for the years ended December 31, 2020, 2019 and 2018. Please read this discussion in conjunction with the Authority's financial statements and the notes to financial statements immediately following this section.

FINANCIAL HIGHLIGHTS

2020

- Operating revenues for 2020 decreased from \$36,579,092 to \$23,233,525 due to a decrease in revenues from the Lake County Local Income Tax.
- Total expenses for 2020 decreased from \$41,301,058 to \$13,584,784 due to less grants and less funding of rail projects.
- Non-operating revenues decreased due to interest income decreasing from \$1,473,971 to \$441,800 in 2020.

2019

- Operating revenues for 2019 increased from \$17,705,907 to \$36,579,092 due to additional revenues from the Lake County Local Income Tax.
- Total expenses for 2019 increased from \$23,936,604 to \$41,301,058 due to the Authority's continued funding of rail projects.

- Non-operating revenues increased due to interest income increasing from \$553,245 to \$1,473,971 in 2019.

2018

- Operating revenues for 2018 decreased from \$22,715,682 to \$17,705,907 due to inclusion of the January 2018 payment as a receivable at December 31, 2017.
- Total expenses for 2018 decreased from \$33,827,291 to \$23,936,604 due to the Authority awarding less grants in 2018.
- Non-operating revenues increased due to interest income increasing from \$428,812 to \$553,245 in 2018.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The Notes to Financial Statements are an integral part of the financial statements; accordingly, such disclosures are essential to a full understanding of the information provided in the financial statements. The Notes to the Financial Statements begin on page 24.

In addition to the financial statements, this report includes Additional Information. Required additional information begins on page 28 and is related to the Authority's participating in the public Employer's Retirement Fund. The additional information continues to present the 2020 Supplemental Schedule for Supporting Services. *(Editor's Note: The Additional Information presented here is abbreviated due to space considerations. For full information, download the complete audit report at www.in.gov/rda).*

FINANCIAL ANALYSIS

The Authority receives substantially all of its revenue from state, city and county agencies. Beginning in 2006, the fiscal officer of each city and county described in IC 36-7.5-2(b) (other than the (2) largest cities in a county described in IC 36-7.5-2-3(b)(1) (Lake County, Porter County, East Chicago,

Gary, and Hammond)) shall each transfer three million five hundred thousand dollars (\$3,500,000) each year to the Authority for deposit in the Authority's fund.

The RDA also collects Local Income Tax from the units in Lake County. These amounts are restricted to be used for the West Lake Corridor project.

FACTORS BEARING ON THE FUTURE

During 2018, the RDA signed a governance agreement with the Northern Indiana Commuter Transportation District ("NICTD") and the Indiana Finance Authority ("IFA"). This agreement which became effective August 31, 2018, governs the roles and responsibilities of the 3 entities regarding the planned improvements to the South Shore Line, specifically the Double Track Project and the West Lake Project. These projects are proceeding toward Federal Transit Administration funding through its Capital Improvement Grant process. The State of Indiana has appropriated for the benefit of these projects, \$30 million through State Fiscal Year ending June 30, 2019; and is committed to providing \$6 million per year toward each project for the balance of the 30-year period. It is anticipated that the RDA will issue bonds funded through its own, member dues; and that the State will separately issue debt utilizing the appropriations made by the State legislature. None of the already appropriated funds have been "allotted" to the RDA, and therefore remain in the State Treasury.

A comparative condensed summary of the Authority's net assets at December 31, 2020, 2019, and 2018 is as follows:

	2020	2019	2018
Current assets	\$ 88,002,308	\$ 101,386,254	\$ 85,729,333
Property and equipment			
Furniture & fixtures, net	22,124	23,482	24,858
Long-term assets	<u>6,915,000</u>	<u>7,575,000</u>	<u>8,855,000</u>
Total assets	<u>94,939,432</u>	<u>108,984,736</u>	<u>94,609,191</u>
Deferred outflows of resources	<u>33,068</u>	<u>8,830</u>	<u>135,343</u>
Current liabilities	17,781,758	44,117,467	30,712,522
Long-term liabilities	<u>276,064</u>	<u>297,456</u>	<u>422,062</u>
Total liabilities	<u>18,057,822</u>	<u>44,414,923</u>	<u>31,134,584</u>
Deferred inflow of resources	<u>11,858,136</u>	<u>9,612,642</u>	<u>5,395,954</u>
Net position	<u>\$ 65,056,542</u>	<u>\$ 54,966,001</u>	<u>\$ 58,213,996</u>

2020

Long-term assets decreased by \$660,000 due to the Authority receiving payments from a bond anticipation note from the City of Gary. Current liabilities decreased by \$26,335,709 from 2019 due to a decrease in accounts payable and grants payable.

2019

Long-term assets decreased by \$1,280,000 due to the Authority receiving payments from a bond anticipation note from the City of Gary. Current liabilities increased by \$13,404,945 from 2018 primarily due to an increase in payables related to rail projects.

2018

Long-term assets decreased by \$1,250,000 due to the Authority receiving payments from a bond anticipation note from the City of Gary. Current liabilities increased by \$6,017,669 from 2017 primarily due to an increase in grants payable. The Authority awarded more grants than paid down in 2018.

	2020	2019	2018
Operative revenues	\$ 23,233,525	\$ 36,579,092	\$ 17,705,907
Operating expenses	<u>13,584,784</u>	<u>41,301,058</u>	<u>23,936,604</u>
Operating income	9,648,741	(4,721,966)	(6,230,697)
Non-operating revenue	<u>441,800</u>	<u>1,473,971</u>	<u>553,245</u>
Change in net assets	\$ <u><u>10,090,541</u></u>	\$ <u><u>(3,247,995)</u></u>	\$ <u><u>(5,677,452)</u></u>

2020

Operating revenues for 2020 decreased by \$13,345,567 due to a decrease in revenue from the Lake County Local Income Tax. Operating expenses for 2020 decreased from 2019 by \$27,716,274 due to decreased activity related to the rail projects and less grants in 2020. Non-operating revenue decreased in 2020 due to a decrease interest income.

2019

Operating revenues for 2019 increased by \$18,873,185 due to additional revenue from the Lake County Local Income Tax. Operating expenses for 2019 increased from 2018 by \$17,364,454 due to increased activity related to the rail projects. Non-operating revenue increased in 2019 due to an increase interest income.

2018

Operating revenues for 2018 decreased by \$5,009,775 resulting from recording accounts receivable due for the fourth quarter of 2017. Operating expenses for 2018 decreased from 2017 by \$9,890,687 due to the Authority awarding less grants in 2018. Non-operating revenue increased in 2018 due to an increase interest income.

	2020	2019	2018
Salaries and wages	\$ 686,365	\$ 765,700	\$ 757,614
Professional fees	6,608,458	5,954,564	3,745,537
Program services	6,167,812	34,459,541	19,325,885
Other	<u>122,149</u>	<u>121,253</u>	<u>107,568</u>
Total operating expenses	\$ <u><u>13,584,784</u></u>	\$ <u><u>41,301,058</u></u>	\$ <u><u>23,936,604</u></u>

2020

The increase in professional fees was due to increased legal and special consultant work in 2020. Program services decreased from the prior year due to less grants being awarded in 2020.

2019

The increase in professional fees was due to increased legal and special consultant work in 2019. Program services increased from the prior year due to more grants being awarded in 2019.

2018

The increase in professional fees was due to increased legal and special consultant work in 2018. Program services decreased from the prior year due to less grants being awarded in 2018.

	2020	2019	2018
Cash from activities:			
Operating	\$ (13,062,019)	\$ 13,439,798	\$ 1,812,963
Investing	<u>1,079,238</u>	<u>2,728,771</u>	<u>1,777,930</u>
Net change in cash	(11,982,781)	16,168,569	3,590,893
Cash:			
Beginning of the year	<u>92,366,318</u>	<u>76,197,749</u>	<u>72,606,856</u>
End of the year	\$ <u><u>80,383,537</u></u>	\$ <u><u>92,366,318</u></u>	\$ <u><u>76,197,749</u></u>

2020

The Authority’s available cash decreased by \$11,982,781 as of December 31, 2020. The decrease is primarily due to less cash received from the Lake County Local Income Tax distributions.

2019

The Authority’s available cash increased by \$16,168,569 as of December 31, 2019. The increase is primarily due to additional cash received from the Lake County Local Income Tax distributions.

2018

The Authority’s available cash increased by \$3,590,893 as of December 31, 2018. The increase is primarily due to a decrease in payments to grantees.

REQUEST 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.

STATEMENTS OF FINANCIAL POSITION—December 31, 2020 and 2019

	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 49,422,979	\$ 63,725,208
Restricted cash	30,960,559	28,641,110
Accounts receivable	6,260,475	7,687,562
Interest receivable	31,568	34,006
Prepaid expenses	21,727	18,368
Current portion of bond receivable	1,305,000	1,280,000
TOTAL CURRENT ASSETS	<u>88,002,308</u>	<u>101,386,254</u>
Property and equipment		
Furniture, fixtures & leasehold improvements	75,557	75,557
Accumulated depreciation	(53,433)	(52,075)
TOTAL PROPERTY AND EQUIPMENT (NET)	<u>22,124</u>	<u>23,482</u>
Long-term assets		
Bond receivable	6,915,000	7,575,000
TOTAL LONG-TERM ASSETS	<u>6,915,000</u>	<u>7,575,000</u>
TOTAL ASSETS	<u>94,939,432</u>	<u>108,984,736</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension costs	33,068	8,830
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>33,068</u>	<u>8,830</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	4,378,613	20,916,313
Accrued vacation	50,938	51,903
Grants payable	13,352,207	23,149,251
TOTAL CURRENT LIABILITIES	17,781,758	44,117,467
Non-current liabilities		
Net pension liability	276,064	297,456
TOTAL LIABILITIES	<u>18,057,822</u>	<u>44,414,923</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue	11,791,363	9,556,203
Pension costs	66,773	56,439
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>11,858,136</u>	<u>9,612,642</u>
NET POSITION		
Net position - unrestricted	46,005,450	35,914,909
Net position - restricted	19,051,092	19,051,092
TOTAL NET POSITION	<u>\$ 65,056,542</u>	<u>\$ 54,966,001</u>

STATEMENTS OF ACTIVITIES Years Ended December 31, 2020 and 2019

	<u>Amount</u>	
	<u>2020</u>	<u>2019</u>
UNRESTRICTED NET ASSETS		
Support		
Lake County Local Income Tax	\$ 5,733,525	\$ 19,051,092
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
Federal grants	-	28,000
TOTAL SUPPORT	<u>23,233,525</u>	<u>36,579,092</u>
EXPENSES		
Program services		
West Lake Project	-	10,427,526
NIRPC Travel Demand Study	-	46,993
NICTD - Double Track	3,164,527	556,366
Town of Munster 45th Avenue Alignment	-	4,506,894
City of Gary Stormwater Mgmt District	-	4,500,000
Valpo Chicago Dash Phase II	662,279	-
Brownsfield Assessment	21,306	-
NICTD West Lake	<u>2,319,700</u>	<u>14,421,762</u>
TOTAL PROGRAM SERVICES	<u>6,167,812</u>	<u>34,459,541</u>
Supporting services		
Salaries & professional services	7,294,823	6,720,264
Operating expenses	<u>120,792</u>	<u>119,876</u>
TOTAL SUPPORTING SERVICES	<u>7,415,615</u>	<u>6,840,140</u>
Depreciation expense	<u>1,357</u>	<u>1,377</u>
TOTAL EXPENSES	<u>13,584,784</u>	<u>41,301,058</u>
NON-OPERATING REVENUE		
Interest income	<u>441,800</u>	<u>1,473,971</u>
TOTAL NON-OPERATING REVENUE	<u>441,800</u>	<u>1,473,971</u>
CHANGE IN NET POSITION	10,090,541	(3,247,995)
NET POSITION - BEGINNING OF YEAR	<u>54,966,001</u>	<u>58,213,996</u>
NET POSITION - END OF YEAR	<u>\$ 65,056,542</u>	<u>\$ 54,966,001</u>

STATEMENTS OF CASH FLOWS Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Fee revenue	\$ 26,895,772	\$ 41,302,096
Payments to grantees	(10,480,629)	(15,120,226)
Payments to suppliers and employees	<u>(29,477,162)</u>	<u>(12,742,072)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(13,062,019)</u>	<u>13,439,798</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Bond payment proceeds	635,000	1,250,000
Investment interest income	<u>444,238</u>	<u>1,478,771</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>1,079,238</u>	<u>2,728,771</u>
 NET CHANGE IN CASH AND CASH EQUIVALENTS	(11,982,781)	16,168,569
 CASH, RESTRICTED CASH, AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>92,366,318</u>	<u>76,197,749</u>
 CASH, RESTRICTED CASH, AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 80,383,537</u></u>	<u><u>\$ 92,366,318</u></u>
 RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income	\$ 9,648,741	\$ (4,721,966)
Depreciation expense	1,357	1,377
Decrease (increase) in assets		
Accounts receivable	1,427,087	538,116
Prepaid expenses	(3,359)	(1,269)
Increase (decrease) in liabilities		
Deferred revenue	2,235,160	4,184,888
Net pension liability	(35,296)	33,707
Accounts payable and other accruals	(16,538,665)	19,471,284
Grants payable	<u>(9,797,044)</u>	<u>(6,066,339)</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (13,062,019)</u></u>	<u><u>\$ 13,439,798</u></u>

NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2020 and 2019

(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 REA 1120-2005 which identified 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)
- 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 RDA 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 RDA 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 RDA 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 RDA's reporting entity.

Non-Exchange Transactions - Governmental Accounting Standards Board ("GASB") No. 33 defines a non-exchange transaction, as a governmental unit that gives (or receives) value without directly receiving (or giving) equal value in return. Because the RDA distributes money to local governmental units without directly receiving equal value in return, the transactions qualify as a non-exchange transaction. On an accrual basis, expenses to grantees are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the monies are required to be used or the fiscal year when use is first permitted, and revenue requirements, in which the monies are provided to the qualified agencies on a reimbursement basis. Monies requested by year end but not reimbursed until the following fiscal year are considered grants payable.

Measurement Focus and Basis of Accounting - The accounting principles of the Authority are based upon accounting principles generally accepted in the United States of America, as prescribed by the GASB. The Authority adopted GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments, GASB Statement No. 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus and GASB Statement No. 38, Certain Financial Statement Disclosures. The primary impact of adopting these GASB statements is the presentation of net assets, which replaces the previous fund equity section of contributed capital and retained earnings, the presentation of Management's Discussion and Analysis (MD&A) as required supplementary information, and the addition of a statement of cash flows.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The accounts of the Authority are reported using the flow of economic resources measurement focus.

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

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

Revenue - The RDA receives substantially all of its support revenue from state, city and county agencies. The State of Indiana distributes to the Authority admissions tax collected from Lake County, East Chicago, Gary, and Hammond. The amount to be collected from each entity is \$3,500,000 per fiscal year. As of December 31, there could be shortfalls in admissions tax collected which is collected in the subsequent year. Porter County distributes funds to the RDA from its Local Option Income tax in the amount of \$3,500,000 per year. The RDA also collects Local Income Tax from the units in Lake County. These amounts are restricted to be used for the West Lake Corridor project.

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

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

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

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

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 2020 and 2019,

the RDA received \$0 and \$28,000 of federal funds related to Brownfield and West Lake.

Accounts Receivable - Accounts receivable represent payments due to the RDA by December 31. In addition, any shortfalls in admissions tax distributions during the year are included in accounts receivable. All amounts are expected to be collected.

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

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

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

Grants Payable and Other Related Accruals - The Authority is committed to various organizations via reimbursement based grants. These payments are made when the organization has fulfilled the terms of the grant and submitted for reimbursement from the Authority. See Note 6 for further detail.

Deferred Revenue - Deferred revenue represents amounts received as a supplemental distribution from State of Indiana admission tax. These amounts are to assist with commuter rail transportation, specifically the West Lake Line. These funds will be recognized as revenue at such time a project is approved.

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. See Note 2 for further detail.

Furniture, Fixtures, and Leasehold Improvements - 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 restricted for the portion of revenue collected from the Lake County Local Income Tax as it is to be used for the West Lake Corridor project. The remaining net position is considered unrestricted and is available for the use of the Authority.

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

legal level of budgetary control is at the total fund expense level.

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

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

Operating Leases -The agency has a twelve (12) 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, 2020 was \$48,062. The RDA has chosen to renew the lease term which will expire June 30, 2021. The monthly lease amount, which is due at the beginning of each month, is \$4,356. The remaining obligation due for the rental agreement is \$26,136.

Restricted Cash - The agency has received funding related to a rail improvement project in Lake County that will not be completed until 2020 and beyond. The cash received is considered restricted in use for this project.

(2) Concentrations

At December 31, 2020 and 2019, \$800,000 of the RDA’s cash and cash equivalents was insured by the Federal Depositary 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, 2020 and 2019, the remaining portion of cash respectively, was covered by the PDIF and classified in Risk Category 1.

(3) Furniture, Fixtures, and Leasehold Improvements

All furniture, fixtures, and leasehold improvements is depreciated using the straight-line method. Depreciation expense at December 31, 2020 and 2019 was \$1,357 and \$1,377. Furniture, fixtures, and leasehold improvements at year end consist of the following:

	2020	2019
Furniture and fixtures	\$ 37,655	\$ 37,655
Leasehold improvements	37,902	37,902
Accumulated depreciation	(53,433)	(52,075)
Total property and equipment, net	\$ 22,124	\$ 23,482

(4) Pension plans

The Authority contributed to the Public Employees' Retirement Fund (PERF), which is administered by INPRS as a cost-sharing, multiple-employer defined benefit plan. PERF was established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees. Political subdivisions mean a county, city, town, or township, political body corporate, public school corporation, public library, public utility, of a county, city, town, or township, and any department of, or associated with, a county, city, town, or township, which department receives revenue independently of, or in addition to, funds obtained from taxation. There are two tiers to PERF. The first is the Public Employees' Defined Benefit Plan (PERF Hybrid Plan) and the second is the My Choice Retirement Savings Plan for Public Employees (My Choice), formerly known as the Public Employees' Annuity Savings Account Only Plan. The Authority does not participate in My Choice.

Significant Actuarial Assumptions

The total pension liability is determined by the INPRS actuaries in accordance with the GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g. salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g. mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The Authority reported a liability of \$276,064 and \$297,456 as of December 31, 2020 and 2019, respectively, for its proportionate share of the net pension liability. The Authority’s proportionate share 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 December 31, 2020 and 2019, the Authority’s proportion was 0.0000914 and 0.0000900, respectively.

For the year ended December 31, 2020 and 2019, the Authority recognized pension expense of \$75,254 and \$108,669, respectively. At December 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 4,550	\$ 5,546
Differences between expected and actual experience	4,891	3,707
Net difference of projected and actual investment earnings	23,627	-
Changes in assumption	-	57,520
Total	<u>\$ 33,068</u>	<u>\$ 66,773</u>

At December 31, 2019, the Authority reported deferred outflows of resources and deferred inflow of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 887	\$ 10,043
Differences between expected and actual experience	7,877	14,060
Net difference of projected and actual investment earnings	-	32,336
Changes in assumption	66	-
Total	<u>\$ 8,830</u>	<u>\$ 56,439</u>

Amortization of net deferred outflows/(inflows) are as follows:

Year Ending December 31:

2021	\$ (30,373)
2022	(10,159)
2023	(3,209)
2024	<u>10,036</u>
Total	<u>\$ (33,705)</u>

(5) Bond receivable

In 2016, the RDA agreed to loan \$13,100,000 to the City of Gary, Indiana. The amount due to the Authority from the City of Gary at December 31, 2020 and 2019 was \$8,220,000 and \$8,855,000, respectively. The RDA allowed the City of Gary to make its payment due in November 2020 in January 2021. This payment has been collected.

Year Ending December 31:	Principal	Interest
2021	1,950,000	263,269
2022	1,340,000	137,572
2023	1,370,000	106,350
2024	1,400,000	74,433
2025	1,435,000	41,822
Thereafter	725,000	8,306
Total	\$ 8,220,000	\$ 631,752

(6) Commitments

Effective August 31, 2018 the RDA entered into a governance agreement with NICTD and IFA for the development of the South Shore Line, specifically the Double Track and the West Lake Corridor projects. Future commitments are uncertain but projected annual debt service could range from between \$13 million to \$16 million per year, encompassing both projects.

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 \$13,352,207 at December 31, 2020 as detailed on the opposite page.

(7) No interest security forgivable loan

The contingent security interest acquired by the RDA under the forgivable loan program is incrementally released as the

granter 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) Subsequent events

Subsequent events have been evaluated through April 28, 2021 which is the date the financial statements were available to be issued.

Name	Nature of Project	Date Awarded	Initial Total Cost	Cost Through 12/31/20	Remaining Balance at 12/31/20	% Complete as of 12/31/20
Water Filtration Plant Demolition	Shoreline Restoration	11/13/2008	\$1,980,000	\$225,000	\$1,755,000	11%
Hammond Lakes Area	Shoreline Restoration	1/8/2009	\$31,480,000	\$31,422,872	\$57,128	100%
Porter Gateway to the Dunes (Grant 2)	Shoreline Restoration	7/7/2011	\$3,915,000	\$3,345,333	\$569,667	85%
NICTD	Surface Transportation	5/7/2013	\$275,000	\$262,621	\$12,379	95%
Southlake County Community Service	Surface Transportation	1/15/2014	\$318,791	\$239,505	\$79,286	75%
Tec Air	Deal Closing	4/3/2014	\$2,450,000	\$2,446,700	\$3,300	100%
Shoreline and Demolition	Shoreline Restoration	7/18/2014	\$17,495,000	\$16,842,877	\$652,123	96%
Modem Forge	Deal Closing	9/18/2014	\$2,000,000	\$1,968,750	\$31,250	98%
RLF Loan	Deal Closing	12/22/2014	\$160,000	\$99,213	\$60,787	62%
Shoreline and Demolition Phase II	Shoreline Restoration	9/22/2016	\$12,935,000	\$12,534,557	\$400,443	97%
Porter County Airport	Econ. Dvlp.	2/21/2017	\$317,917	\$224,954	\$92,963	71%
Valpo Chicago Dash Phase II	Surface Transportation	8/1/2017	\$6,847,000	\$2,175,000	\$4,672,000	32%
Gary Buffington Harbor	Shoreline Restoration	3/7/2019	\$7,456,000	\$6,939,137	\$516,863	93%
East Chicago Phase III	Shoreline Restoration	6/5/2019	\$8,545,000	\$5,008,653	\$3,536,347	59%
Hobart 69th Avenue	Surface Transportation	9/5/2019	\$2,500,000	\$1,587,329	\$912,671	63%
City of Gary Stormwater Management District	Shoreline Restoration	9/19/2019	\$4,500,000	\$4,500,000	\$0	100%

STAFF



SHERRI ZILLER, PRESIDENT AND CHIEF EXECUTIVE OFFICER

Sherri Ziller, a lifelong resident of Northwest Indiana, was named President and Chief Executive Officer of the RDA in 2021. Previously she was the organization's Chief Operating Officer, responsible for day-to-day operations, strategic planning and fiscal management. 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, IN is the Executive Assistant at the Northwest Indiana Regional Development Authority and has been with the organization since 2011. As the Executive Assistant to the President and CEO, Amy is responsible for managing the administrative aspects of all RDA projects as they relate to scheduling, logistical coordination, communication, organizing, managing and reporting. Amy is also responsible for general fiscal and office management functions and provides highly sensitive support to the President and CEO and Board of Directors. During her time at the RDA, she has proven to be a highly dynamic, energetic, and reliable professional who is always willing to be challenged with new opportunities while maintaining a positive attitude and producing high quality work. She is currently pursuing a Bachelor's degree in Business Administration from Capella University.



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.