NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

2026

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.

RDA
REGIONAL DEVELOPMENT AUTHORITY

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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 2026 annual report. This report includes our fiscal 2025 audit conducted by the London Witte Group.

The past year has been a time of great accomplishments for the Northwest Indiana Regional Development Authority. The highlight was welcoming Indiana Governor Mike Braun to Northwest Indiana last March to open the South Shore commuter rail's new Monon Line from Hammond to Dyer. This approximately $900 million project was delivered on budget and marked the substantial completion of $1.5 billion in commuter rail upgrades that will put Northwest Indiana on a competitive footing with Chicago like never before.

This followed multiple important developments over the course of 2025, including the official opening of the Michigan City 11th Street Station and Parking Garage in June and the $30 million Banc grand opening in Hammond July. Now in summer 2026, the $103 million Franklin Tower at Michigan City's 11th Street Station is scheduled to begin accepting tenants in August. Between them, the Banc and the Franklin Tower put 300 new market-rate apartments into the market, expanding much-needed housing options in Northwest Indiana and delivering a $130 million downpayment on the more than $2 billion in investment we expect to see from commuter rail expansion.

In order to bolster public safety and pave the way for new jobs and investment in Gary, the Gary Blight Elimination program's first two demolitions were completed in August and September of 2025. In June of 2026, the RDA Board approved a contract for the demolition of four more sites, including the Genesis Convention Center adjacent to the Gary Metro Station. In July, the RDA issued an RFP for the demolition of yet two more sites, The former City Church and Saint Mary's hospital sites. The initial $12 million allocated for the blight elimination program has been augmented by a $15 million grant from the Lilly Foundation, which will be used to conduct more demos as well as provide incentives for new development.

We are pleased to report that the RDA has finished setting up its Land Development Entity, or LDE, which is designed to acquire, assemble and remediate challenged properties in Northwest Indiana and get them back on the market and back on the tax rolls as soon as possible. A three-member board of directors has been established and the RDA is dedicating $5 million in seed money to get the LDE in motion..

Among the new responsibilities given to the RDA by the state legislature in 2023 was fiscal oversight of the construction of a new Lake County Convention Center. With building scheduled to begin in the Spring of 2027, the RDA and the City of Gary have established parameters for financing and oversight in a Governance Agreement. This agreement is similar to the one that we negotiated with NICTD and establishes the processes for the effective implementation of the project. In addition, a Revenue Deposit Agreement with the City of Gary and a bank has been established to control the flow of funds. The project will be financed with 20-year bonds issued by the RDA and sold to the Indiana Finance Authority. The bonds will be issued in the spring of 2027 and are projected to produce sufficient funds to provide $136.5 million for convention center construction.

Finally, the Gary Metro Center Revitalization Board established by the aforementioned legislation met for the first time in April 2026. The State of Indiana has made available $3 million in annual matching funds for the project, subject to an equivalent match from Gary. They City has provided $3 million for the first year of funding, and the State Budget Committee approved release of $3 million in state matching funds. This will be used to start the design process for the new Gary Metro Station.

The RDA was created in 2006, so this year we are celebrating our 20th anniversary of funding transformative regional infrastructure projects. These have included shoreline projects like the Lakefront Park in Whiting, The Pav at Wolf Lake, Marquette Park East in Miller, the runway extension and rail relocation project at the Gary/Chicago International Airport and, of course, the Double Track and Monon corridor commuter rail projects. In total, over the last 20 years the RDA has either fully or partially funded about $2 billion worth of projects in Northwest Indiana. Those investments are paying off today — and nowhere more clearly than the Chicago Bears' interest in a new stadium in Hammond. The RDA is committed to investing in and growing 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 Powers Health. 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 Powers Health Cancer Research Foundation Board, the Indiana University School of Medicine Advisory Council, the Hospice of the Calumet Area Board and the Powers Health Medical Group .

Milton Reed
East Chicago Appointment and Vice Chairman of the Board

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. 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.

Chris Campbell
Governor's 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. Chris Campbell, is President at Centier Bank. He is CEO of the bank holding company and a member of Centier's Board of Directors. He serves on several nonprofit boards including 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.

Randolph Palmateer
Lake County Appointment

Randolph Palmateer is Business Manager of the Northwestern Indiana Building Trades Council. He is a 24-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, including the Saint John Police Commission and the Lake County Economic Alliance.

Todd Elliot
Porter County Appointment

Todd Elliot is the Porter County appointment to the RDA Board of Directors.

Alesia Pritchett
Gary Appointment

Alesia Y. Pritchett, CPA, is the Executive Director of Business Services/Grant Management for the School City of Hammond. She earned a Bachelor's degree in Accounting from Purdue University, West Lafayette, IN and MBA from Indiana University Northwest. With over 35 years of experience, she has provided expert financial guidance to school districts and businesses, ensuring compliance with accounting standards, state regulations, and optimizing financial strategies. She is a former member of the Gary/Chicago International Airport Authority. Her philosophy is embracing the adage that it takes all of us working together to bring about change. She is compassionate and believes that if you put God first, then whatever you undertake will be successful.

Anne Taylor
Hammond Appointment

As Executive Director of Planning and Development for the City of Hammond, Anne Taylor oversees the departments of Economic Development, Community Development and City Planning. These departments all work closely together to ensure that new developments move forward smoothly and successfully, whether it's an expansion into Hammond or a relocation from another city or state. Anne and her team, under the savvy leadership of Mayor Thomas M. McDermott, Jr., strive to find creative avenues to help support and promote development in Hammond. Anne arrived in Northwest Indiana in 2005, after many years working in Chicago, Seattle and Boston. She received a B.A. in the Classics from Washington and Lee University and currently sits on many Regional boards such as the Hammond Development Corporation, the Hammond Urban Enterprise Association and the Regional Development Company.

Jason Gilliana
Governor's Appointment, Porter County TDD Appointee

Jason Gilliana is a lifelong resident of Northwest Indiana. He is the Managing Member of Gilliana Pools and Whiteco Pool Solutions LLC. A Qualifier and Commercial Construction License holder in several states and local municipalities throughout the country, Jason has more than 25 years of experience in Residential and Commercial Real estate development. He is current a Board Member of the Porter County Redevelopment Commission and a past Board Member of the Porter County Alcoholic Beverage Commission.

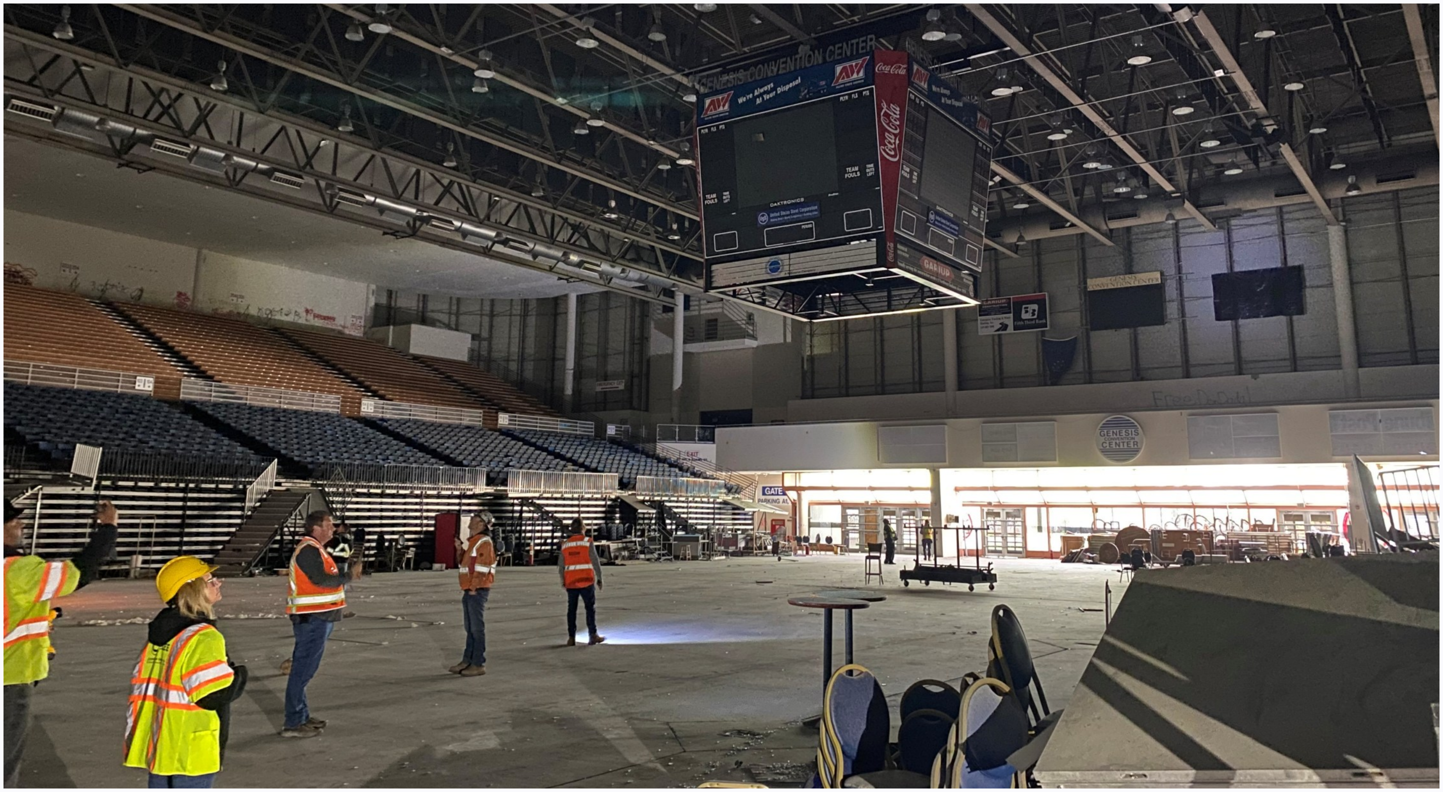
John Carr
Governor's Appointment, LaPorte County TDD Appointee

John is a seasoned leader in the construction industry and community development. As the Senior Business Representative for the Central Midwest Regional Council of Carpenters in Northwest Indiana, John brings over two decades of experience and dedication to his craft. As a member of the LaPorte Economic Advancement Partnership (LEAP) board of directors, the LaPorte County Economic Development Board, and serving as President of the LaPorte County Regional Sewer District, John plays a vital role in shaping the future of his community. Additionally, his involvement in the LaPorte County Plan Commission and the LaPorte County Board of Zoning Appeals underscores his dedication to thoughtful and sustainable growth.

Dewey Pearman
Governor's Appointment, Lake County TDD Appointee

Dewey Pearman has served as the Executive Director of the Construction Advancement Foundation of Northwest Indiana since 1995. In his role at the CAF, Dewey oversees the operations of the Foundation and advocates to impact policies that affect the professional construction and maintenance industry in Northwest Indiana. Prior to joining CAF, Mr. Pearman was Vice President of Operations and Governmental Affairs for the Northwest Indiana Forum. He holds an undergraduate degree in business administration and a graduate degree in economics from Indiana State University.

Transforming Northwest Indiana



Contractors examine the Genesis Center in Gary during a pre-id walkthrough. Demolition of the Genesis Center was part of the $12 million Gary Blight Elimination program.

Over the past 20 years, the Northwest Indiana Regional Development Authority (RDA) has transformed Northwest Indiana through disciplined, multi-jurisdictional, large-scale investment that positioned the Region to compete in the Chicago economy and unlocked billions in economic returns, including interstate commerce between the region and Chicago, the world's 9th largest economy.

That work is not done. With core infrastructure investments largely complete, attention now shifts to unlocking their full value, with a focus on accelerating redevelopment, advancing TOD, activating underutilized land, and driving private investment.

The RDA's next phase is about turning infrastructure into outcomes: jobs, tax base, and long-term economic growth. In order to guide the RDA's activities, the organization commissioned an update of its comprehensive strategic plan, which was delivered in 2025. This update, the first since 2016, is designed to direct the resources of the RDA now that the overarching concerns of the past 12 years, the Double Track and West Lake South Shore projects, are complete. The update identified several opportunities now being pursued.

The first of these was advancing the RDA's non-profit Land Development Entity (LDE) as the regional clearinghouse for environmentally impaired and underutilized properties, particularly along the Lake Michigan shoreline. Its mission is transforming challenged sites into productive assets that generate new private investment, jobs, and tax base growth. This process moved ahead in late 2025 and early 2026 with the RDA standing the LDE up, seating a Board of Directors, and providing $5 million for new strategic investments in identified properties.

The second initiative was starting the process of designating U.S. 12 along the Lake Michigan shoreline as a state and federal scenic byway, unlocking an estimated $80 million in economic output while strengthening tourism, recreation, and place-based investment at the Indiana Dunes State Park, and Indiana Dunes National Park.

Finally, the RDA moved to spur private development within the Transit Development Districts (TDDs) through deployment of the new Development Catalyst Grant program, designed to help communities develop and implement the tools and processes necessary to be ready for development.

The RDA also executed on several items added to its portfolio by the Indiana State Legislature in 2023. They include the Gary Blight Elimination Program, the Gary Metro Center Revitalization project, and the Lake County Convention Center.

LAND DEVELOPMENT ENTITY

The three-member Board of Directors of the Land Development Entity (LDE) met for the first time in April of 2026. The Directors include Peter Novak, Chief Executive Officer of the Northwest Indiana REALTORS® Association, Matthew Wells, President and Chief Executive Officer of One Region, and Rick Calinski, Director of Public Affairs and Economic Development for NIPSCO, who will serve as the inaugural Chairman of the Board.

"I am honored and excited to serve on this Board and as Chairman," Calinski said. "I believe this organization can truly act as a springboard in communities where redevelopment has been a challenge. When there is an environmental hurdle, we can bring partners to the table to find solutions to new investment and job creation."

The LDE will work with local communities to address properties in Northwest Indiana that are not productive due to abandonment, environmental contamination, the presence of obsolete buildings, or similar impediments to development. By resolving these issues, we can incentivize private sector investment and return these properties to the tax rolls. While the LDE will seek grant funding from various sources , the RDA is committing an initial $5 million in seed money and earmarking an additional $500,000 from its Brownfields Revolving Loan Fund, for the LDE so it can begin operations as soon as possible.

US 12 SCENIC BYWAY

The push to make US 12 in Northwest Indiana a state and federal scenic byway began in 2026 with the creation of a Web site us12scenicbyway.com and the first meeting of the Scenic Byway Working Group, which will help RDA to balance the needs of shore-based industry with the opportunities presented by a scenic byway designation. This will strengthen tourism, enhance access to the Lake Michigan shoreline, and support economic development across Northwest Indiana.

While Northwest Indiana's lakefront is small in comparison to neighboring states, it contains two of the Midwest's most valuable natural and tourism assets, the Indiana Dunes National Park and Indiana Dunes State Park. The new Indiana Dunes National Park, the 61st in the nation, ranks 13th in annual visitation with more than 2.8 million visitors each year, while the adjoining State Park remains one of the state's premier outdoor destinations. A scenic byway designation will provide a powerful tool for shoreline communities to bolster tourism and local economies through coordinated efforts and investments that enhance the visitor experience and expand access to and use of the lakeshore and the parks.

In parallel with the scenic byway project, the RDA will work with the municipalities along the shoreline to improve and augment iconic entrances to the parks. Better access will augment the visitor experience by reducing the notoriously long park entry delays common during the summer months, and bolster public safety by allowing emergency vehicles to get in and out of the parks quickly and easily..

TRANSIT DEVELOPMENT DISTRICTS

To help local governments build the tools, plans, and frameworks needed to attract quality development and expand the tax base, the RDA In 2026 committed $250,000 in grant funds to a new Development Catalyst Grant program.

The program is tailored to help local governments in Lake and Porter Counties build the tools, plans, and frameworks needed to attract quality development, expand the local tax base, and connect local priorities to the region's long-term vision.

Zoning code updates for TOD, housing studies, investor prospectuses for redevelopment areas, placemaking materials for station areas and downtown districts, infrastructure gap analyses identifying barriers to development and master development agreement frameworks are just a few examples of the work RDA is looking to fund with the Development Catalyst Grants.

Development Catalyst Grants will be available to all local government units in Lake and Porter counties. Individual awards will range from $10,000 to $75,000, with RDA requesting at least a 10% match. The first three Development Catalyst Grants were approved by the RDA Board of Directors in July 2026. They included:

- $75,000 to the towns of Pines and Beverly Shores for leveraging their current EPA CAWAG (Closing America's Wastewater Access Gap) grant. The Development Catalyst Grant will help the communities coordinate and crystallize action steps necessary on utility connection, funding, development code updates, and project implementation.
- $60,000 to the Town of Chesterton for the next phase of their strategic update to the town's development codes. The zoning code update will commence as they finalize their Comprehensive Planning process. The town is taking a strategic approach to systematically updating gaps they have identified in reaching the town’s community development goals.
- $75,000 to the City of Lake Station to modernize their Comprehensive Plan, Zoning Code, and Economic Development strategy. They will use these funds to update their comprehensive plan with a focus on unlocking development and investment potential in the city and strategically updating their codes, allowing them to pursue future funding opportunities that become available with a current comprehensive plan.

The downtown Metro Station TDD in Gary was a particular area of focus for the RDA in 2026. In 2023, then-State Senator, and now Mayor of Gary, Eddie Melton spearheaded legislation to provide state funding, subject to matching funds from Gary, for blight elimination in downtown Gary around the Metro Station and within the Metro Station TDD, construction of a new Gary Metro multi-modal station, and construction of a Lake County Convention Center.

In 2023, the RDA pre-funded the State’s $6 million match to Gary’s $6 million for the $12 million Gary Blight Elimination Program. In coordination with the City of Gary, the RDA has administered the program and the fund. Demolitions began with the removal of the former Lovell's Barber College and a vacant ambulance repair shop in 2025. In July 2026, the RDA Board of Directors approved a $2.87 million bid for the demolition of the former Gordon's Department Store, the Gordon's Department Store Annex, the Genesis Convention Center and the Genesis Convention Center parking garage.

In September 2025, the Indiana Economic Development Corporation approved an additional $15 million to bolster the RDA's redevelopment efforts in and around the Gary Metro TDD, bringing the total investment to $27 million. The grant was split into three tranches: $5 million for renovations at the Hudson & Campbell Center adjacent to Gary City Hall; $5 million for blight elimination and redevelopment in the Holy Angels neighborhood; and $5 million for redevelopment within the TDD.

With the start of construction on the Lake County Convention Center targeted for the Spring of 2027, the RDA and the City of Gary have established parameters for financing and oversight in a Governance Agreement. The agreement is similar to the one RDA negotiated with NICTD that resulted in both the Double Track and West Lake commuter rail projects coming in under budget and establishes the processes for the effective implementation of the project.

The Gary Metro Center Revitalization Board met for the first time on April 15, 2026 (*pictured above right*). The Board is chaired by Troy Wodruff, who was appointed by Gov. Mike Braun. Both Gary and RDA have three appointments to the board: Terry Carter, Kevin Kimble and Sharon Levels for Gary, and Phil Taillon, Dan Repay and Matt Reardon for the RDA.

Per legislation the State of Indiana has made available $3 million in annual matching funds for the project, subject to an equivalent match from Gary. As Gary has provided $3 million for the first year of funding, the RDA has requested release of $3 million in state matching funds. This will be used to start the design process for the new Gary Metro Station.

In addition, a Revenue Deposit Agreement with the City of Gary and the Bank of New York was established to control the flow of funds. All funds will flow through the trust account held by the Bank of New York. The City of Gary will be responsible for contracting with the vendors and the RDA will have oversight over contracting and payment of invoices.

The City of Gary has already publicly procured a not-to-exceed-$135 million Design Build contract awarded to the AECOM Hunt – Powers joint venture. The project will be financed with 20-year bonds issued by the RDA and sold to the Indiana Finance Authority. The bonds will be issued in the spring of 2027 and are projected to produce $136.5 million for construction. ❐

Local Contractor and MBE/WBE Participation

As outlined in IC 36-7.5-2-8, the RDA has statutory goals of 15% minority-owned business (MBE) and 5% women-owned business (WBE) participation on RDA-funded projects.

Results of the most recent report on MBE/WBE participation on our active projects through Q2 of 2026 are presented here. Two 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 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 second quarter of 2026, more than 80% of the contractors tracked met these criteria. Additionally, 74% 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%
Porter Lakefront Phase II	85.0%	$3,915,000	$206,624	35.2%	$215,631	110.2%
Porter County Airport	70.7%	$317,197	$109,598	230.4%	$279,323	1761.2%

RDA Staff

Sherri Ziller, President and Chief Executive Officer

Sherri Ziller is President and CEO of the Northwest Indiana Regional Development Authority (RDA), where she leads transformative initiatives that are advancing economic growth, infrastructure investment, and quality of place across Northwest Indiana. A lifelong Northwest Indiana resident and member of the RDA's team since its inception in 2006, Ziller has helped leverage more than $2 billion in public and private investment to strengthen the region's economy and competitiveness. Appointed President and CEO in 2021 after serving as Chief Operating Officer, she has overseen landmark projects including the West Lake Corridor and Double Track commuter rail expansions, Transit Development Districts, and catalytic redevelopment initiatives that are reshaping communities throughout the region. Her collaborative leadership has united local, state, federal, and private-sector partners around a shared vision for Northwest Indiana's future. Through strategic investment and regional collaboration, Ziller has helped position Northwest Indiana as one of the Midwest's most connected and economically competitive regions. She is widely recognized as one of Indiana's leading business and civic executives and is a frequent speaker on regionalism, infrastructure investment, and economic development. Ziller holds a Master's degree in Education and a Bachelor's degree in Political Science from Purdue University Calumet..

Amy Jakubin, Program Director

Amy Jakubin, a resident of Crown Point, IN is the Program Director at the Northwest Indiana Regional Development Authority and has been with the organization since 2011. As Program Director, 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.

Courtney Kvachkoff, Controller

Courtney Kvachkoff is Controller for the RDA. She was previously with Indianapolis-based Onebridge. Prior to that, she was with the Indianapolis office of Ernst and Young. She brings nearly a decade's worth of experience in accounting, tax preparation, and financial analysis to the RDA, along with proven leadership in team coordination and community initiatives. During her time at Onebridge, Kvachkoff directed the Service Team, a group made to help the business connect, volunteer, and donate to non-profit organizations throughout the Indianapolis area. Under her leadership, the Team won the Spirit United Award, given annually by United Way. A resident of Crown Point, Kvachkoff has a bachelor's degree in accounting from St. Joseph's College in Rensselaer and an MBA from the University of St. Francis in Fort Wayne.

A.J. Bytnar, Director of Economic Development

AJ Bytnar brings more than 15 years of experience in economic development, urban planning, zoning, and redevelopment to the RDA. While Executive Director of Redevelopment for the City of Gary, he worked on initiatives such as the formation of the downtown and Miller Beach Transit Development Districts, Broadway Lofts, Alliance Steel, Hard Rock Casino, and blight elimination efforts. At the Indiana Housing & Community Development Authority, Bytnar worked with developers, housing providers, and community leaders to implement projects leveraging tax credits, community development block grants, and HOME funds. At the City of Fishers, he coordinated transformative mixed-use developments within the Nickel Plate District and 116th Street corridor. He holds a Bachelor of Science in Property Management with a minor in Urban Planning and a master's Certificate in Real Estate Development from Ball State University and recently completed his MBA from Indiana University Northwest.

David Wellman, Director of Communications

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*. He holds a Bachelor's degree in Journalism from Ohio University.

Independent Auditor's Report

To the Board of Directors of the Northwest Indiana Regional Development Authority

Opinion

We have audited the financial statements of Northwest Indiana Regional Development Authority, as of and for the years ended December 31, 2025 and 2024 and the related notes to the financial statements, which collectively comprise Northwest Indiana Regional Development Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of Northwest Indiana Regional Development Authority, as of December 31, 2025 and 2024 and the related statements of activities and changes in net position, and cash flows, for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Northwest Indiana Regional Development Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Northwest Indiana Regional Development Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Northwest Indiana Regional Development Authority's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Northwest Indiana Regional Development Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-10 and the retirement plan schedule of proportionate share of pension liability and schedule of contributions on pages 27-28 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. 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 information 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 opinions on the basic financial statements are not affected by this missing information

The additional information provided on page 29 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management. The information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Report on Internal Control over Financial Reporting

We also have audited, in accordance with auditing standards generally accepted in the United States of America, Northwest Indiana Regional Development Authority's internal control over financial reporting as of December 31, 2025, 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 15, 2026 expressed an unmodified opinion.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2026, 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 solely 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 the effectiveness of 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 15, 2026

Management's Discussion and Analysis

Years Ended December 31, 2025, 2024, and 2023

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, 2025, 2024 and 2023. Please read this discussion in conjunction with the Authority's financial statements and the notes to financial statements immediately following this section.

Financial Highlights

2025

- Operating revenues for 2025 increased from $27,597,318 to $27,827,055 due to an increase in revenues from the Lake County Local Income Tax as well as TDD revenues from the City of East Chicago and Munster.
- Total expenses for 2025 increased from $23,842,578 to $49,344,660 due to the NICTD West Lake escrow payment.
- Non-operating revenues for 2025 decreased from $3,451,365 to $2,539,896 due to a decrease in interest income.

2024

- Operating revenues for 2024 increased from $23,663,886 to $27,597,318 due to an increase in revenues from the Lake County Local Income Tax as well as revenues related to Gary Blight Elimination reimbursement.
- Total expenses for 2024 decreased from $34,742,238 to $23,842,578 due to less expenses associated with rail projects and West Lake Project lease transfers.
- Non-operating revenues for 2024 increased from $3,177,036 to $3,451,365 due to an increase in interest income.

2023

- Operating revenues for 2023 increased from $23,118,211 to $23,663,886 due to an increase in revenues from the Lake County Local Income Tax.
- Total expenses for 2023 increased from $24,505,315 to $34,742,238 due to more expenses associated with rail projects and West Lake Project lease transfers.
- Non-operating revenues for 2023 increased from $923,796 to $3,177,036 due to an increase in interest income.

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 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 2025 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 three million five hundred thousand dollars ($3,500,000) each year to the Authority for deposit in the Authority's fund. These funds are designated as "Member Dues" in the RDA's agreement which governs the Rail Project and in the lease agreements for that project.

The RDA receives Local Income Tax revenue collected by the State and distributed to the RDA by the State Auditor (IC 6-3.6-9-5) which is derived from the governmental units in Lake County. These amounts are restricted to be used for the West Lake Corridor project. In the RDA's Governance Agreement for the Rail Projects, and in the lease agreements for those projects, these funds are labeled, "Participant Unit Revenues."

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 commuter rail, South Shore Line, specifically the Double Track Project and the West Lake Project. These projects have been approved for funding by the Federal Transit Administration at an approximate total of $1.5 billion (not to include financing costs) through its Capital Improvement Grant process and work is proceeding on the West Lake Project, while the South Shore Double Track project opened for revenue service on May 13, 2024.

During 2022, the IFA issued a loan for funding the rail projects. In order to fund the debt payments, the RDA entered into lease agreements with the IFA in which it agrees to make semi-annual payments. These agreements are in place through November 1, 2048 and will be funded from both member dues and participant unit revenues.

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.

A comparative condensed summary of the Authority's net assets at December 31, 2025, 2024, and 2023 is as follows :

	2025	2024	2023
Current assets	$ 100,697,865	$ 115,464,504	$ 104,667,127
Property and equipment			
Furniture & fixtures, net	16,060	17,256	18,452
Long-term assets	-	975,000	2,510,000
Total assets	100,713,925	116,456,760	107,195,579
Deferred outflows of resources	65,283	50,118	57,171
Current liabilities	3,682,763	4,715,489	6,782,456
Long-term liabilities	32,740,855	28,441,065	24,300,302
Total liabilities	36,423,618	33,156,554	31,082,758
Deferred inflow of resources	9,063	26,088	51,861
Net position	$ 64,346,527	$ 83,324,236	$ 76,118,131

2025

Long-term assets decreased by $975,000 due to the Authority receiving payments from a bond anticipation note from the City of Gary and a promissory note from the City of East Chicago Housing Authority.

Current liabilities decreased by $2,066,967 from 2024 due to a decrease in accounts payable and accrued expenses.

2024

Long-term assets decreased by $1,535,000 due to the Authority receiving payments from a bond anticipation note from the City of Gary and a promissory note from the City of East Chicago Housing Authority.

Current liabilities decreased by $1,032,726 from 2023 due to a decrease in accounts payable and grants payable.

2023

Long-term assets decreased by $1,500,000 due to the Authority receiving payments from a bond anticipation note from the City of Gary and a promissory note from the City of East Chicago Housing Authority.

Current liabilities decreased by $2,698,231 from 2022 due to a decrease in accounts payable and grants payable.

A comparative condensed summary of the Authority's changes in net assets for the years ended December 31, 2025, 2024, and 2023 is as follows:

	2025	2024	2023
Operating revenues	$ 27,827,055	$ 27,597,318	$ 23,663,886
Operating expenses	49,344,660	23,842,578	34,742,238
Operating income	(21,517,605)	3,754,740	(11,078,352)
Non-operating revenue	2,539,896	3,451,365	3,177,036
Change in net assets	$ (18,977,709)	$ 7,206,105	$ (7,901,316)

2025

Operating revenues for 2025 increased by $229,737 due to an increase in revenue from the Lake County Local Income Tax.

Operating expenses overall for 2025 increased from 2024 by $25,502,082. The increase in expenses is due to a payment to NICTD from the RDA for West Lake Operating Deficits. The escrow payment was for $25,972,472; the balance accumulated from 2016 to 2024. The payment was required by HEA 1001-2025, the State Budget Act, page 213, SECTION 332, which reads in part "…NWIRDA shall, not later than July 1, 2025, transfers any funds: (1) paid to NWIRDA under IC 6-3.1-20-7(d) before January 1, 2025; and (2) being held in escrow as of December 31, 2024; to NICTD to subsidize NICTD's operation and maintenance costs of the South Shore line that are attributable to the operations of the part of the South Shore line located in Lake County.

Non-operating revenue decreased in 2025 due to an decrease in interest income.

2024

Operating revenues for 2024 increased by $3,933,432 due to an increase in revenue from the Lake County Local Income Tax as well as revenues related to Gary Blight Elimination reimbursement.

Operating expenses for 2024 decreased from 2023 by $10,899,660 due to decreased activity related to the rail projects and West Lake Project lease transfers.

Non-operating revenue increased in 2024 due to an increase in interest income.

2023

Operating revenues for 2023 increased by $545,675 due to an increase in revenue from the Lake County Local Income Tax.

Operating expenses for 2023 increased from 2022 by $10,236,923 due to increased activity related to the rail projects and West Lake Project lease transfers.

Non-operating revenue increased in 2023 due to an increase in interest income.

A comparative condensed summary of the Authority's operating expenses for the years ended December 31, 2025, 2024, and 2023 is as follows :

	2025	2024	2023
Salaries and wages	$ 826,437	$ 345,655	$ 535,603
Professional fees	3,170,549	4,095,826	4,532,530
Program services	45,216,261	19,272,239	29,566,090
Other	131,413	128,858	108,015
Total operating expenses	$ 49,344,660	$ 23,842,578	$ 34,742,238

2025

The increase in salaries and wages was due to an SBOA surplus that was used during 2024. There was no surplus used in 2025. Additionally, the RDA hired two individuals at the end of 2024. The decrease in professional fees was due to decreased special consultant work in 2025. Program services increased from the prior year due to a NICTD West Lake escrow payment in 2025.

2024

The decrease in salaries and wages was due to an SBOA surplus that was used during 2024. There was no surplus used in 2024. The decrease in professional fees was due to decreased special consultant work in 2024. Program services decreased from the prior year due to fewer expenses associated with rail projects and West Lake Project in 2024.

2023

The increase in salaries and wages was due to an SBOA surplus that was used during 2022. There was no surplus used in 2023. The increase in professional fees was due to increased special consultant work in 2023. Program services increased from the prior year due to expenses associated with rail projects and West Lake Project in 2023.

A comparative condensed summary of the Authority's cash flows for the years ended December 31, 2025, 2024, and 2023 is as follows :

	2025	2024	2023
Cash from activities:			
Operating	$ (21,246,364)	$ 2,611,425	$ (10,839,374)
Investing	3,972,722	4,956,742	4,752,297
Net change in cash	(17,273,642)	7,568,167	(6,087,077)
Cash:			
Beginning of the year	104,636,684	97,068,517	103,155,594
End of the year	$ 87,363,042	$ 104,636,684	$ 97,068,517

2025

The Authority's available cash decreased by $17,273,642 as of December 31, 2025. The decrease is primarily due to the increase in program services related to the NICTD West Lake escrow payment.

2024

The Authority's available cash increased by $7,568,167 as of December 31, 2024. The increase is primarily due to less cash expended for grants payable and payments to outside professionals/consultants.

2023

The Authority's available cash decreased by $6,087,077 as of December 31, 2023. The decrease is primarily due to more cash expended for grants payable and payments to outside professionals/consultants.

STATEMENTS OF FINANCIAL POSITION—December 31, 2025 and 2024

		2025		2024
ASSETS				
Current assets				
Cash and cash equivalents	$	33,404,553	$	55,589,578
Restricted cash		53,958,489		49,047,106
Accounts receivable		12,326,638		9,254,804
Interest receivable		2,753		8,295
Current portion of note receivable		250,000		100,000
Prepaid expenses		30,432		29,721
Current portion of bond receivable		725,000		1,435,000
TOTAL CURRENT ASSETS		100,697,865		115,464,504
Property and equipment				
Furniture, fixtures & leasehold improvements		75,557		75,557
Accumulated depreciation		(59,497)		(58,301)
TOTAL PROPERTY AND EQUIPMENT (NET)		16,060		17,256
Long-term assets				
Bond receivable		-		725,000
Note receivable		-		250,000
TOTAL LONG-TERM ASSETS		-		975,000
TOTAL ASSETS		100,713,925		116,456,760
DEFERRED OUTFLOWS OF RESOURCES				
Pension costs		65,283		50,118
TOTAL DEFERRED OUTFLOWS OF RESOURCES		65,283		50,118
LIABILITIES				
Current liabilities				
Accounts payable and accrued expenses		170,240		1,067,360
Accrued vacation		42,327		34,126
Grants payable		3,470,196		3,614,003
TOTAL CURRENT LIABILITIES		3,682,763		4,715,489
Non-current liabilities				
Net pension liability		208,839		204,371
West Lake operating escrow		32,532,016		28,236,694
TOTAL NON-CURRENT LIABILITIES		32,740,855		28,441,065
TOTAL LIABILITIES		36,423,618		33,156,554
DEFERRED INFLOWS OF RESOURCES				
Pension costs		9,063		26,088
TOTAL DEFERRED INFLOWS OF RESOURCES		9,063		26,088
NET POSITION				
Net position - unrestricted		44,645,435		63,623,144
Net position - restricted		19,701,092		19,701,092
TOTAL NET POSITION	$	64,346,527	$	83,324,236

STATEMENTS OF ACTIVITIES Years Ended December 31, 2025 and 2024

	2025	2024
UNRESTRICTED NET ASSETS		
Support		
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
TOTAL UNRESTRICTED SUPPORT	17,500,000	17,500,000
RESTRICTED NET ASSETS		
Support		
Lake County Local Income Tax	7,195,456	7,078,359
Gary Blight Elimination	3,000,000	3,000,000
TDD - East Chicago	15,495	-
TDD - Hammond Gateway	-	18,959
TDD - Munster	116,104	-
TOTAL RESTRICTED SUPPORT	10,327,055	10,097,318
TOTAL SUPPORT	27,827,055	27,597,318
EXPENSES		
Program services		
Rail Projects Annual Leases		
NICTD WL Escrow Payment	25,972,472	-
West Lake Project Lease (LIT)	7,195,455	7,078,359
South Shore and West Lake Balance Leases (Member Dues)	9,048,334	9,193,880
TOTAL RAIL PROJECTS ANNUAL LEASES	42,216,261	16,272,239
Gary Blight Elimination	3,000,000	3,000,000
TOTAL PROGRAM SERVICES	45,216,261	19,272,239
Supporting services		
Salaries & professional services	3,996,986	4,441,481
Operating expenses	130,217	127,662
TOTAL SUPPORTING SERVICES	4,127,203	4,569,143
Depreciation expense	1,196	1,196
TOTAL EXPENSES	49,344,660	23,842,578
NON-OPERATING REVENUE		
Grant close-out adjustments	107,716	-
Interest income	2,432,180	3,451,365
TOTAL NON-OPERATING REVENUE	2,539,896	3,451,365
CHANGE IN NET POSITION	(18,977,709)	7,206,105
NET POSITION - BEGINNING OF YEAR	83,324,236	76,118,131
NET POSITION - END OF YEAR	$ 64,346,527	$ 83,324,236

STATEMENTS OF CASH FLOWS Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Fee revenue	$ 29,050,543	$ 28,519,101
Payments to grantees	(3,036,091)	(5,586,644)
Payments to others	(47,260,816)	(20,321,032)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(21,246,364)	2,611,425
CASH FLOWS FROM INVESTING ACTIVITIES		
Bond payment proceeds	1,435,000	1,400,000
Note receivable payment proceeds	100,000	100,000
Investment interest income	2,437,722	3,456,742
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	3,972,722	4,956,742
NET CHANGE IN CASH AND CASH EQUIVALENTS	(17,273,642)	7,568,167
CASH, RESTRICTED CASH, AND CASH EQUIVALENTS, BEGINNING OF YEAR	104,636,684	97,068,517
CASH, RESTRICTED CASH, AND CASH EQUIVALENTS, END OF YEAR	$ 87,363,042	$ 104,636,684

	2025	2024
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income	$ (21,517,605)	$ 3,754,740
Depreciation expense	1,196	1,196
Decrease (increase) in assets		
Accounts receivable	(3,071,834)	(3,197,429)
Prepaid expenses	(711)	(2,158)
Increase (decrease) in liabilities		
West Lake operating escrow	4,295,322	4,119,212
Net pension liability	(27,722)	2,831
Accounts payable and other accruals	(888,919)	519,677
Grants payable	(36,091)	(2,586,644)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (21,246,364)	$ 2,611,425

NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2025 and 2024

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 HEA 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 in-

come 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 receives Local Income Tax due to governmental units in Lake County, but collected by the State and transferred to the RDA. These amounts are restricted to be used for the West Lake Corridor project.

Revenue is earmarked 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 was $800,000. An additional $600,000 of grants was awarded for Phase 1 grants to the cities of Gary, Hammond, and East Chicago. The reporting requirements for the RLF grant include annual progress reports which are due October 31. An annual financial report is due at the end of the year by January 31. Once all data is assembled, the Authority's project manager submits the annual 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.

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 8 for further detail.

Accounts Receivable – Accounts receivable represent payments due to the RDA at 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. Per IC 36-7.5-6-5, the RDA is required to transfer $3,000,000 to the Blighted Property Demolition

Fund ("Fund") in each State fiscal year beginning after June 30, 2023, and ending before July 1, 2025. After June 30, 2025, but not later than July 1, 2026, the RDA will be reimbursed for all amounts transferred to the Fund. $6,000,000 and $3,000,000 of accounts receivable at December 31, 2025 and 2024, respectively, represents reimbursable transfers made to the Fund.

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.

West Lake Operating Escrow – Under the Governance Agreement, the RDA has committed to escrow revenues received from the State of Indiana per IC 6-3.1-20-7 and IC 36-4.5-4-2 for the purpose of defraying the West Lake rail project's annual operating deficits at such time the project becomes operational. The project achieved revenue service on March 31, 2026. Under the Governance Agreement, the RDA is required to continue escrowing the revenues and provide the escrowed funds to NICTD as the operating deficits are documented quarterly.

Operating Revenue, Operating Expenses, and Non-Operating Revenue and Expenses – The principal operating revenue of the Authority derives from gaming or admissions taxes collected by and transferred to the RDA by the State of Indiana. Secondarily, the Authority receives local income tax revenue which under State law (IC 6-3.6-9-5) is a fixed percentage of local income tax owing to the specified governmental units in Lake County. This amount. collected by the State and transferred directly to the RDA on a monthly basis, is restricted for use on the West Lake Project. 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.

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

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 and is submitted to the NWIRDA Board of Directors prior to the end of the calendar year for approval.

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

Leases – The agency has a twelve (12) month rental agreement for office space and supply reimbursement. The lease expense for the year ended December 31, 2025 was $55,954. The agreement expires June 30, 2026. The monthly lease amount, which is due at the beginning of each month, is $4,858. The remaining obligation due for the rental agreement is $29,148.

Restricted Cash – The agency has received funding related to a rail improvement project in Lake County. The cash received is considered restricted in use for this project.

Subsequent Events – Subsequent events have been evaluated through April 15, 2026, which is the date the financial statements were available to be issued.

2. Concentrations

At December 31, 2025 and 2024, $750,000 of the RDA's cash and cash equivalents was insured by the Federal Depository Insurance Corporation (FDIC), and therefore classified under Risk Category 1. The Public Deposit Insurance Fund (PDIF) was created by the Acts of 1937 in the State of Indiana to protect the public funds of the state and its political subdivisions deposited in approved financial institutions. The PDIF insures those public funds deposited in approved financial institutions which exceed the limits of coverage provided by any FDIC. The RDA has funds deposited in PDIF approved financial institutions.

At December 31, 2025 and 2024, 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, 2025 and 2024 was $1,196 and $1,196.

Furniture, fixtures, and leasehold improvements at year end consist of the following:

	2025	2024
Furniture and fixtures	$ 37,655	$ 37,655
Leasehold improvements	37,902	37,902
Accumulated depreciation	(59,497)	(58,301)
Total property and equipment, net	$ 16,060	$ 17,256

4. Pension plan

Plan Description

The RDA is a participating employer of the Public Employees' Hybrid plan (PERF Hybrid), and its employees are participating members. PERF Hybrid is part of the Public Employees' Retirement Fund (PERF) and consists of two components: the Public Employees' Defined Benefit Account (PERF DB), the monthly employer-funded defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account (PERF DC), a member-funded account. PERF Hybrid is administered by the Indiana Public Retirement System (INPRS). INPRS issues a publicly available financial report, including PERF Hybrid, that may be obtained at http://www.inprs.in.gov/.

Public Employees' Defined Benefit Account

PERF DB is a cost-sharing, multiple employer defined benefit fund providing retirement, disability, and survivor benefits to full-time employees of the State not covered by another plan and those political subdivisions (counties, cities, townships, and other governmental units) that elect to participate in the retirement fund. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.3, IC 5-10.5, 35 IAC 1.2, and other Indiana pension law.

Eligibility for Pension Benefit Payment

Full Retirement Benefit: A member is entitled to a full retirement benefit at 1) at age 65 with at least 10 years of creditable service (eight years for certain elected officials), 2) at age

60 with at least 15 years of creditable service, 3) at age 55 if age and creditable service total at least 85, 4) at age 55 with 20 years of creditable service and active as an elected official in the PERF-covered position, or 5) at age 70 with 20 years of creditable service and still active in the PERF-covered position.

Early Retirement Benefit: A member is entitled to an early retirement benefit at age 50 and a minimum of 15 years of creditable service. The benefit is 44% of full benefits at age 50, increasing 5% per year up to 89% at age 59.

Disability Benefit: An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of disability.

Survivor Benefit: If a member dies after June 30, 2018, a spouse or dependent beneficiary of a member with a minimum of 10 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death. If a member dies while receiving a benefit, a beneficiary receives the benefit associated with the member's selected form of payment.

Contribution Rates

Contributions are determined by the INPRS Board and are based on a percentage of covered payroll. If determined to be necessary by the actuaries of INPRS, the INPRS Board updates the percentage of covered payroll annually effective July 1. Employers currently contribute 11.2% of covered payroll. No member contributions are required.

Benefit Formula and Postretirement Benefit Adjustment

The lifetime annual benefit equals years of creditable service multiplied by the average highest five-year annual salary multiplied by 1.1% (minimum of $180 per month). Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12.4 and administered by the INPRS Board.

Public Employees' Defined Contribution Account

PERF DC is a multiple employer defined contribution fund providing retirement benefits to full-time employees of the State not covered by another plan and those political subdivisions (counties, cities, townships, and other governmental units) that elect to participate in the retirement fund. Administration of the account is generally in accordance with IC 5-10.2, IC 5-10.3, 35 IAC 1.2, and other Indiana pension law.

Contribution Rates

Member contributions under PERF DC are set by statute and the INPRS Board at 3% of covered payroll. The employer may choose to make these contributions on behalf of the member. The Board made no contributions to PERF DC for the year ended June 30, 2021. Under certain limitations, voluntary post-tax member contributions up to 10% of compensation can be made solely by the member.

Benefit Terms

Members (or their beneficiaries) are entitled to the sum total of contributions plus earnings 30 days after separation from employment (retirement, termination, disability, or death) or upon providing proof of the member's qualification for Social Security disability benefits. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity. PERF DC members are 100% vested in their account balance.

Significant Actuarial Assumptions

The total pension liability is determined using an actuarial valuation performed by the actuaries of INPRS, which involves estimates of the value of reported amounts (e.g., salaries, credited service, etc.) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations, etc.). Actuarially determined amounts are subject to review and modifications, as actual results are compared with past expectations and new estimates are developed.

Key methods, assumptions, and dates of experience studies used in calculating the total pension liability in the latest actuarial valuation are included in the publicly available financial report published by INPRS. In addition, the INPRS financial report includes a target asset allocation and geometric real rates of return expected to be realized in calculating the total pension liability, as well as how those rates of return were determined.

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability of the Plan calculated using the discount rate of 6.25 percent, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.25 percent), or one percentage point higher (7.25 percent) than the current rate:

1% Decrease (5.25%)	Current (6.25%)	1% Increase (7.25%)
$ 369,061	$ 208,839	$ 75,960

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

At December 31, 2025 and 2024, the RDA reported a liability of $208,839 and $204,371, respectively, for its proportionate share of the net pension liability. The RDA's proportionate share of the net pension liability was based on the RDA's wages as a proportion of total wages for the PERF Hybrid Plan. The proportionate share used at the December 31, 2025 and 2024, measurement dates was 0.0000632 and 0.0000507, respectively.

For the years ended December 31, 2025 and 2024, the RDA recognized pension expense of ($27,722) and $2,831, respectively. At December 31, 2025 and 2024, the RDA reported deferred outflows of resources and deferred inflows of resources related to the PERF Hybrid Plan from the following sources:

As of December 31, 2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	$ 31,823	$ 6,064
Differences between expected and actual experience	29,197	-
Net difference of projected and actual investment earnings	-	2,999
Changes in assumption	4,263	-
Total	$ 65,283	$ 9,063

As of December 31, 2024	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer contributions and proportionate share of contributions	$ 2,113	$ 26,088
Differences between expected and actual experience	20,946	-
Net difference of projected and actual investment earnings	27,059	-
Changes in assumption	-	-
Total	$ 50,118	$ 26,088

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Year Ending December 31:	
2026	$ 42,438
2027	18,003
2028	4,953
2029	(9,174)
Total	$ 56,220

5. Bond receivable

In 2016, the RDA agreed to loan $13,100,000 to the City of Gary, Indiana. The amount due to the RDA from the City of Gary at December 31, 2025 and 2024 was $725,000 and $2,160,000, respectively. Interest receivable on the loan was $2,753 at December 31, 2025.

6. Note receivable

In 2019, the RDA agreed to loan $650,000 to the City of East Chicago Housing Authority. Based on an agreement with the EPA, this loan was made to establish a revolving loan fund (RLF) that would be used for future eligible clean-up and mitigation work that meets EPA guidelines. The amount due to the RDA from the City of East Chicago Housing Authority at December 31, 2025 and 2024 was $250,000 and $350,000, respectively.

7. No interest securitized 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. 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. On June 1, 2022 and December 1, 2022, the RDA signed a lease agreement as a lessee with the IFA and the U.S. Department of Transportation's Build America Bureau for Railroad Rehabilitation and Improvement Financing loans for the West Lake Corridor project and the Double Track project, respectively. These loans are subject to additional federal oversight. The terms of the lease agreements are governed under IC 5-1.3-5 and IC 5-13-10.5-20. The agreements specify that RDA's receipt of "Member Dues" transferred by the Auditor of State under IC 36-7.5-4-2 and of local income tax "Participant Unit Revenues" transferred under IC 6-3.6-9-5(c) will be used to make the lease payments. The LIT funds received by the RDA may only be used for the West Lake Corridor project, which is located within Lake County. The RDA will make "pay-go" payments from the loans inception until the leases begin in 2025, the actual lease payments, in the same amount, will then begin and continue through 2048. The future payments are as follows:

	West Lake Corridor	Double Track	Total
2026	$ 14,100,000	$ 2,117,385	$ 16,217,385
2027	14,100,000	2,117,385	16,217,385
2028	14,100,000	2,117,385	16,217,385
2029	14,100,000	2,117,385	16,217,385
2030	14,100,000	2,117,385	16,217,385
Thereafter	253,799,998	38,754,175	292,554,173
	$ 324,299,998	$ 49,341,100	$ 373,641,098

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 $3,470,196 at December 31, 2025 as shown below.

Name	Total Award	Balance on 12/31/25
East Chicago		
Water Filtration Plant Demolition	$1,980,000	$1,755,000
Shoreline and Demolition	$17,495,000	$652,123
Shoreline and Demolition Phase II	$12,935,000	$400,443
Porter Gateway to the Dunes (Grant 2)	$3,915,000	$569,667
Porter County Airport	$317,917	$92,963

During the year, the RDA made adjustments to close out grant projects that were deemed to be inactive. The total amount of these projects was $107,716. This amount is included in non-operating revenue on the Statement of Activities for 2025. ❒

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