

# Northwest Indiana Regional Development Authority

Financial Statements  
with  
Additional Information

Years Ended December 31, 2025 and 2024

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## CONTENTS

	<b>Pages</b>
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-10
Financial Statements	
Statements of Financial Position	11
Statements of Activities	12
Statements of Cash Flows	13
Notes to Financial Statements	14-26
Required Supplementary Information	
Retirement Plan Schedule of Proportionate Share of Pension Liability	27
Retirement Plan Schedule of Contributions	28
Additional Information	
Schedule of Supporting Services	29
Independent Auditors' Report on Internal Control	30-31
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	32-33

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Northwest Indiana Regional Development Authority

### **Report on the Audit of the Financial Statements**

#### ***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

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## 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.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS Years Ended December 31, 2025, 2024 and 2023

### Overview of the Financial Statements (cont.)

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."

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS Years Ended December 31, 2025, 2024 and 2023

### 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.

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	<u>-</u>	<u>975,000</u>	<u>2,510,000</u>
Total assets	<u>100,713,925</u>	<u>116,456,760</u>	<u>107,195,579</u>
Deferred outflows of resources	<u>65,283</u>	<u>50,118</u>	<u>57,171</u>
Current liabilities	3,682,763	4,715,489	6,782,456
Long-term liabilities	<u>32,740,855</u>	<u>28,441,065</u>	<u>24,300,302</u>
Total liabilities	<u>36,423,618</u>	<u>33,156,554</u>	<u>31,082,758</u>
Deferred inflow of resources	<u>9,063</u>	<u>26,088</u>	<u>51,861</u>
Net position	<u>\$ 64,346,527</u>	<u>\$ 83,324,236</u>	<u>\$ 76,118,131</u>

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS Years Ended December 31, 2025, 2024 and 2023

### 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:

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

# **NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS** **Years Ended December 31, 2025, 2024 and 2023**

### **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.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS Years Ended December 31, 2025, 2024 and 2023

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

	<b>2025</b>	<b>2024</b>	<b>2023</b>
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	<u>131,413</u>	<u>128,858</u>	<u>108,015</u>
 Total operating expenses	 <u>\$ 49,344,660</u>	 <u>\$ 23,842,578</u>	 <u>\$ 34,742,238</u>

### 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.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS Years Ended December 31, 2025, 2024 and 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	<u>3,972,722</u>	<u>4,956,742</u>	<u>4,752,297</u>
Net change in cash	(17,273,642)	7,568,167	(6,087,077)
Cash:			
Beginning of the year	<u>104,636,684</u>	<u>97,068,517</u>	<u>103,155,594</u>
End of the year	<u>\$ 87,363,042</u>	<u>\$ 104,636,684</u>	<u>\$ 97,068,517</u>

### 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.

### Requests for Information

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

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## STATEMENTS OF FINANCIAL POSITION

December 31, 2025 and 2024

	2025	2024
<b>ASSETS</b>		
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
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension costs	65,283	50,118
TOTAL DEFERRED OUTFLOWS OF RESOURCES	65,283	50,118
<b>LIABILITIES</b>		
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
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension costs	9,063	26,088
TOTAL DEFERRED INFLOWS OF RESOURCES	9,063	26,088
<b>NET POSITION</b>		
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

The accompanying notes are an integral part of these statements.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## STATEMENTS OF ACTIVITIES Years Ended December 31, 2025 and 2024

	2025	2024
<b>UNRESTRICTED NET ASSETS</b>		
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
<b>RESTRICTED NET ASSETS</b>		
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
<b>EXPENSES</b>		
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
<b>NON-OPERATING REVENUE</b>		
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

The accompanying notes are an integral part of these statements.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

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

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
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
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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
 <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(17,273,642)	7,568,167
 <b>CASH, RESTRICTED CASH, AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	104,636,684	97,068,517
 <b>CASH, RESTRICTED CASH, AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 87,363,042	\$ 104,636,684
 <b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
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

The accompanying notes are an integral part of these statements.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## 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

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

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

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

- 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.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

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

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

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

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

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

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

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

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

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

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.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

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

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

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. Secondly, 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.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

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

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

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.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

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

### (2) Concentrations (cont.)

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.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

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

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

*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.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

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

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

#### **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 <u>(5.25%)</u>	Current <u>(6.25%)</u>	1% Increase <u>(7.25%)</u>
\$ 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.

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

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

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

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 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	<u>\$ 65,283</u>	<u>\$ 9,063</u>
As of December 31, 2024	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 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	<u>\$ 50,118</u>	<u>\$ 26,088</u>

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

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

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

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		<u>(9,174)</u>
Total	\$	<u>56,220</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 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 cleanup 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 security forgivable loan

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

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

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

### (8) Commitments

Since the inception of the RDA, there have been contracts awarded for approved projects within Northwest Indiana. Because not all awarded contracts have been completed, the RDA has remaining commitments of \$3,470,196 at December 31, 2025 as follows:

Project Name:	Water Filtration Plant Demolition
Nature of Project:	Shoreline Restoration
Date Awarded:	11/13/2008
Initial Total Project Cost:	\$1,980,000
Cost through 12-31-2025:	\$225,000
Remaining Balance at 12-31-2025:	\$1,755,000
Percent (%) Complete as of 12-31-2025:	11%

Project Name:	Porter Gateway to the Dunes (Grant 2)
Nature of Project:	Shoreline Restoration
Date Awarded:	7/7/2011
Initial Total Project Cost:	\$3,915,000
Cost through 12-31-2025:	\$3,345,333
Remaining Balance at 12-31-2025:	\$569,667
Percent (%) Complete as of 12-31-2025:	85%

Project Name:	East Chicago Shoreline and Demolition
Nature of Project:	Shoreline
Date Awarded:	7/18/2014
Initial Total Project Cost:	\$17,495,000
Cost through 12-31-2025:	\$16,842,877
Remaining Balance at 12-31-2025:	\$652,123
Percent (%) Complete as of 12-31-2025:	96%

Project Name:	East Chicago Shoreline and Demolition Phase II
Nature of Project:	Shoreline
Date Awarded:	9/22/2016
Initial Total Project Cost:	\$12,935,000
Cost through 12-31-2025:	\$12,534,557
Remaining Balance at 12-31-2025:	\$400,443
Percent (%) Complete as of 12-31-2025:	97%

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

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

### (8) Commitments (cont.)

Project Name:	Porter County Airport
Nature of Project:	Taxiway Connector Pavements
Date Awarded:	2/21/2017
Initial Total Project Cost:	\$317,917
Cost through 12-31-2025:	\$224,954
Remaining Balance at 12-31-2025:	\$92,963
Percent (%) Complete as of 12-31-2025:	71%

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.

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:

	<u>West Lake Corridor</u>		<u>Double Track</u>		<u>Total</u>
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
	<u>\$ 324,299,998</u>	<u>\$</u>	<u>49,341,100</u>	<u>\$</u>	<u>373,641,098</u>

**REQUIRED  
ADDITIONAL INFORMATION**

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## Retirement Plan Schedule of Proportionate Share of Pension Liability

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Authority's proportion of the net pension liability	0.0000632	0.0000507	0.0000518	0.0000630	0.0000860	0.0000914	0.0000900	0.0000915	0.0000946	0.0000894
Authority's proportionate share of the net pension liability	\$ 208,839	\$ 204,371	\$ 182,820	\$ 198,691	\$ 113,163	\$ 276,064	\$ 297,456	\$ 310,830	\$ 422,062	\$ 405,737
Authority's covered-employee payroll	450,209	340,827	325,871	362,330	474,343	493,528	469,071	466,715	469,240	428,435
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	46.4%	60.0%	56.1%	54.8%	23.9%	55.9%	63.4%	66.6%	89.9%	94.7%
Plan fiduciary net position as a percentage of the total pension liability	83.7%	79.5%	80.8%	82.5%	92.5%	81.4%	80.1%	78.9%	76.6%	75.3%

\* The amounts presented are as of the fiscal year end of the plan, June 30.

See independent auditors' report.

**NORTHWEST INDIANA REGIONAL  
DEVELOPMENT AUTHORITY  
Retirement Plan Schedule of Contributions**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contribution	\$ 50,423	\$ 38,173	\$ 36,498	\$ 40,581	\$ 53,127	\$ 55,275	\$ 52,536	\$ 52,272	\$ 52,555	\$ 47,985
Contributions in relation to the statutorily required contribution	<u>50,423</u>	<u>38,173</u>	<u>36,498</u>	<u>40,581</u>	<u>53,127</u>	<u>55,275</u>	<u>52,536</u>	<u>52,272</u>	<u>52,555</u>	<u>47,985</u>
Deficit (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered-employee payroll	\$ 450,209	\$ 340,827	\$ 325,871	\$ 362,330	\$ 474,343	\$ 493,528	\$ 469,071	\$ 466,715	\$ 469,240	\$ 428,435
Contributions as a percentage of covered-employee payroll	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%

\* The amounts presented are as of the fiscal year end of the plan, June 30.

See independent auditors' report.

## **ADDITIONAL INFORMATION**

# NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## Supplemental Schedule for Supporting Services

**For the Years Ended December 31, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
Accounting	\$ 53,733	\$ 56,544
Federal/State/Compliance consultant	6,026	72,017
Financial advisor	347,848	418,131
Lake County/Land Development	665,600	-
Legal	103,378	82,640
Public awareness and education	1,280	1,095
Rail project consultants	1,546,973	2,382,806
Salaries and related personnel costs	826,437	345,655
Special consultant	39,185	526,225
Transit Development District Planning	406,526	556,368
<b>Total Salaries and Professional Services</b>	<b>3,996,986</b>	<b>4,441,481</b>

### Operating Expenses

Bank charges	-	597
Communication	18,043	16,354
Insurance	33,666	31,392
Meals and entertainment	985	1,078
Office supplies	4,911	3,901
Postage	30	81
Professional development	649	544
Rent	57,333	61,309
Telephone and fax services	3,844	3,782
Travel	10,756	8,624
<b>Total Operating Expenses</b>	<b>130,217</b>	<b>127,662</b>
<b>Total Supporting Services Expenses</b>	<b>\$ 4,127,203</b>	<b>\$ 4,569,143</b>

See independent auditors' report

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Northwest Indiana Regional Development Authority

### **Report on Internal Control over Financial Reporting**

#### ***Opinion on Internal Control Over Financial Reporting***

We have audited Northwest Indiana Regional Development Authority's internal control over financial reporting as of December 31, 2025, based on criteria established in the Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, Northwest Indiana Regional Development Authority maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in the Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Northwest Indiana Regional Development Authority, and our report dated April 15, 2026 expressed an unmodified opinion.

#### ***Basis for Opinion***

We conducted our audit in accordance with GAAS. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Internal Control Over Financial Reporting 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 opinion.

#### ***Responsibilities of Management for Internal Control Over Financial Reporting***

Management is responsible for designing, implementing, and maintaining effective internal control over financial reporting, and for its assessment about the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting.

### ***Auditor's Responsibilities for the Audit of Internal Control Over Financial Reporting***

Our objectives are to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects and to issue an auditor's report that includes our opinion on internal control over financial reporting. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of internal control over financial reporting conducted in accordance with GAAS will always detect a material weakness when it exists.

In performing an audit of internal control over financial reporting in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Obtain an understanding of internal control over financial reporting, assess the risks that a material weakness exists, and test and evaluate the design and operating effectiveness of internal control over financial reporting based on the assessed risk.

### ***Definition and Inherent Limitations of Internal Control Over Financial Reporting***

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

LWG CPAs & Advisors  
Indianapolis, Indiana  
April 15, 2026

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
of Northwest Indiana Regional Development Authority

We have audited, 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, the financial statements of Northwest Indiana Regional Development Authority as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Northwest Indiana Regional Development Authority's basic financial statements, and have issued our report thereon dated April 15, 2026.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Northwest Indiana Regional Development Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northwest Indiana Regional Development Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Northwest Indiana Regional Development Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

# REPORT ON COMPLIANCE WITH ASPECTS OF CONTRACTUAL AGREEMENTS AND REGULATORY REQUIREMENTS

## *Compliance and Other Matters*

As part of obtaining reasonable assurance about whether Northwest Indiana Regional Development Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

## *Purpose of this Report*

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

## *Report on Internal Control over Financial Reporting*

In addition to the audit of the financial statements of Northwest Indiana Regional Development Authority as of and for the year ended December 31, 2025, and the related notes to the financial statements, we were also engaged to perform an audit of internal control. We have issued our opinion on internal control in our report dated April 15, 2026.

LWG CPAs & Advisors  
Indianapolis, Indiana  
April 15, 2026