

**NORTHWEST INDIANA REGIONAL DEVELOPMENT  
AUTHORITY  
FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007**

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY**

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Gary Office  
487 Broadway  
Suite 207  
Gary, IN 46402  
P: (219) 880-0850  
F: (219) 880-0858



Chicago Office  
150 N. Michigan Avenue  
Suite 2800  
Chicago, IL 60601  
P: (312) 863-8658  
F: (312) 624-7701

## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Northwest Indiana Regional Development Authority:

We have audited the accompanying basic financial statements of the Northwest Indiana Regional Development Authority (the "RDA" or the "Authority"), as of December 31, 2008, and for the year then ended, listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the management of the Authority. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Northwest Indiana Regional Development Authority as of December 31, 2007, were audited by other auditors whose report dated September 25, 2008, expressed an unqualified opinion on those statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that our audits provide a reasonable basis for our opinion. As discussed in Note 1, beginning in fiscal year 2008, the Northwest Indiana Regional Development Authority implemented Governmental Accounting Standards Board Statement No. 34.

In our opinion, such basic financial statements present fairly, in all material respects, the financial position of the Authority as of December 31, 2008, and the results of its operations, and its cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 10 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures that consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and we express no opinion or any other form of assurance on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information listed in the foregoing table of contents, which is also the responsibility of the Authority's management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such additional information (page 14) has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly presented, in all material respects, when considered in relation to the financial statements taken as a whole.

*Whittaker & Company PLLC*  
Whittaker & Company PLLC  
July 9, 2009

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2008, 2007, AND 2006**

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The following discussion and analysis of Northwest Indiana Regional Development Authority (the "Authority") financial performance provides an introduction and overview of the Authority's financial activities for the fiscal year ended December 31, 2008. Please read this discussion in conjunction with the Authority's financial statements and the notes to financial statements immediately following this section.

**FINANCIAL HIGHLIGHTS**

**2008**

- Operating revenues for 2008 of \$27,500,000 decreased by \$15,000,000 (54.5 percent) compared to fiscal year 2007.
- Operating expenses for 2008 \$28,621,962 increased by \$7,281,443 (25.4 percent) compared to fiscal year 2007. This increase is primarily due to the Authority continuously funding existing and newly approved projects.

**2007**

- Operating revenues for 2007 \$42,500,000 increased by \$2,500,000 (5.8 percent) compared to fiscal year 2006.
- Operating expenses for 2007 \$21,340,249 increased by \$1,340,249 (6.2 percent) compared to fiscal year 2006. This increase is primarily due to increased professional services and the Authority continuously funding existing and newly approved projects.

**2006**

- Operating revenues for 2006 \$20,000,000.
- Operating expenses for 2006 \$881,368.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

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

The *Statements of Net Assets* present all Authority's assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by private-sector companies. The difference between assets and liabilities is reported as net assets. The increase or decrease in net assets may serve as an indicator, over time, whether the Authority's financial position is improving or deteriorating. However, the consideration of other non-financial factors such as changes within the Northwest Indiana community may be necessary in the assessment of overall financial position and health of the Authority.

The *Statements of Revenue, Expenses, and Changes in Net Assets* present all current fiscal year revenues and expenses, regardless of when cash is received or paid, and the ensuing change in net assets.

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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The *Statements of Cash Flows* report how cash and cash equivalents were provided and used by the Authority's operating, capital financing and investing 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 Financial Statements begin on page 14.

In addition to the basic financial statements, this report includes Additional Information. The Additional Information section presents the 2008 Supplemental Schedule for Supporting Services on page 26.

### **FINANCIAL ANALYSIS**

The RDA receives substantially all of its support revenue from state, city and county agencies. Beginning in 2006, the fiscal officer of each city and county described in IC 36-7.5-2-(b) (other than the (2) largest cities in a county described in IC 36-7.5-2-3 (b) (1) (Lake County, Porter County, East Chicago, Gary, Hammond) shall each transfer three million five hundred thousand dollars (\$3,500,000) each year to the development authority for deposit in the development authority fund.

In 2008, the state of Indiana provided \$10,000,000 of funding to the Authority. The state of Indiana provided \$25 million of funding in 2007. In addition, the State provided \$20 million from the toll road lease for 2006 which was restricted for use only on the Gary/Chicago Airport runway expansion project and related expenses.

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

- The Regional Bus Authority – To increase opportunities for senior citizens, the handicapped community and Hoosiers without their own transportation.
- The Gary/Chicago International Airport Runway Expansion and EJ&E Railroad Re-Routing Plan – To provide access to Chicago's business districts, Northwest Indiana, and surrounding Midwest states. The 715 acre site has an FAA approved expansion plan adding 320 acres ensuring long term growth for the airport and the Northwest Indiana economy.
- Commuter Rail Transportation – Plans to extend the South Shore rail line to Lowell and Valparaiso are being reviewed.
- Lake Michigan Shoreline Development – A reinvestment strategy for the Lake Michigan shoreline to provide balance between nature, industry, restoration and redevelopment while reclaiming the shoreline for public access.

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2008, 2007, AND 2006**

A comparative condensed summary of the Authority's net assets at December 31, 2008, 2007 and 2006 is as follows:

	<b>Net Assets</b>		
	<b>2008</b>	<b>2007</b>	<b>2006</b>
Current assets	\$ 55,535,831	\$ 42,838,050	\$ 39,910,543
Total current assets	<u>55,535,831</u>	<u>42,838,050</u>	<u>39,910,543</u>
Property and equipment			
Furniture & Fixtures, net	<u>16,672</u>	<u>23,345</u>	<u>13,348</u>
Long-term assets	<u>3,082,742</u>	<u>-</u>	<u>-</u>
Total assets	<u>58,635,245</u>	<u>42,861,395</u>	<u>39,923,891</u>
Current liabilities	<u>10,403,021</u>	<u>7,174,059</u>	<u>3,453</u>
Total current liabilities	<u>10,403,021</u>	<u>7,174,059</u>	<u>3,453</u>
Long-term liabilities			
Grants payable	<u>2,298,303</u>	<u>4,087,588</u>	<u>-</u>
Total long-term liabilities	<u>2,298,303</u>	<u>4,087,588</u>	<u>-</u>
Total liabilities	<u>12,701,324</u>	<u>11,261,647</u>	<u>3,453</u>
Unrestricted	<u>45,933,921</u>	<u>31,599,748</u>	<u>39,920,438</u>
Total liabilities and net assets	<u>\$ 58,635,245</u>	<u>\$ 42,861,395</u>	<u>\$ 39,923,891</u>

**2008**

Current assets increased by \$15,773,850 primarily due to a decrease in the amount of money the Authority had to spend funding current projects. In the prior period, the Authority funded the South Shore railroad in a significant amount; an expense that was not incurred in 2008.

The 2008 increase in current liabilities of \$3,228,962 was due to the Authority approving projects in the current and prior fiscal periods and payments being due within one year.

The 2008 increase in long-term assets was due to a loan provided to the Little Calumet River Development Commission. See Note 5 of the financial statements for further details.

The 2008 decrease in long-term liabilities of \$1,789,285 was mainly due to the Authority funding grants in smaller dollar amounts in the current fiscal year as opposed to higher dollar amount grants in the prior fiscal periods.

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2008, 2007, AND 2006**

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**2007**

Current assets increased by \$2,938,504 primarily due to an increase in accounts receivable from the State of Indiana and interest income received from investments.

The 2007 increase in current liabilities of \$3,228,962 was due to the Authority approving projects in the current and prior fiscal periods and payments being due within one year.

The 2007 decrease in long-term liabilities of \$1,789,285 was mainly due to the Authority funding grants in smaller dollar amounts in the current fiscal year as opposed to higher dollar amount grants in the prior fiscal periods.

**2006**

Current assets were \$39,910,543 mainly due to payments received from contributors and interest income.

Current liabilities were \$3,453 mainly due to lower amount of accounts payable as year 2006 was the first operating year of the Authority.

A comparative condensed summary of the Authority's changes in net assets for the years ended December 31, 2008, 2007 and 2006 is as follows:

**Changes in Net Assets**

	2008	2007	2006
Operating revenues	\$ 27,500,000	\$ 42,500,000	\$ 20,000,000
Operating expenses	14,317,307	25,686,323	718,295
Operating income	<u>13,182,693</u>	<u>16,813,677</u>	<u>19,281,705</u>
Non-operating revenue	<u>1,151,480</u>	<u>1,674,279</u>	<u>721,911</u>
Change in net assets	<u><u>\$ 14,334,173</u></u>	<u><u>\$ 18,487,956</u></u>	<u><u>\$ 20,003,616</u></u>

**2008**

Operating revenues for the years 2008 and 2007 were \$27,500,000 and \$42,500,000, respectively. This decrease of \$15,000,000 in 2008 was directly due to the State of Indiana contributing \$15,000,000 in year 2007 to make up for missed payments in 2006. Operating expense for the years 2008, 2007, and 2006 were \$14,317,307, \$25,686,323, and \$718,295, respectively. The decrease was primarily due to the Authority funding the Gary/Chicago International Airport in the prior period in the amount of \$17,500,000 for the airport expansion project; a cost not incurred during the current fiscal year. Non-operating revenue of \$1,151,480 was due to investment interest income.

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2008, 2007, AND 2006**

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**2007**

Operating revenues for the years 2007 and 2006 were \$42,500,000 and \$20,000,000, respectively. This increase of \$22,500,000 in 2007 was directly due to the increase of contributions from the State of Indiana. Prior to the passage of House Bill 1008 from 2006, the state was required to distribute between \$5,000,000 and \$10,000,000 to the Authority annually by IC 8-15-2-14.7. The \$2,500,000 distribution in January 2006 was part of this distribution. That language was repealed in Section 13 of the HB 1008.

The \$20,000,000 distribution in October 2006, \$17,500,000 in April 2007, and \$2,500,000 in June 2007 correspond with the \$40,000,000 distribution stated in the following language of House Enrolled Act No. 1008: The following amounts to the northwest Indiana Regional Development Authority for deposit in the development authority fund established under IC 36-7.5-4-1: (A) Forty million dollars (\$40,000,000) during the state fiscal year beginning July 1, 2006. During the state fiscal year beginning July 1, 2006, the regional development authority must pay at least twenty million dollars (\$20,000,000) of the distribution received under this clause to an airport authority that is carrying out an airport expansion project described in IC 36-7.5-2-1(2).

Non-operating revenue of \$1,674,279 was due to investment interest income.

**2006**

Operating revenue for the year 2006 was \$20,000,000. The State of Indiana contributed \$22,500,000 of which \$20,000,000 was earmarked for the Gary/Chicago International Airport. The remaining operating revenues of \$17,500,000 were from contributions from the Cities of Gary, Hammond, East Chicago and Lake and Porter counties, \$3,500,000 respectively.

Non-operating revenue of \$721,911 was due to investment interest income.

A comparative summary of the Authority's operating expenses, as classified in the financial statements, for the years ended December 31, 2008, 2007 and 2006 is as follows:

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Operating Expenses**

	2008	2007	2006
Salaries and wages	\$ 214,090	\$ 176,035	\$ 139,053
Contractual services and commodities	342,749	87,689	157,327
Program Services	27,993,742	21,019,125	20,237,500
Other	71,111	57,399	43,913
 Total operating expenses	 \$ 28,621,692	 \$ 21,340,248	 \$ 20,577,793

**2008**

The increase in salaries and wages of \$38,055 in 2008 is due to a cost of living increase for 2008 as well as salary increases for three employees. Contractual services in 2008 and 2007 were \$346,200 and \$87,689, respectively. The increase in 2008 for contractual services of \$255,060 is primarily due to increased professional consulting services in the areas of general consulting and compliance consulting. Accounting costs also increased for year 2008 due to an increase of the number of audits performed on the Authority. The increase in program services of \$6,974,617 is due to commitment payments made in 2008 which have been accrued and will be paid in subsequent periods.

**2007**

The increase in salaries and wages of \$36,982 in 2007 is due to a cost of living increase for 2007, in addition to a staff member being added. Contractual services in 2007 and 2006 were \$87,689 and \$157,327, respectively. The decrease in 2007 for contractual services is primarily due to decreased professional services (general consulting, accounting, and legal). The increase in program services of \$781,625 is due to commitment payments made in 2007 which have been accrued and will be paid in subsequent periods.

**2006**

Salaries and wages were \$139,053 in 2006 due to two salaried employees. Contractual services in 2006 were \$157,327. This amount primarily includes professional services of planning consultant, legal, and accounting. Program services were \$20,237,500 primarily due to earmarked funds to the Gary/Chicago International Airport.

A comparative summary of the Authority's changes in cash flows for the years ended December 31, 2008, 2007 and 2006 is as follows:

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Changes in Cash Flows**

	<b>2008</b>	<b>2007</b>	<b>2006</b>
Cash from activities:			
Operating	\$ 8,025,349	\$ 378,229	\$ 39,188,632
Investing	<u>1,151,480</u>	<u>1,733,811</u>	<u>662,378</u>
Net change in cash	9,176,829	2,112,040	39,851,010
Cash:			
Beginning of the year	<u>41,963,050</u>	<u>39,851,010</u>	<u>-</u>
End of the year	<u>\$ 51,139,879</u>	<u>\$ 41,963,050</u>	<u>\$ 39,851,010</u>

**2008**

As of December 31, 2008, the Authority's available cash of \$51,139,879 increased by \$9,176,829 compared to \$41,963,050 at December 31, 2007 due to inflows of cash from the contributions from the cities of Gary, Hammond, East Chicago and Lake and Porter County. Total cash at December 31, 2008 and 2007 was on deposit in interest bearing accounts among three financial institutions insured by the Federal Depository Insurance Corporation (FDIC) and Public Deposit Insurance Fund (PDIF).

**2007**

As of December 31, 2007, the Authority's available cash of \$41,963,050 increased by \$2,112,040 compared to \$39,851,010 at December 31, 2006 due to inflows of cash from the contributions from the cities of Gary, Hammond, East Chicago and Lake and Porter County. Total cash at December 31, 2007 and 2006 was on deposit in interest bearing accounts among three financial institutions insured by the Federal Depository Insurance Corporation (FDIC) and Public Deposit Insurance Fund (PDIF).

**2006**

As of December 31, 2006 the Authority's available cash was \$39,851,010 due to the contributions from the cities of Gary, Hammond, East Chicago and Lake and Porter County. Total cash at December 31, 2006 was on deposit in interest bearing accounts among three financial institutions insured by the Federal Depository Insurance Corporation (FDIC) and Public Deposit Insurance Fund (PDIF).

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED DECEMBER 31, 2008, 2007, AND 2006**

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**FACTORS BEARING ON THE FUTURE**

The Authority will continue to entertain funding applications from their four targeted investment areas as well as any other project considered economic development. The Authority currently has two outstanding funding applications from the Gary/Chicago International Airport and the City of Gary – Marquette East Plan that will be considered for funding in fiscal year 2009.

The contracts for general consultant and compliance consultant expire in fiscal year 2009. Contracts will be awarded in fiscal year 2009; therefore, the contract amount may increase/decrease depending on the firm(s) chosen. A full-time salaried staff position will become available in fiscal year 2009.

**REQUESTS FOR INFORMATION**

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

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007**

	<b>2008</b>	<b>2007</b>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 51,139,879	\$ 41,963,050
Accounts receivable	4,375,000	875,000
Prepaid expenses	20,952	-
Total current assets	55,535,831	42,838,050
Property and equipment		
Furniture & fixtures	33,354	33,354
Total property and equipment	33,354	33,354
Accumulated depreciation	(16,682)	(10,009)
Total property and equipment (net)	16,672	23,345
Long-term assets		
Note receivable (Note 5)	3,082,742	-
Total long-term assets	3,082,742	-
Total assets	58,635,245	42,861,395
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	77,647	23,748
Retainage payable	103,726	-
Other related accruals	1,116,574	-
Grants payable -Due within one year	9,105,074	7,150,311
Total current liabilities	10,403,021	7,174,059
Long-term liabilities		
Grants payable	2,298,303	4,087,588
Total long-term liabilities	2,298,303	4,087,588
Total liabilities	12,701,324	11,261,647
Net assets		
Unrestricted	45,933,921	31,599,748
Total net assets	45,933,921	31,599,748
Total liabilities and net assets	\$ 58,635,245	\$ 42,861,395

See accompanying notes to the basic financial statements

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007**

	<b>2008</b>	<b>2007</b>
<b>Unrestricted Net Assets</b>		
<b>Support</b>		
Indiana Finance Authority	\$ 10,000,000	\$ 25,000,000
City of East Chicago	3,500,000	3,500,000
Lake County	3,500,000	3,500,000
City of Gary	3,500,000	3,500,000
City of Hammond	3,500,000	3,500,000
Porter County	3,500,000	3,500,000
Total Support	27,500,000	42,500,000
<b>Expenses</b>		
<b>Program Services</b>		
Bus study	-	6,500,000
Lake Front Revitalization, Inc.	-	1,150,000
NIRPC Household Travel Study	-	85,200
South Shore Railroad	-	17,500,000
NWI Forum	-	130,000
Portage Northside Park Project	103,726	-
Portage Northshore Park Phase II	2,865,406	-
Lake Michigan Shoreline Restoration	2,563,225	-
Shoreline Park Gateway & Community Gateway	3,900,000	-
Water Filtration Plant Demolition	1,980,000	-
Marquette Greenway Plan: Existing water plant	50,000	-
Portage 26 Acres	365,000	-
Valparaiso Redevelopment Commission Bus Acquisition	1,862,000	-
Total Program Services	13,689,357	25,365,200
<b>Supporting Services</b>		
Salaries & professional services	556,839	263,725
Operating expenses	71,111	57,399
Total Supporting Services	627,950	321,124
Total Expenses	14,317,307	25,686,323
<b>Non-operating revenue (expense)</b>		
Interest Income	1,151,480	1,674,279
Total non-operating revenue (expense)	1,151,480	1,674,279
Change in Net Assets	14,334,173	18,487,956
Net Unrestricted Assets - Beginning of Year	31,599,748	13,111,792
Net Unrestricted Assets - End of Year	\$ 45,933,921	\$ 31,599,748

See accompanying notes to the basic financial statements

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007**

	<b>2008</b>	<b>2007</b>
Cash flows from operating activities		
Fee revenue	\$ 24,000,000	\$ 41,625,000
Payments to employees for services	(242,130)	(171,900)
Payments to grantees for awarded contracts	(15,386,321)	(40,935,947)
Payments to other suppliers for goods and services	(346,200)	(138,924)
Cash flows from operating activities	8,025,349	378,229
Cash flows from investing activities		
Investment interest income	1,151,480	1,733,811
Net cash from investing activities	1,151,480	1,733,811
Net change in cash and cash equivalents	9,176,829	2,112,040
Cash and cash equivalents at beginning of year	41,963,050	39,851,010
Cash and cash equivalents at end of year	\$ 51,139,879	\$ 41,963,050
 <b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	\$ 14,334,173	\$ 2,960,074
Interest Income	(1,151,480)	(1,733,811)
Depreciation expense	6,673	6,671
Changes in assets and liabilities		
(Increase)/Decrease in accounts receivable	(6,582,742)	(875,000)
(Increase)/Decrease in prepaid expenses	(20,952)	-
Increase in accounts payable and other accruals	1,274,199	20,295
Increase in grants payable	165,478	-
Cash flows from operating activities	\$ 8,025,349	\$ 378,229

See accompanying notes to the basic financial statements

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

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

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

**Mission**

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

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

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

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

**Power and Duties**

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

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Financing**

The following identifies the sources of funding for the RDA:

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

**Reporting Entity**

In evaluating how to define the Organization for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. The basic—but not the only—criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the Organization and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting equity is the existence of special financing relationships, regardless of whether the Organization is able to exercise oversight responsibilities. Based upon the application of these criteria, no entities have been considered to be potential component units for the purpose of defining the Organization's reporting entity.

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Non-exchange Transactions**

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

**Measurement Focus and Basis of Accounting**

The accounting policies of the Authority are based upon accounting principles generally accepted in the United States of America, as prescribed by the Government Accounting Standards Board (GASB). For the year ended December 31, 2008, the Authority adopted GASB Statement No. 34, *Basic Financial Statements and Management’s Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments: Omnibus* and GASB Statement No. 38, *Certain Financial Statement Disclosures*. The primary impact of adopting these GASB statements is the presentation of net assets, which replaces the previous fund equity section of contributed capital and retained earnings, the presentation of Management’s Discussion and Analysis (MD&A) as required supplementary information, and the addition of a statement of cash flows. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The accounts of the Authority are reported using the flow of economic resources measurement focus.

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

**Management’s Use of Estimates**

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

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue**

The RDA receives substantially all of its support revenue from state, city and county agencies. Beginning in 2006, the fiscal officer of each city and county described in IC 36-7.5-2-(b) (other than the (2) largest cities in a county described in IC 36-7.5-2-3 (b) (1) (Lake County, Porter County, East Chicago, Gary, Hammond) shall each transfer three million five hundred thousand dollars (\$3,500,000) each year to the development authority for deposit in the development authority fund.

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

The state of Indiana provided \$25 million of funding in 2007. In addition, the State provided \$20 million from the toll road lease for 2006 which was restricted for use only on the Gary/Chicago Airport runway expansion project and related expenses.

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

- The Regional Bus Authority – To increase opportunities for senior citizens, the handicapped community and Hoosiers without their own transportation.
- The Gary/Chicago International Airport Runway Expansion and EJ&E Railroad Re-Routing Plan – To provide access to Chicago’s business districts, Northwest Indiana, and surrounding Midwest states. The 715 acre site has an FAA approved expansion plan adding 320 acres ensuring long term growth for the airport and the Northwest Indiana economy.
- Commuter Rail Transportation – Plans to extend the South Shore rail line to Lowell and Valparaiso are being reviewed.
- Lake Michigan Shoreline Development – A reinvestment strategy for the Lake Michigan shoreline to provide balance between nature, industry, restoration and redevelopment while reclaiming the shoreline for public access.

**Accounts Receivable**

At December 31, 2008 the City of Gary, the City of Hammond, and Porter County were delinquent on installments in the amounts of \$1,750,000, \$875,000 and \$1,750,000, respectively. In January 2009, the City of Hammond and Porter County made outstanding receivable payments to the RDA.

At December 31, 2007, the City of Gary was delinquent with one installment of \$875,000 which was received early in 2008.

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Prepaid Expenses**

Prepaid expenses represent payments to vendors, which will reflect costs applicable to subsequent accounting periods.

**Accounts payable**

The December 31<sup>st</sup> accounts payable balance relates to materials, supplies, taxes or services provided to the Foundation during one calendar year, and not paid until the following calendar year. At December 31, 2008 and 2007, the Authority had accounts payable in the amounts of \$77,647 and \$23,748, respectively.

**Grants Payable and other related accruals**

The Authority is committed to various governmental organizations for reimbursement-based grants in which the organization had fulfilled the terms of the grant and submitted for reimbursement from the Authority. At December 31, 2008 and 2007, the total grants payable and other related accrual amounts were \$11,403,377 and \$11,237,899, respectively.

**Non-Operating, Operating Revenue and Operating Expenses**

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

**Income Tax Status**

The RDA is a not-for-profit organization that operates as a separate body corporate and politic. An opinion from the Attorney General has been requested regarding the RDA's tax exempt status and Federal and State filing requirements.

**Cash and Cash Equivalents**

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

**Temporarily Restricted Net Assets**

At December 31, 2008 and 2007, there were no restricted assets as all assets are unrestricted.

At December 31, 2008, there were no temporarily restricted net assets. At December 31, 2007, temporarily restricted net assets were available for the Gary/Chicago International Airport Runway Expansion in the amount of \$19,916,822.

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Net Assets**

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

Restricted net assets consist of net assets for which constraints are placed thereon by external parties (such as lenders and grantors) and laws, regulations and enabling legislation. Unrestricted net assets consist of all other net assets not categorized as either of the above.

**Budgetary Information**

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

**Staff and Payroll**

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

**Tuition Expense**

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

**Leases**

The agency has a 1-year rental agreement for office space and supply reimbursement. This agreement is renewable. The amount to be paid in fiscal year 2009 is approximately \$23,294.

**Deposits and Investments**

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

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007**

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**NOTE 2 - CONCENTRATIONS**

At December 31, 2008, \$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. On October 3, 2008, the FDIC limits were increased from \$100,000 to \$250,000 through December 31, 2009.

At December 31, 2007, \$300,000 of the RDA’s cash and cash equivalents was insured by the FDIC, and therefore classified under Risk Category 1. The Federal Depository Insurance Corporation limit at December 31, 2007 was \$100,000.

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, 2008 and 2007, respectively, the remaining portion of \$50,389,879 and \$41,663,050 is covered by the PDIF and is also considered to be classified in Risk Category 1.

**NOTE 3 – PROPERTY AND EQUIPMENT**

All furniture & equipment is depreciated using the 5-year straight line method. Depreciation expense at December 31, 2008 was \$6,673. Property and Equipment at December 31<sup>st</sup> consist of the following:

	<b>2008</b>	<b>2007</b>
Furniture & Fixtures	\$ 33,354	\$ 33,353
Less: Accumulated Depreciation	(16,682)	(10,008)
Net Furniture & Fixtures	<u>\$ 16,672</u>	<u>\$ 23,345</u>

**NOTE 4 – PUBLIC EMPLOYEES’ RETIREMENT FUND**

To provide retirement benefits for its full-time employees, the Authority participates in the Public Employees’ Retirement Fund of Indiana (PERF), cost-sharing, multiple employer public employees’ retirement system. The payroll for employees covered by the PERF was \$180,200. PERF covered employees are required to and did contribute 3% of their compensation to the PERF and the Authority is required to contribute amounts, which are actuarially determined, sufficient to fund the retirement benefits. The contribution requirement, which was made by the Authority, was \$9,911. These contributions represent 5.5% of covered payroll for 2008. To obtain more information please visit the Pubic Employees’ Retirement Fund at [www.in.gov/perf/](http://www.in.gov/perf/)

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007**

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**NOTE 5 – NOTE RECEIVABLE**

The Authority received a letter from Governor Daniels and Congressman Visclosky asking the RDA to grant a loan for the purpose of completing the Little Calumet River Basin project, which would remove a large number of homes and businesses from the flood plan. The funding is considered an advance, to be repaid over the next several years through state appropriations contained in the biennial state budget for the project.

The RDA agreed to loan \$6 million to the Little Calumet River Basin Development Commission. During fiscal year 2008, a total of \$3,082,742 was provided to the Little Calumet River Basin Development Commission. The amount due to the Authority from the Little Calumet River Basin Development Commission at December 31, 2008 was \$3,082,742.

**NOTE 6 - COMMITMENTS**

Since the inception of the RDA, there have been contracts awarded for approved projects within Northwest Indiana. Because not all awarded contracts have been completed, the RDA has remaining commitments of \$14,565,008 at December 31, 2008 as follows:

Project Name:	Portage Northshore Park Phase II
Nature of Project:	Marquette Greenway Plan: Phase II
Date Awarded:	5/20/2008
Initial Total Project Cost:	\$2,865,406
Add-ons or Change Orders:	N/A
Cost Through 12-31-2008:	\$2,865,406
Percent (%) Complete as of 12-31-2008:	100%
Expected Completion Date:	Complete

Project Name:	Lake Michigan Shoreline Restoration
Nature of Project:	Marquette Greenway Plan: Shoreline Restoration
Date Awarded:	03/25/2008
Initial Total Project Cost:	2,563,225
Add-ons or Change Orders:	N/A
Cost Through 12-31-2008:	\$1,295,226
Percent (%) Complete as of 12-31-2008:	66%
Expected Completion Date:	June 2009

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007**

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**NOTE 6 – COMMITMENTS (Continued)**

Project Name:	Shoreline Park Gateway & Community Gateway
Nature of Project:	Marquette Greenway Plan: Shoreline Restoration
Date Awarded:	03/25/2008
Initial Total Project Cost:	\$3,900,000
Add-ons or Change Orders:	N/A
Cost Through 12-31-2008:	\$0.00
Percent (%) Complete as of 12-31-2007:	7%
Expected Completion Date:	July 2010

Project Name:	Water Filtration Plant Demolition
Nature of Project:	Marquette Greenway Plan: Existing water plant facilities demolition
Date Awarded:	11/13/2008
Initial Total Project Cost:	\$1,980,000
Add-ons or Change Orders:	N/A
Cost Through 12-31-2008:	\$0.00
Percent (%) Complete as of 12-31-2007:	Unknown
Expected Completion Date:	June 2012

Project Name:	Marquette Greenway Trail Sub-Area Master Plan
Nature of Project:	Marquette Greenway Plan: Bike trail due diligence study
Date Awarded:	11/13/2008
Initial Total Project Cost:	\$50,000
Add-ons or Change Orders:	N/A
Cost Through 12-31-2008:	\$0.00
Percent (%) Complete as of 12-31-2008:	100%
Expected Completion Date:	May 2009

Project Name:	Portage 26 Acres
Nature of Project:	Marquette Greenway Plan: Acquisition of 26 acres of land
Date Awarded:	11/27/2008
Initial Total Project Cost:	\$365,000
Add-ons or Change Orders:	N/A
Cost Through 12-31-2008:	\$0.00
Percent (%) Complete as of 12-31-2008:	0%
Expected Completion Date:	Unknown

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007**

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**NOTE 6 – COMMITMENTS (Continued)**

Project Name:	Valparaiso Redevelopment Commission Bus Acquisition
Nature of Project:	Buses: Local match of 4 buses and parking lot
Date Awarded:	02/12/2008
Initial Total Project Cost:	\$1,862,000
Add-ons or Change Orders:	N/A
Cost Through 12-31-2008:	\$1,163,186
Percent (%) Complete as of 12-31-2008:	63%
Expected Completion Date:	June 2009

Project Name:	Portage Northshore Park Phase I
Nature of Project:	Marquette Greenway Plan: Phase I – Planning and Construction
Date Awarded:	12/12/2006
Initial Total Project Cost:	\$6,823,000
Add-ons or Change Orders:	\$ 34,674
Cost Through 12-31-2008:	\$6,857,674
Percent (%) Complete as of 12-31-2008:	100%
Expected Completion Date:	Complete

Project Name:	Transportation Study
Nature of Project:	West Lake Corridor Marketing Study
Date Awarded:	02/23/2007
Initial Total Project Cost:	\$85,200
Add-ons or Change Orders:	N/A
Cost Through 12-31-2008:	\$85,200
Percent (%) Complete as of 12-31-2008:	100%
Expected Completion Date:	Complete

Project Name:	Operating Costs
Nature of Project:	Operating Costs – 2 year plan
Date Awarded:	06/19/2007
Initial Total Project Cost:	\$6,500,000
Add-ons or Change Orders:	N/A
Cost Through 12-31-2008:	\$2,868,706
Percent (%) Complete as of 12-31-2008:	63%
Expected Completion Date:	September 2009

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007**

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**NOTE 6 – COMMITMENTS (Continued)**

Project Name:	Westlake Corridor Marketing Study
Nature of Project:	Marketing Study
Date Awarded:	12/27/2007
Initial Total Project Cost:	\$130,000
Add-ons or Change Orders:	N/A
Cost Through 12-31-2008:	\$130,000
Percent (%) Complete as of 12-31-2008:	100%
Expected Completion Date:	Complete

Project Name:	East Chicago/Gary Joint Shoreline Project
Nature of Project:	Marquette Greenway Plan: Gary and East Chicago
Date Awarded:	12/27/2007
Initial Total Project Cost:	\$1,150,000
Add-ons or Change Orders:	N/A
Cost Through 12-31-2008:	\$731,216.67
Percent (%) Complete as of 12-31-2008:	Unknown
Expected Completion Date:	May 2009

Project Name:	Train Car Purchase
Nature of Project:	Purchase of 17 double-decker rail car
Date Awarded:	04/02/2007
Initial Total Project Cost:	\$17,500,000
Add-ons or Change Orders:	N/A
Cost Through 12-31-2008:	\$17,500,000
Percent (%) Complete as of 12-31-2008:	100%
Expected Completion Date:	Complete

**NOTE 7 – SUBSEQUENT EVENTS**

In January 2009, the RDA approved the following project:

Project Name:	City of Hammond
Nature of Project:	Lakefront Project
Date Awarded:	January 8, 2009
Initial Total Project Cost:	\$31,480,000
Add-ons or Change Orders:	N/A
Cost Through 04-30-2009:	\$0.00
Percent (%) Complete as of 04-30-2009:	0%
Expected Completion Date:	December 2011

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007**

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**NOTE 7 – SUBSEQUENT EVENTS (Continued)**

In March 2009, the Porter County Council voted to withdraw its membership from the Regional Development Authority and to recall its representative on the governing board. No action has been taken concerning the Porter County annual contribution (\$3.5 million) to the RDA. Indeed the Porter County Auditor recently forwarded the Porter County Contribution to the RDA and Porter County is current in payment of its assessment.

The Porter County Council has threatened litigation to resolve the issue of its entitlement to withdraw from the RDA. The RDA has asked the Indiana Attorney General for a legal opinion on the issue. It is not believed that the Porter County cannot withdraw its membership in the RDA absent the Indiana General Assembly amending the enabling legislation.

The City of Gary is delinquent in payment of its membership assessment to the RDA. The City of Gary has been designated a “distressed unit” under IC 6-1.1-20.3 and the distressed unit appeals board order of May 20, 2009 shows the delinquent RDA payment as an “outstanding obligation”. The distressed monies appeals board has made suggestions to the city of Gary on handling all of its outstanding obligations including the payment to the Authority. Gary’s status as a “distressed unit” may mitigate the provisions of IC 8-15-2-14.7.

In accordance with IC 8-15-2-14.7 and IC 36-7.5-4-2 as mentioned in the revenue section above, the City of Gary delinquency could affect the distribution from the State of Indiana. At the time of the issuance of the financial statements, there were no indications that the State of Indiana had such intention.

In May 2009, the Authority loaned \$1,430,000 to the Little Calumet River Basin Development Commission. The amount paid during fiscal year 2009 was approved by the board during fiscal year 2008.

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY  
SUPPLEMENTAL SCHEDULE OF SUPPORTING SERVICES  
FOR THE YEARS ENDED DECEMBER 31, 2008 and 2007**

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**Salaries & Professional Services**

	<u>2008</u>	<u>2007</u>
Professional Fees		
Salaries and related personnel costs	\$ 214,090	\$ 176,035
Investment consultants	2,875	2,500
Legal	41,021	22,935
Accounting	35,288	20,930
Compliance consultant	13,753	-
NWI RDA Transit Assessment	26,940	-
Planning consultant	<u>222,872</u>	<u>41,324</u>
Total Salaries & Professional Services	<u>\$ 556,839</u>	<u>\$ 263,724</u>

**Operating Expenses**

Bank charges	\$ 174	\$ 409
Furniture & equipment	1,031	-
Office supplies	9,152	3,355
Membership dues	1,000	150
Repairs & maintenance	1,193	260
Depreciation expense	6,673	6,671
Conferences	1,130	845
Postage	71	829
Legal notice - newspaper	515	435
Meals & entertainment	1,506	691
Meeting expense	3,879	658
Miscellaneous	-	1,032
Rent, Telephone, & Technical Support	29,117	24,860
Travel	10,468	9,856
Tuition reimbursement	<u>5,202</u>	<u>7,348</u>
	<u>\$ 71,111</u>	<u>\$ 57,399</u>

See accompanying notes to basic financial statements

**Northwest Indiana Regional Development Authority**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET TO ACTUAL**  
**Year Ended December 31, 2008**

	Budget	Actual	Variance
<b><u>Revenue by Source</u></b>			
State	\$ 10,000,000	\$ 10,000,000	\$ -
City of East Chicago	3,500,000	3,500,000	-
City of Hammond	3,500,000	2,625,000	(875,000)
City of Gary	3,500,000	2,625,000	(875,000)
Lake County	3,500,000	3,500,000	-
Porter County	3,500,000	1,750,000	(1,750,000)
<b>Total Revenue by Source</b>	<b>27,500,000</b>	<b>24,000,000</b>	<b>(3,500,000)</b>
<b><u>Program Expenses</u></b>			
Portage Lakeshore	9,688,406	6,486,680	(3,201,726)
Gary/East Chicago Lakeshore	1,150,000	660,332	(489,668)
Whiting Lakeshore	2,563,225	1,087,176	(1,476,049)
Regional Bus Authority - Administrative	37,500	37,500	-
Regional Bus Authority - Capital	6,500,000	2,868,706	(3,631,294)
Valparaiso Redevelopment Commission	1,862,000	1,163,186	(698,814)
<b>Total Program Expenses</b>	<b>21,801,131</b>	<b>12,303,580</b>	<b>(9,497,551)</b>
<b><u>Administrative Expenses</u></b>			
Professional Services	281,183	289,770	8,587
Salaries and Benefits	204,930	242,130	37,200
Rent	18,636	28,985	10,349
Tuition Reimbursement	6,000	5,202	(798)
Travel	18,636	11,072	(7,564)
Office Supplies and Equipment	14,904	10,183	(4,721)
Professional Conferences	5,220	1,130	(4,090)
Legal Advertisements	1,248	491	(757)
<b>Total Administrative Expenses</b>	<b>\$ 550,757</b>	<b>\$ 588,963</b>	<b>\$ 38,206</b>

**RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS:**

Depreciation Expense	\$ (6,673)
Interest Income	1,151,480
Portage Lakeshore	(2,865,406)
Gary/East Chicago Lakeshore	(489,668)
Whiting Lakeshore	(1,476,049)
Regional Bus Authority - Capital	(3,631,294)
Valparaiso Redevelopment Commission	(698,814)
Shoreline Park Gateway and Community Gateway	(3,900,000)
Water Filtration Plant Demolition	(1,980,000)
Marquette Greenway Plant: Existing water plant	(50,000)
Portage 26 Acres	(365,000)
Administrative expenses	(22,749)
<b>Change in Net Assets - GAAP basis</b>	<b>\$ (14,334,173)</b>