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State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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April 29, 2025

Board of Directors
Northern Indiana Commuter Transportation District
Porter County, Indiana

We have reviewed the audit report of the Northern Indiana Commuter Transportation District, which was opined upon by Crowe LLP, Independent Public Accountants, for the period January 1, 2024 to December 31, 2024. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the Northern Indiana Commuter Transportation District, as of December 31, 2024, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Crowe LLP prepared the audit report in accordance with guidelines established by the Indiana State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA
Deputy State Examiner

Annual Comprehensive Financial Report

For the year ended December 31,

2024



Northern Indiana Commuter Transportation District

Chesterton, IN 46304



ANNUAL COMPREHENSIVE FINANCIAL REPORT



Northern Indiana Commuter Transportation District
33 East US Highway 12
Chesterton, Indiana 46304

For the Year Ended December 31, 2024

Prepared by
Accounting and Administration

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

December 31, 2024

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NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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INTRODUCTORY SECTION



April 17, 2025

Board of Trustees
Northern Indiana Commuter
Transportation District
Chesterton, Indiana

The Annual Comprehensive Financial Report of the Northern Indiana Commuter Transportation District (“NICTD”) for the year ended December 31, 2024, is hereby respectfully submitted. This report has been prepared according to the guidelines recommended by the Government Finance Officers Association (GFOA).

The financial statements, supplemental schedules, statistical information, and all data contained herein are the representations of NICTD’s management. Responsibility for the accuracy, completeness and fairness of this report rests with NICTD. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of NICTD. Disclosures necessary to enable the reader to gain an understanding of NICTD’s financial activities have been included.

Generally Accepted Accounting Principles (GAAP) requires management to provide a narrative introduction, overview, and analysis with the financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

History

This rail system began in 1903 as the Chicago and Indiana Air Line Railway, a streetcar service between Indiana Harbor and East Chicago. By 1908, the rail line stretched across northwest Indiana, extending 68.9 miles from Hammond to South Bend. By 1909, the line operated trains to Pullman, Illinois, where passengers changed trains to continue their journeys to downtown Chicago. The system later entered into an agreement with the Illinois Central Railroad in which “Lake Shore” cars were coupled to a steam locomotive at Kensington, Illinois and hauled into downtown Chicago. In June 1925, the system was renamed the Chicago South Shore and South Bend Railroad (CSS). During World War II, annual ridership on the CSS, which provided freight as well as passenger service, rose to over 6 million. After the war, the CSS passenger service began a long period of ridership decline.

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In 1977, the Indiana General Assembly passed legislation (Indiana Code (IC) 8-5-15) enabling the four counties served by the CSS (St. Joseph, LaPorte, Porter, and Lake counties) to form a municipal corporation to maintain and enhance the passenger rail service. On December 29, 1989, NICTD began direct operations of the South Shore Line passenger rail service.

In 2019, the Indiana General Assembly passed a state budget bill that restructured NICTD's Board of Trustees (Board) to consist of five members. The Indiana Department of Transportation's commissioner, or the commissioner's designee, shall serve as Chairman of the Board. The Governor of Indiana appoints the remaining four members as follows: one elected official from each of the four Indiana counties served by NICTD. Appointments are for terms of four years.

NICTD's administration, subject to the policies and supervision of its Board of Trustees, is directed by the President. The President is under contract to the Board. An organizational chart, which depicts the key functional responsibilities, is shown on page ix of this Introductory Section.

Reporting Entity

NICTD has defined its reporting entity in conformance with Governmental Accounting Standards Board (GASB) Statement 20. Accordingly, the financial statements contained within this annual comprehensive report include only the accounts and transactions of NICTD. A discussion of NICTD's reporting entity is included in Note 1 to the financial statements.

NICTD is an entity which uses the accrual method of accounting. Under the accrual method of accounting, revenues are recorded when earned and expenses are recorded when incurred. The activities are accounted for in a single enterprise (proprietary-type) fund.

NICTD is required by Indiana Code 8-5-15-19 to have an annual audit performed by independent certified public accountants. Crowe LLP, a firm of licensed certified public accountants, has audited NICTD's financial statements. The goal of the independent audit is to provide reasonable assurance NICTD's financial statements for the year ended December 31, 2024, are free of material misstatement. The independent auditors rendered an unmodified auditor's report on NICTD's financial statements for the year ended December 31, 2024.

As a recipient of federal and state financial assistance, NICTD is required to undergo an annual single audit in conformity with the provisions of the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to the Single Audit, including the schedule of expenditures of federal awards, findings and questioned costs and auditor's reports on the internal control structure and compliance with applicable laws and regulations is included in the Annual Comprehensive Financial Report. The report for the year ended December 31, 2024, is now available and may be obtained by contacting the CFO's office.

Management is responsible for establishing and maintaining an internal control system designed to ensure that NICTD's assets are protected from loss/theft or misuse and to ensure that adequate accounting data are compiled to allow the preparation of financial statements in conformity with generally accepted accounting principles. The internal control system is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived; and that the evaluation of cost and benefits requires estimates and judgments by management.

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All internal control evaluations occur within the above framework. We believe that NICTD's internal accounting controls are reasonable under the existing budgetary constraints and adequately safeguard assets and provide reasonable assurance of proper recordings of all financial transactions.

Service Provided by the District

NICTD's mission statement is to provide safe, reliable and high-quality passenger service which is responsive to the needs of the people of northern Indiana and southeast Chicagoland. Mindful of the access its service provides to economic, social and cultural opportunities, NICTD will work to preserve and strengthen that access for the greater community development and well-being. In view of its role as steward of a major public resource, NICTD will strive to achieve a balance between fares and public support that is fairest to all.

The Northern Indiana Commuter Transportation District (NICTD) is an electric railroad providing daily commuter rail passenger service along a 90-mile route between South Bend, Indiana and Chicago, Illinois. Known to locals as the South Shore Line (SSL), NICTD's commuter service is a major contributor to the economic engine of northern Indiana and southeast Chicago, operating about 15,000 trains in 2024 carrying passengers to high paying Chicago jobs. Since the mid-70's ridership grew from 1.5 million to a record 4.2 million passengers in 2007 (see graph on page v). While ridership has not met those record levels since the Great Recession, ridership remained steady in recent years up until 2020. Like other public transit services, NICTD's ridership took a horrible hit in 2020 due to the coronavirus (COVID-19) pandemic. It is noteworthy to identify that in addition to the pandemic, construction work was ongoing through early 2024. Construction along the main line was an expected deterrent for passengers returning to utilize the SSL service. Upon the completion of construction and the start of the new service made possible by the Double Track project, SSL's service saw a promising 16.0% growth in ridership in 2024 over 2023.

The South Shore is uniquely positioned in the heart of Chicago's Loop within easy access to approximately 624,000 jobs, more than doubling the job base of Lake and Porter counties, Indiana (256,000 jobs). On average these jobs pay 40% more than similar positions in northwest Indiana.

Since its creation in 1977, NICTD has invested federal, state and local funds to initially stabilize the passenger service and then address its aging infrastructure including new rolling stock, electrical substations, maintenance facilities, bridges, passenger stations and modern signal and power distribution systems.

NICTD owns 69.2 route miles in Indiana and leases 6.1 miles in perpetuity between the Illinois/Indiana state line to 115th St/Kensington where NICTD merges with the Metra Electric District for the final 14 miles to Chicago. NICTD has a mixed fleet of 88 electric multiple-unit (EMUs) with an average fleet age of 32.6 years. NICTD's goal is to be the mode of choice for accessing Chicago. To accomplish this, NICTD must enhance safety, improve reliability and reduce travel time.

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Revenue and Funding

NICTD generates operating income through a formal fare structure that is based on the rail service it provides. NICTD typically also recognizes parking lot collections as operating revenue. However, due to lower ridership levels since the pandemic, NICTD has tabled its parking lot collections and will reevaluate in 2025. Additional revenue is earned from advertising, rental income and investment income.

The Metra subsidy for Hegewisch service has been formalized in a Purchase of Service Agreement. This is a flat annual reimbursement to NICTD payable in monthly installments.

SouthShore Freight pays maintenance and annual rental fees for freight carried over NICTD's property.

NICTD's primary source of non-operating assistance comes from Federal Grants through the Federal Transit Administration (FTA) for operations and capital improvement programs. Additional funding is provided through the public mass transportation fund, electric rail service fund and commuter rail service fund in the State of Indiana.

NICTD practices financial planning and cost controls, however it is not legally required to report on a budgetary basis. No comparison of actual and budget data is included.

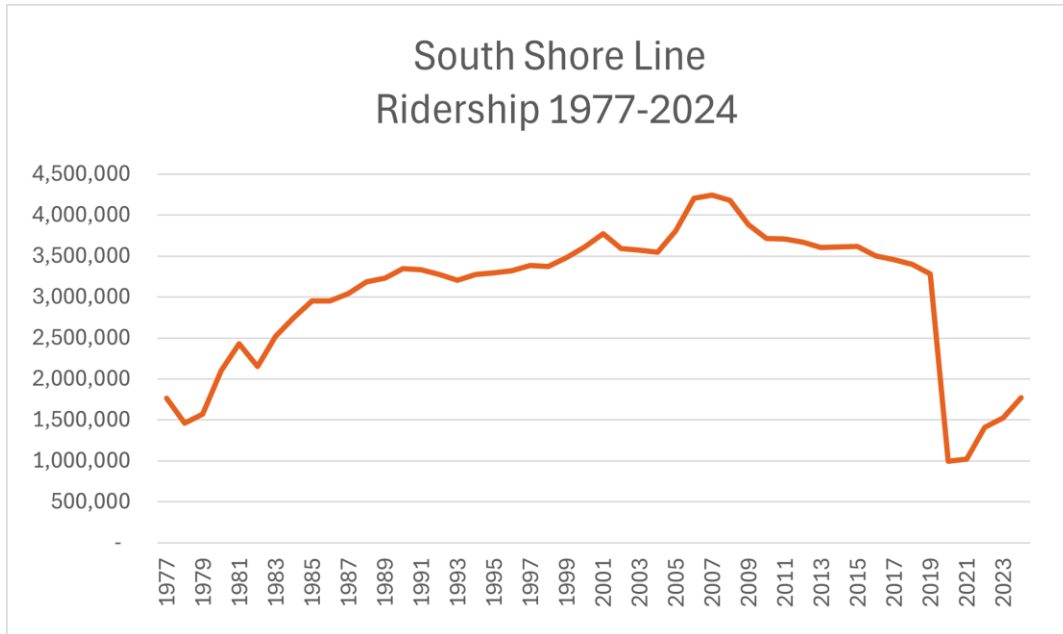
Local Economy

The South Shore Line is an integral part of the Chicago commuter rail hub and spoke network providing connectivity for northwest Indiana's regional community and direct access to Chicago's Loop, with links to Midway and O'Hare and NE Illinois suburban communities; and Amtrak's national rail network through Chicago's Union Station. It also serves daily commuters and occasional riders from southwest Michigan and north central Indiana.

The majority of NICTD's ridership is comprised of those commuting to and from Chicago's Central Business District. Any workforce increases or decreases within Chicago's Central

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Business District would generally correlate to changes in rush hour ridership. Of course, with changing in-office workplace requirements post-pandemic, these patterns have been greatly evolving. We watch Chicago's central business district employment trends very carefully. In total, NICTD carried over 1.77 million passengers in 2024.



Major Initiatives

NICTD uses a minimum five-year Transportation Improvement Plan (TIP) that is updated annually. This plan was developed to provide NICTD with a strategy for implementing capital improvement projects.

NICTD has concentrated its capital resources in a six-year effort to improve assets that affect service reliability. Substation rehabilitation, track improvements, bridges, and the New Starts West Lake and Double Track projects have been the focus of the program. NICTD continues to strive to modernize the entire railroad in order to achieve reduced travel times and effectively compete with auto commuting.

West Lake Corridor Project Much progress has been made on the West Lake project to date. A Design-Build contract was awarded in October 2020 to the F.H. Paschen/Ragnar Benson Joint Venture. The final design is over 95% complete. There are four new train stations on this route: at the Munster/Dyer border, at Ridge Road in Munster, at 173rd Street and Lyman Avenue in south Hammond, and the Gateway Station in north Hammond which is a joint station where the West Lake Corridor and South Shore Line main line come together.

Project-wide construction activities are approximately 90% complete. Land clearing, utility conflict resolution, and environmental remediation work on the project are essentially done. Bridges over the Canadian National, Indiana Harbor Belt, Norfolk Southern and CSX railroads have all been erected. Earthwork, drainage systems, and retaining wall work have occurred project-wide and almost all track has been installed and distressed. Three of the four station locations are complete, including Hammond Gateway, South Hammond, and Ridge Road in Munster, with the

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Hammond Gateway Station successfully opening for service on October 18, 2024. Only work at the new Munster/Dyer train station is ongoing. The bulk of the remaining construction activities are system-related, including work on the overhead catenary system, traction power, and communication fiber, as well as final wiring, cable terminations, and lighting in the new station areas. A few new electrical and gas service locations also remain in coordination with NIPSCO.

The project completion date in the federal Full Funding Grant Agreement (FFGA) is May 2026. The project construction schedule remains significantly ahead of the FFGA schedule and is currently expected to be completed under budget. The Design-Builder did miss their contractual October 28, 2024, Substantial Completion date. However, Revenue Service is still targeted to occur in the Summer of 2025. Visit www.nicdwestlake.com for more information.

Double Track Northwest Indiana Project Construction of the Double Track Northwest Indiana Project is largely complete. The main contractor, the Walsh/Herzog joint venture on the design-bid-build contract, completed work in February 2024. On May 13, 2024, NICTD held a Ribbon Cutting event and started the new Double Track train service the very next day. The project made it possible to add 14 new trains each weekday. The remaining portion of work to be completed on the Double Track project is the completion of Michigan City's 11th Street Station and the parking structure that will provide an additional 437 parking spaces. The station/parking structure project is being constructed through a Joint Development Agreement with the City of Michigan City. Flaherty & Collins, the City's developer for the project, which will ultimately include a 12-story luxury apartment complex, expects to complete work on the station and parking structure in early 2025. The Double Track project was completed on time and under budget. In addition, Michigan City and NICTD worked on the City's application for a federally approved Quiet Zone which began in 2017 and was approved by the Federal Railroad Administration in September 2024. The Quiet Zone in Michigan City became effective on October 7, 2024. NICTD is currently focusing on project closeout activities. For more information visit www.doubletrack-nwi.com.

South Bend Realignment Study Engineering design and environmental review has been ongoing throughout 2024. NICTD anticipates completion of the Environmental Assessment and 100% engineering in the Spring of 2025. The boards of NICTD and South Bend International Airport voted to approve an Interim Agreement between the two parties regarding the relocation of rail services to the west side of the airport as well as a lease and easement agreement. NICTD is in the process of applying for a number of different federal funding opportunities as well as putting together the local share for this \$112M project. The goal for construction bidding is the fourth quarter of 2025 with construction commencing in 2026 and completion in the fall of 2027. Once completed, NICTD expects to be able to reduce travel time to and from Chicago by 13-15 minutes.

New Carlisle Station Feasibility Study In the fall of 2024, NICTD embarked on updating a 2018 Feasibility Study with St. Joseph County Economic Development Department to evaluate options for a future station in New Carlisle. At this time, multiple locations are being analyzed and a report from Antero Group, the consultant, is expected in early 2025.

Line & Signal Department In 2024, NICTD's Line and Signal department was heavily involved in supporting both the Double Track and West Lake projects. Over the winter/spring of 2024, Line and Signal supported the testing and commissioning of the Double Track project, ensuring the joint venture successfully implemented the system elements of the project. In addition, the

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department is involved in supporting a push button grade crossing cutout system for five passenger station locations at Miller, Ogden Dunes, Dune Park, Beverly Shores, and 11th St. Michigan City. To date, NICTD has procured and installed hardware and cabling to all five locations and has begun testing software with Positive Train Control (PTC), Train Control Software, and Grade Crossing Warning Systems (GCWS).

In support of the West Lake/SSL realignment from the existing Hammond Station to the Gateway Station, NICTD participated in upgrading the GCWS locations at Calumet, Torrence, Henry and Johnson St.

Line and Signal forces completed work associated with the Control Point (CP) CP 70 and CP 70.5 speed improvements that began last year. Two absolute signals were relocated, four power switch machines were relocated, new cable was installed from control houses to new insulated joints, and new switch locations and all systems were tested for placing into service. Additionally, six catenary structures were relocated to allow for track shifts.

Bids for construction and installation of two new modular Traction Power Substations at Miller and Pines Yard along with renewal of rectification and distribution equipment at Columbia Substation were received. 2025 will see commencement of field work for site preparation, approval of manufacturers designs, and factory testing of equipment required prior to delivery of equipment.

Track & Structures and Bridges & Buildings Departments In Spring 2024, the Hegewisch CP70.0/70.5 project was completed including reversing the gauntlets at CP 70.5 and upgrading the Burnham Diamonds to One Way Low Speed (OWLS) Diamonds. This project increased speeds and throughput capacity in the area. All mainline and passing siding rails underwent ultrasonic rail testing. The team inspected all bridges, culverts, and buildings. In addition, crews rebuilt two grade crossing surfaces, rehabilitated five turnouts, welded out 190 joints, replaced 2,500 ties and replaced 1/2 track mile of rail.

The Operation Control Center and Dune Park Station roof replacements were completed in 2024. The New Shop Building decking and EPDM roofing membrane are complete. The Ash St. bridge in Hammond was blasted, repainted, and deck waterproofing was replaced. Additionally, outside engineering was completed for the rehabilitation of the Calumet Expressway and Calumet River Bridges.

Plans for 2025 include replacing 15,000 cross ties, upgrading three track miles of rail, and welding out 250 joints.

Mechanical Department Tracking fleet-wide reliability to identify and address deficiencies in the fleet remained an ongoing priority in 2024. The new auxiliary supply system (APS) has been installed in the 300 series cars, which will reduce downtime and failures while also improving reliability. The installation of the new air dryer systems to the 1982/1992 and 100 series cars continues. This will reduce braking system contamination, increasing overall car reliability and availability. We continue to search for more efficient and cost-effective procedures while providing safe and reliable service to our customers. Additionally, upgrades will begin on the wheel truing machine's operating controls and electronics, which will result in a more efficient and reliable system for the foreseeable future.

Mechanical Capital Projects The End-life rebuild of the 32 West Lake Corridor cars kicked off in the third quarter of 2019 and has continued through 2024 with the completion of the 23rd single level car. The End-life program includes several upgrades including replacement of the AC

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propulsion system, HVAC rebuilds, pantograph rebuilding, and suspension upgrades. In late 2023, the Federal Railroad Administration (FRA) released a final ruling on installation of image recording devices on passenger trains in response to the Fixing America's Surface Transportation Act (FAST Act). The rule mandates that video recording devices remain operational while the controlling locomotive of a passenger train is in motion. To meet the new requirement, all NICTD rebuilt cars had the new crash hardened memory modules installed. All cars coming out of the End-life shop will have FRA compliant video systems installed. Cars that have not been rebuilt will need to be compliant by October 12, 2027.

Award


The Government of Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Northern Indiana Commuter Transportation District for its Annual Comprehensive Financial Report for the year ended December 31, 2023. NICTD has achieved this prestigious award for twelve consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgement

The preparation of this report would not have been possible without the hard work and high standards of the Accounting and Administrative departments. NICTD wishes to thank all who contributed to this project.

Respectfully submitted,



Christine Dearing
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Northern Indiana
Commuter Transportation District**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morill

Executive Director/CEO

Northern Indiana Commuter Transportation District Organization Chart



General Counsel
L. C. Lukmann

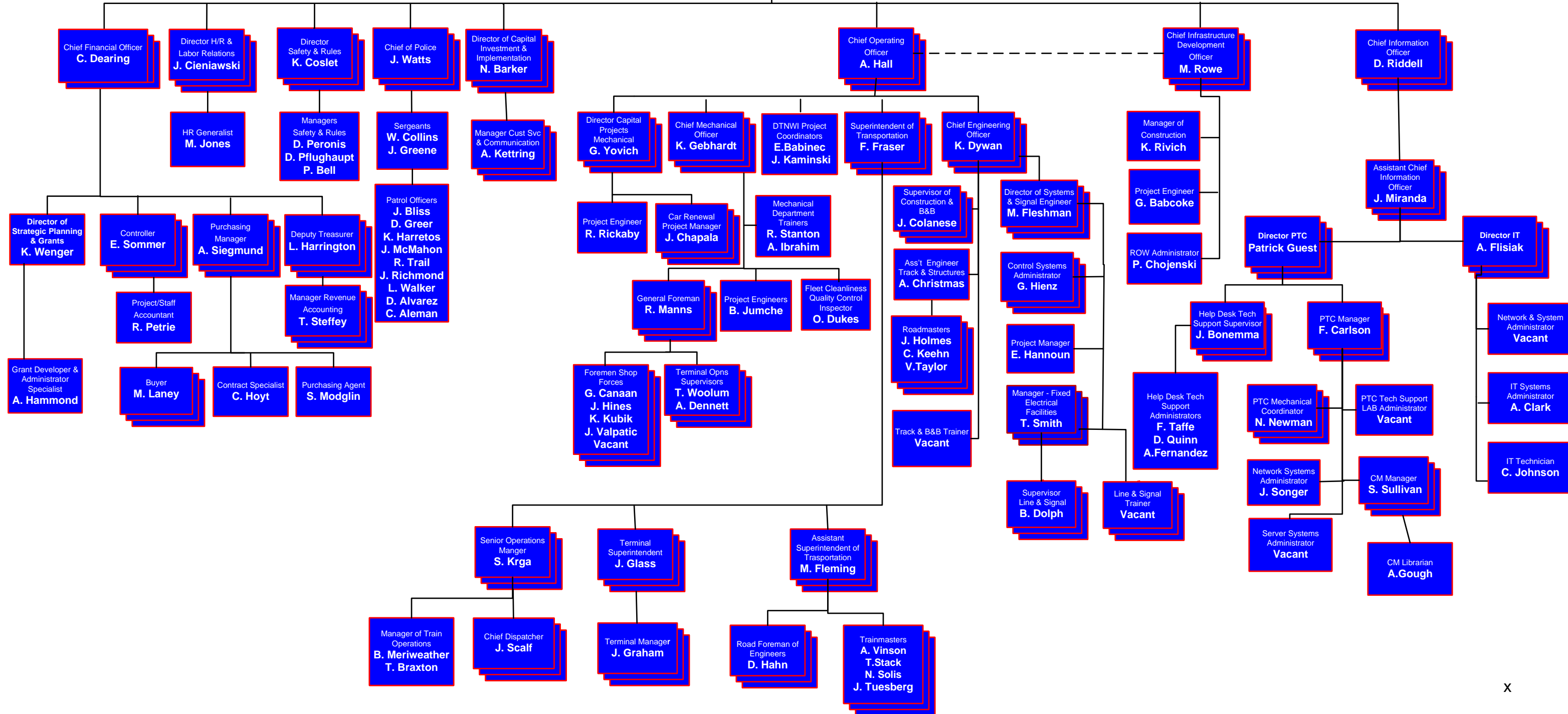
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President / CEO
M. C. Noland

Executive Secretary
C. Grashel

EEO Officer
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K. Wenger



Northern Indiana Commuter Transportation District

Board of Trustees and Administration
as of December 31, 2024

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Indiana Department of Transportation Commissioner

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Chairman

Lake County, Indiana

Eddie Melton
Board Member

Porter County, Indiana

Jon Costas
Treasurer

LaPorte County, Indiana

Jim Arnold
Secretary

St. Joseph County, Indiana

Carl Baxmeyer
Vice Chairman

Administration

Michael Noland, President
Christine Dearing, Chief Financial Officer
Jessie Watts, Jr., Chief of Police
Anthony Hall, Chief Operating Officer
Kevin Dywan, Chief Engineering Officer
Kevin Gebhardt, Chief Mechanical Officer
Michael Rowe, Chief Infrastructure Development Officer
Darrell Riddell, Chief Information Officer



Indiana Governor Eric Holcomb cutting the ribbon for NICTD's new Double Track service.



Aerial view of the new Hammond, IN Gateway Station on opening day, October 18, 2024. Construction of this new station marked a milestone in the West Lake Corridor project.

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Northern Indiana Commuter
Transportation District
Chesterton, Indiana

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

We have audited the financial statements of the Northern Indiana Commuter Transportation District (NICTD), as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise NICTD's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of NICTD as of December 31, 2024 and the change in financial position and its cash flow for the year then ended 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 NICTD 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 the Financial Statements

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 NICTD's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

(Continued)

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 opinion. 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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, but not for the purpose of expressing an opinion on the effectiveness of NICTD's internal control. Accordingly, no such opinion is expressed.
- 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 NICTD'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, schedule of NICTD's proportionate share of the net pension liability – PERF, schedule of NICTD's contributions – PERF, and schedule of changes in NICTD's total OPEB liability and related ratios as shown on the table of contents 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.

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise NICTD's basic financial statements. The schedules of expenses, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenses and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2025 on our consideration of NICTD'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 NICTD's 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 NICTD's internal control over financial reporting and compliance.


Crowe LLP

Indianapolis, Indiana
April 17, 2025

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2024 and 2023
(In thousands of dollars)

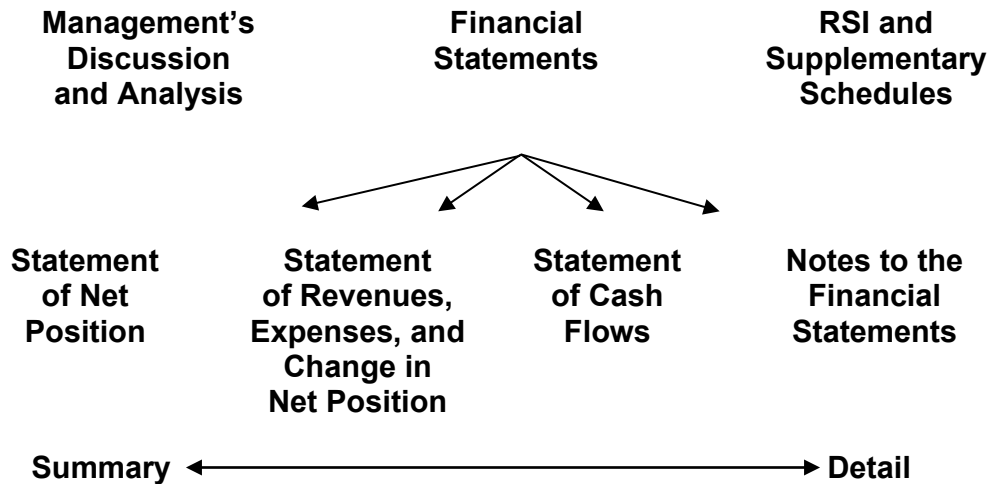
The following discussion and analysis of the Northern Indiana Commuter Transportation District's (NICTD's) financial performance provides an overview of NICTD's financial activities for the year ended December 31, 2024 and 2023.

Overview of the Financial Statements

This annual financial report consists of five parts: Management's Discussion and Analysis, Financial Statements, Required Supplementary Information (RSI), Supplementary Schedules, and the Reports on Compliance. The Financial Statements also include notes that explain in more detail some of the information in the financial statements. The statements are followed by a section of Supplementary Schedules that further explain and support the information in the Financial Statements. Figure A-1 shows how the required parts of the annual financial report are arranged and relate to one another. The Financial Statements of NICTD report information about NICTD using accounting methods similar to those used by private sector companies, except for the reporting of capital contributions and net position. These statements offer short and long-term financial information about its activities.

Figure A-1

Required Components of Northern Indiana Commuter Transportation District's Annual Financial Report



The Statement of Net Position include all of NICTD's assets and liabilities and deferred outflows and inflows of resources and provide information about the nature and amounts of investments in resources (assets) and the obligations to NICTD creditors (liabilities). It also provides the basis for evaluating the capital structure of NICTD and assessing the liquidity and financial flexibility of NICTD.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Change in Net Position, successor to the Income Statement. This statement measures the results of NICTD's operations over the past year and can be used to determine whether NICTD has recovered its costs through its fare rates and other charges.

The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about NICTD's cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides information on the sources and uses of cash and the changes in cash balances during the year.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2024 and 2023
(In thousands of dollars)

Financial Highlights

- NICTD reported a \$162,644 increase to Net Position for 2024. This increase is primarily due to federal and regional funding for the West Lake and Double Track projects.
- Operating revenues increased by 22.07% in 2024 to \$11,537 due to a recovery in ridership.
- Operating loss increased by \$28,521, or 41.69%, in 2024 primarily due to an increase in depreciation costs from capitalizing the substantially complete Double Track project. Additional increases occurred from overall increased operating expenses.
- Loss before capital contributions increased by \$58,918, or 569.7%, in 2024 partly due to the increase in depreciation expense but largely due to Metra Electric District (MED) noncapital project expenses.
- Capital contributions decreased by \$221,396, or 48.84%, in 2024 due primarily to a decrease in federal and regional government contributions received to fund NICTD's two Capital Investment Grant projects, Double Track Northwest Indiana and West Lake Corridor. The Double Track project was substantially completed in mid-2024 resulting in a reduction of this funding from the prior year.

Statements of Net Position

Total net position increased by \$162,644 in 2024. (see Figure A-2). The largest portion of net position is net investment in capital assets, which increased \$204,259 in 2024 through capital improvements, which were funded by bond proceeds and contributions from federal, state, and regional governmental agencies.

Figure A-2
Condensed Statements of Net Position

	<u>2024</u>	<u>2023</u>	<u>Difference</u>	<u>Percent Change</u>
Current assets	\$ 144,378	\$ 240,551	\$ (96,173)	(39.98%)
Capital assets (net)	1,667,323	1,493,218	174,105	11.66
Other noncurrent assets	<u>198,083</u>	<u>77,905</u>	<u>120,178</u>	<u>154.26</u>
Total assets	2,009,784	1,811,674	198,110	10.94
Deferred outflows of resources	521	531	(10)	(1.88)
Current liabilities	125,489	226,154	(100,665)	(44.51)
Long-term liabilities	274,851	137,916	136,935	99.29
Other liabilities	<u>1,258</u>	<u>1,170</u>	<u>88</u>	<u>7.52</u>
Total liabilities	401,598	365,240	36,358	9.95
Deferred inflows of resources	3,036	3,938	(902)	(22.91)
Net investment in capital assets	1,490,516	1,286,257	204,259	15.88
Restricted for debt service	36,767	35,024	1,743	4.98
Restricted for capital projects	194	2,671	(2,477)	(92.74)
Unrestricted	<u>78,194</u>	<u>119,075</u>	<u>(40,881)</u>	<u>(34.33)</u>
Total net position	<u>\$ 1,605,671</u>	<u>\$ 1,443,027</u>	<u>\$ 162,644</u>	<u>11.27%</u>

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2024 and 2023
(In thousands of dollars)

Statements of Revenues, Expenses and Changes in Net Position

Operating revenues increased in 2024 by \$2,086 (see Figure A-3a). Ridership experienced a significant decrease in 2020 due to the coronavirus, COVID-19. Ridership is rising but continues to see these effects.

	<u>2024</u>	<u>2023</u>
Operating revenue	\$ <u>11,537</u>	\$ <u>9,451</u>
Commuter ridership	870	832
Off-peak ridership	<u>901</u>	<u>695</u>
Total ridership	<u>1,771</u>	<u>1,527</u>

Operating expenses increased by \$30,607 in 2024 due to an increase in depreciation costs from newly capitalized projects. Total net non-operating revenues decreased by \$30,397 in 2024 due primarily to an increase in noncapital project funding for the MED Project and interest expense.

Figure A-3a
Condensed Statements of Revenues, Expenses and Changes in Net Position

	<u>2024</u>	<u>2023</u>	<u>Difference</u>	<u>Percent Change</u>
Operating revenue	\$ 11,537	\$ 9,451	\$ 2,086	22.07%
Operating expenses	<u>(108,477)</u>	<u>(77,870)</u>	<u>30,607</u>	<u>39.31</u>
Operating loss	(96,940)	(68,419)	(28,521)	41.69
Non-operating revenues/expenses	<u>27,680</u>	<u>58,077</u>	<u>(30,397)</u>	<u>(52.34)</u>
Loss before capital contributions	(69,260)	(10,342)	58,918	(569.70)
Capital contributions	<u>231,904</u>	<u>453,300</u>	<u>(221,396)</u>	<u>(48.84)</u>
Increase in net position	162,644	442,958	(280,314)	(63.28)
Net position, beginning of year	<u>1,443,027</u>	<u>1,000,069</u>	<u>442,958</u>	<u>44.29</u>
Net position, end of year	<u>\$ 1,605,671</u>	<u>\$ 1,443,027</u>	<u>\$ 162,644</u>	<u>11.27%</u>

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2024 and 2023
(In thousands of dollars)

Figure A-3b, which follows, provides a more detailed look at operating revenues and expenses, as well as nonoperating revenues and expenses. This provides a comparison of the most recent two years of financial data.

Figure A-3b
Schedule of Revenues and Expenses

	<u>2024</u>	<u>2023</u>
Operating revenue		
Passenger fares (net of refunds)	\$ 11,537	\$ 9,451
Total operating revenues	<u>\$ 11,537</u>	<u>\$ 9,451</u>
Operating expenses		
Transportation	\$ 15,338	\$ 12,657
Maintenance of way	12,041	6,876
Maintenance of equipment	18,498	15,318
Claims and insurance	5,083	7,184
General and administrative	14,093	10,976
Total before depreciation/amortization	<u>65,053</u>	<u>53,011</u>
Depreciation	35,175	16,269
Amortization	8,249	8,590
Total operating expenses	<u>\$ 108,477</u>	<u>\$ 77,870</u>
Nonoperating revenues (expenses)		
Federal maintenance grant	\$ 27,500	\$ 19,348
State operating assistance	15,409	17,738
Indefinite Situs tax	17,831	16,350
Other local funds	5,184	5,204
Other revenue	7,215	2,294
Interest expense and bond issuance costs	(11,368)	(2,857)
MED project noncapital costs	<u>(34,091)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>\$ 27,680</u>	<u>\$ 58,077</u>

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2024 and 2023
(In thousands of dollars)

Statements of Cash Flows

Cash flow used in operating activities in 2024 increased by \$3,957 (see Figure A-4). Cash flow provided by noncapital financing activities increased by \$125,460 due to an increase in borrowings to fund the MED Project. Cash flow provided by capital and related financing activities increased by \$5,417 due to an increase in SITUS tax and a decrease in construction of capital assets. Cash used in investing activities increased by \$9,167 due to an increase in investment purchases.

Figure A-4
Condensed Statements of Cash Flows

	<u>2024</u>	<u>2023</u>	<u>Difference</u>	<u>Percent Change</u>
Net cash flows used in operating activities	\$ (54,332)	\$ (50,375)	\$ (3,957)	(7.86)%
Net cash flows provided by noncapital financing activities	161,867	36,407	125,460	3,446.04
Net cash flows provided by capital and related financing activities	10,072	4,655	5,417	116.37
Net cash flows provided by (used in) investing activities	<u>(6,399)</u>	<u>2,768</u>	<u>(9,167)</u>	<u>(331.18)</u>
Net increase (decrease) in cash and cash equivalents	111,208	(6,545)	117,753	1,799.13
Cash and equivalents, beginning of year	<u>78,663</u>	<u>85,208</u>	<u>(6,545)</u>	<u>(7.68)</u>
Cash and equivalents, end of year	<u>\$ 189,871</u>	<u>\$ 78,663</u>	<u>\$ 111,208</u>	<u>141.37%</u>

Capital Assets

NICTD maintains a minimum five-year Capital Improvements Program (CIP) that is presented to the board annually. Development of the CIP is based on NICTD's current facilities plan and recommendations from the annual inspection of tracks, catenary, traffic signals, and bridge facilities. NICTD's current plan covers years from 2025 through 2030. NICTD expects to invest \$324,484 in capital improvements during 2025 – 2030. NICTD will utilize grants and non-operating revenues to fund these improvements. Work will include upgrades along the right of way, new equipment, railcar improvements, bridge improvements, and substation improvements.

NICTD is also proposing to fund the West Lake Corridor (WLC) expansion project and Double Track Northwest Indiana (DT-NWI) project during 2025-2026. See table below for expected funding sources. 2024 spending amounted to \$151,987 for West Lake and \$71,249 for Double Track.

Planned Funding Sources for 2025 – 2026:

West Lake*	State/RDA/Local funding	Federal funding	Total funding
Project Costs	\$56,800	\$-	\$56,800
Double Track*	State/RDA/Local funding	Federal funding	Total funding
Project Costs	\$13,084	\$-	\$13,084

* Amounts subject to change based on actual activity.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2024 and 2023
(In thousands of dollars)

NICTD submitted a formal ratings package for the West Lake Corridor Project (WLC) in September 2018 to the Federal Transit Administration (FTA) within the Capital Investment Grants (CIG) program as a New Starts project. NICTD secured a Full Funding Grant Agreement (FFGA) on October 28, 2020. The Double Track Northwest Indiana (DT-NWI) New Starts Project formally requested a Project Rating and Entry into Engineering phase of the FTA's Capital Investment Grant (CIG) Program in June, 2019. FTA awarded FFGA for DT-NWI January 7, 2021. The DT-NWI Project achieved revenue service in May 2024. Project close-out continues as we await the final Before/After study to be completed in 2026.

Net capital assets were \$1,667,323 for 2024 and \$1,493,218 for 2023. For detailed information related to Capital Asset activity, see Note 4 to the financial statements.

Other Projects

The Metra Electric District (MED) Project is a construction project that will enhance NICTD's service in and out of Chicago after the completion of the Double Track Project and the West Lake Corridor Project. With these Projects, NICTD is adding twenty-six new trains to its schedule. The additional track access into Chicago is an important element of NICTD's service enhancements. The MED Project is being funded through the 2024 MED Project Bond Issuance. The annual debt service on this Bond Issuance is supported through FTA Section 5337 federal grant funds and Commuter Rail Service Fund-Indefinite Situs tax funds (local share). This Project represents NICTD's capital contribution as part of the Trackage Rights Agreement with Metra. Metra owns the capital assets of the MED Project. Therefore, NICTD is reporting these costs as non-operating expenses in its financial statements.

Debt Administration

At December 31, 2024 and 2023, NICTD had \$70,660 and \$73,355 principal outstanding for the Series 2016 Bonds. The original bond issue was \$89,100 to finance the implementation of the Positive Train Control project. The bond premium at December 31, 2024 and 2023 was \$6,296 and \$6,902. The original bond premium was \$11,844. NICTD incurred additional debt in 2024 through a \$143,035 Bond issuance to fund the MED Project. At December 31, 2024, NICTD had \$142,395 principal outstanding for the Series 2024 Bonds. The bond premium at December 31, 2024 was \$14,478. The original bond premium was \$14,718.

The following reflects resources and debt service paid during the two-year period:

Figure A-5
Indefinite Situs Tax Received/Grant Funding Received and Debt Service Payments

	<u>2024</u>	<u>2023</u>	<u>Difference</u>	<u>Percent Change</u>
Situs Tax Restricted for Debt Service	\$ 15,589	\$ 15,121	\$ 468	3.10%
Debt Payments - Series 2016 Bonds	6,147	6,150	(3)	0.00
Debt Payments - Series 2024 Bonds	2,930	-	2,930	100.00

For detailed information related to long-term debt, see Note 5 to the financial statements.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2024 and 2023
(In thousands of dollars)

Economic Factors and Next Year's Business Plans and Fares

NICTD carried nearly 1.8 million passengers in 2024; an increase of 15.96% from 2023. Annual ridership has experienced a decline since 2016, but the COVID-19 (coronavirus) pandemic caused a severe decline in overall ridership for 2020. Changes to the overall regional work environment and increases in remote work continue to impact ridership. NICTD will continue to closely monitor ridership compared to the pre-pandemic ridership of 2019. 2024's ridership is down 46.08% from 2019. NICTD continues to disinfect railcars, passenger stations, and other public common areas to further aid in protecting staff as well as ensuring the safety of our valued commuters. NICTD continues to analyze potential impacts on expense and revenue sources. NICTD remains hopeful that ridership will continue to rise to pre-pandemic levels.

Operating revenue increased by 22.07% in 2024. Increases in operating revenue and operating costs are expected with the completion of the Double Track and West Lake Corridor capital projects, which is factored into NICTD's 2025 Business Plan model. While specific projections for operating revenue and operating costs were forecasted as part of the Federal Transit Administration (FTA) modeling for these projects, operating revenue had to be tempered by the impact of the pandemic on ridership. An overall 12% increase in operating costs is expected for 2025, due primarily to the onset of the Double Track and West Lake Corridor projects.

Contacting NICTD's Financial Management

This financial report is designed to provide our citizens, customers, creditors, and Board members with a general overview of NICTD's finances and to show NICTD's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Chief Financial Officer at Northern Indiana Commuter Transportation District, 33 East U.S. Highway 12, Chesterton, Indiana 46304.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
STATEMENT OF NET POSITION

December 31, 2024
(In thousands of dollars)

ASSETS

Current assets

Cash and cash equivalents, unrestricted (Note 2)	\$	3,119
Investments, restricted (Note 2)		9,638
Receivables:		
Federal capital and planning assistance		57,014
Federal operating assistance		16,032
State assistance		22,757
Leases receivable (Note 3)		215
RDA/IFA capital receivables		22,247
Other		<u>2,243</u>
Total receivables		120,508
Materials and supplies inventory		7,129
Prepaid expenses		<u>3,983</u>
Total current assets		<u>144,377</u>

Noncurrent assets

Cash and cash equivalents, unrestricted (Note 2)		12,886
Cash and cash equivalents, restricted (Note 2)		173,866
Investments, unrestricted (Note 2)		1,023
Investments, restricted (Note 2)		7,864
Leases receivable (Note 3)		2,445
Capital assets not being depreciated		824,716
Capital assets being depreciated/amortized		1,343,081
Less accumulated depreciation and amortization		<u>(500,474)</u>
Capital assets being depreciated, net		<u>842,607</u>
Total capital assets, net (Note 4)		<u>1,667,323</u>
Total noncurrent assets		<u>1,865,407</u>
Total assets		<u>2,009,784</u>

DEFERRED OUTFLOWS OF RESOURCES

Other Post-Employment Benefits (OPEB) (Note 6)		292
Pension (Note 7)		<u>229</u>
Total deferred outflows of resources		<u>521</u>

Total assets and deferred outflows of resources \$ 2,010,305

See accompanying notes to financial statements.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
STATEMENT OF NET POSITION

December 31, 2024
(In thousands of dollars)

LIABILITIES

Current liabilities

Accounts payable:	\$	
Trade		1,640
Due to RDA/IFA		36,820
Capital projects		31,003
Retainage		29,554
Payroll taxes and withholdings		905
Accrued interest		5,257
Unearned revenue		403
Accrued injuries and damages (Note 1)		1,293
Compensated absences – current portion (Note 5)		2,248
Other accrued expenses		3,912
Lease liabilities – current portion (Note 3)		7,549
Bonds payable – current portion (Note 5) (payable from restricted assets)		4,905
Total current liabilities		125,489

Noncurrent liabilities

Long-term liabilities		
Lease liabilities (Note 3)		39,986
Long-term debt (Note 5)		233,917
Compensated absences (Note 5)		948
Total long-term liabilities		274,851

Other liabilities

Total OPEB liability (Note 6)		595
Net pension liability (Note 7)		663
Total other liabilities		1,258

Total noncurrent liabilities	276,109
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Total liabilities	401,598
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DEFERRED INFLOWS OF RESOURCES

Leases (Note 3)	2,681
OPEB (Note 6)	297
Pension (Note 7)	58
Total deferred inflows of resources	3,036

NET POSITION (Note 1)

Net investment in capital assets	1,490,516
Restricted for debt service	36,767
Restricted for capital projects	194
Unrestricted	78,194
Total net position	1,605,671

Total liabilities, deferred inflows of resources, and net position	\$ 2,010,305
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See accompanying notes to financial statements.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
Year ended December 31, 2024
(In thousands of dollars)

Operating revenue	
Passenger fares (net of refunds)	\$ 11,537
Total operating revenues	<u>11,537</u>
Operating expenses	
Transportation	15,338
Maintenance of way	12,041
Maintenance of equipment	18,498
Claims and insurance	5,083
General and administrative	<u>14,093</u>
Total before depreciation/amortization	65,053
Depreciation	35,175
Amortization	<u>8,249</u>
Total operating expenses	<u>108,477</u>
Operating loss	<u>(96,940)</u>
Nonoperating revenues (expenses)	
Federal maintenance grant	27,500
State operating assistance	15,409
Indefinite Situs tax	17,831
Other local funds (Note 8)	5,184
Other revenue (Note 8)	7,215
Interest expense and bond issuance costs (Note 8)	(11,368)
MED project noncapital costs (Note 8)	<u>(34,091)</u>
Total nonoperating revenues(expenses)	<u>27,680</u>
Loss before capital contributions	<u>(69,260)</u>
Capital contributions	
Federal	72,335
State	4,041
Regional governments	<u>155,528</u>
Total capital contributions	<u>231,904</u>
Change in net position	162,644
Net position at beginning of year	<u>1,443,027</u>
Net position at end of year	<u>\$ 1,605,671</u>

See accompanying notes to financial statements.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
STATEMENT OF CASH FLOWS
Year ended December 31, 2024
(In thousands of dollars)

Cash flows from operating activities	
Cash receipts from customers	\$ 11,292
Cash payments for salaries and benefits	(45,515)
Cash payments for insurance	(7,772)
Cash paid for goods and services	<u>(12,337)</u>
Net cash flows used in operating activities	<u>(54,332)</u>
 Cash flows from noncapital financing activities	
State operating assistance	15,015
Federal maintenance grant	16,376
Metra operating subsidy	4,008
Proceeds from noncapital bond issuance	157,012
Payment on noncapital bonds	(640)
Interest paid on noncapital bonds	(2,290)
MED noncapital project funding	(29,098)
Trackage rights - ROI subsidy	<u>1,484</u>
Net cash flows provided by noncapital financing	<u>161,867</u>
 Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(234,593)
Capital contributions	343,935
Payment to RDA/IFA for capital projects	(101,388)
Interest paid	(5,652)
Indefinite Situs tax	17,831
Payments on capital note liability	(7,366)
Payment on bonds	<u>(2,695)</u>
Net cash flows provided by capital and related financing activities	<u>10,072</u>
 Cash flows from investing activities	
Net sales (purchases) of investments	(12,691)
Interest received on cash equivalents and investments	<u>6,292</u>
Net cash flows provided by investing activities	<u>(6,399)</u>
Net increase in cash and cash equivalents	111,208
Cash and cash equivalents at beginning of year	<u>78,663</u>
Cash and cash equivalents at end of year	<u><u>\$ 189,871</u></u>

See accompanying notes to financial statements.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
STATEMENT OF CASH FLOWS
Year ended December 31, 2024
(In thousands of dollars)

Reconciliation of operating loss to net cash flows used in operating activities

Operating loss	\$ (96,940)
Adjustments to reconcile operating loss to net cash flows used in operating activities:	
Depreciation expense	35,175
Amortization expense	8,249
Change in assets and liabilities	
Receivables	(296)
Leases receivable	851
Materials and supplies inventories	(163)
Prepaid expenses	(396)
Deferred outflows of resources – pension and OPEB	10
Accounts payable – trade	(116)
Unearned revenue	51
Accrued injuries and damages	(2,298)
Accrued and withheld items	2,355
Total OPEB liability	78
Net pension liability	10
Deferred inflows of resources – leases	(851)
Deferred inflows of resources – pension and OPEB	<u>(51)</u>
Net cash flows used in operating activities	<u>\$ (54,332)</u>

Noncash capital and related financing activities

Capital assets included in accounts payable – capital projects and retainage payable	
End of year	\$ 60,557
Beginning of year	86,311
Capital contributions included in accounts receivable	
End of year	\$ 79,261
Beginning of year	191,292
Increase to right-to-use lease asset and lease liability	\$ 8,690

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business: The Northern Indiana Commuter Transportation District (NICTD) was formed as a municipal corporation in 1977, through ordinances by the Boards of the County Commissioners of Lake, LaPorte, Porter and St. Joseph counties in Indiana (under the provisions of Indiana Code, Section 19-5-2.6-3 which was recodified and is now Section 8-5-15-2), to enable these counties to solve the problem of providing public commuter transportation across county lines. Specifically, the counties have endeavored to improve passenger service over the Chicago South Shore and South Bend Railroad by coordinating the raising of local, state, and federal funds and providing certain subsidies for operating losses and capital improvements. On December 29, 1989, NICTD began direct operation of the passenger service.

Reporting Entity: The accompanying financial statements comply with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. The statement requires that financial statements of the reporting entity include all of the organizations activities, functions and component units for which the reporting entity is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and either (1) the reporting entity's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the reporting entity. Based upon the application of these criteria, no entities have been considered to be potential component units for the purpose of defining NICTD's reporting entity.

Basis of Accounting: The operations of NICTD are accounted for in one business segment, public transportation, as an enterprise fund on an accrual basis in order to recognize the flow of economic resources. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, depreciation of assets is recognized, and all assets and liabilities associated with the operation of NICTD are included in the statements of net position. The principle operating revenues of NICTD are rail passenger fares. NICTD also recognizes as operating revenue parking lot collections and miscellaneous operating revenue. Operating expenses for NICTD include the costs of operating the mass transit system, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Budgetary Accounting and Reporting: NICTD practices financial planning and cost controls; however, it is not legally required to report on a budgetary basis. Therefore, no comparison of actual and budget data is included in the financial statements.

Management Estimates: In preparing financial statements, management must make estimates and assumptions. These estimates and assumptions affect the amounts reported for assets, liabilities, revenue and expenses, as well as affecting the disclosures provided. Future results could differ from current estimates.

Capital, Planning, and Operating Grants: Federal grants, through the Federal Transit Administration (FTA), provide substantial funding of NICTD's operations and capital improvement programs. Federal grants through the Federal Railroad Administration (FRA) provide additional funding of NICTD's capital improvement programs.

Additional funding of such activities is provided through the public mass transportation, electric rail service fund and commuter rail service funds in the State of Indiana. In accordance with GASB 33, NICTD recognizes revenue when all applicable eligibility requirements, including time requirements are met. Revenue from federal and state planning and operating assistance grants is recognized as earned based on eligible costs incurred. Federal, state and regional capital grants are recorded as capital contributions in the statements of revenues, expenses, and changes in net position.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Equivalents: Cash and Cash Equivalents consist of bank deposits in accounts that are federally insured. For purposes of the statement of cash flows, NICTD considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. NICTD has not incurred any losses from the deposits.

Restricted Assets: Funds deposited in the Bond Fund represent Indefinite Situs tax revenue and bond proceeds. Use of these funds is limited to the repayment of debt and acquisition of capital assets.

When both restricted and unrestricted resources are available for use, generally it is NICTD's policy to use restricted resources first, and then unrestricted resources when they are needed. Further, NICTD elects to internally reserve funds designated as unrestricted in the accompanying financial statements.

Investments: In accordance with Indiana Code, Section 5-12 et sequel, it is the policy of NICTD to deposit public funds into the depositories approved by the State Board of Finance. NICTD is further authorized by statute to invest in obligations of the U.S. Treasury and U.S. Agencies, certificates of deposit, repurchase agreements, passbook savings, money market deposit accounts, and negotiable order of withdrawal accounts. It is the policy of NICTD to invest funds with local, federally insured banks that have a principal office within any of the four counties of Northwest Indiana and have been approved by the State Board of Finance. Cash and certificates of deposit are fully insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposits Insurance Fund. Investments are carried at fair value.

Capital Assets: Capital assets include major items of property, plant, and equipment acquired with federal, state and local funds and are capitalized at cost. Capital assets include real and personal property with a cost of five thousand or more and a useful life of one year or more. Capital assets also include individual expenditures of five thousand dollars or more, which: extends the useful life of an existing asset or; changes or expands the use(s) of the asset or; represents cost of a major component of an asset, such that the asset could not continue in service until the end of its useful life or; is required by law. Expenditures for maintenance and repairs are charged to operations as incurred. NICTD recognizes depreciation on capital assets on a straight-line basis over the estimated useful lives of the assets, as follows:

Rolling stock (including capital spare parts)	33 years
Building and improvements	5 - 30 years
Electrical substations	20 years
Track work	5 - 30 years
Positive train control	5 - 30 years
Bridges and crossings	10 - 30 years
Machinery and equipment	3 - 10 years
Information system and office equipment	3 - 10 years
Autos and trucks	3 - 5 years
Right-to-use lease assets	5 - 15 years

Included with NICTD's machinery and equipment capital assets, NICTD has capitalized an intangible asset, computer software. NICTD follows the same capitalization policy and estimated useful life for its intangible asset as it does for its machinery and equipment capital assets. NICTD also amortizes the intangible asset utilizing the straight-line method.

Also included with NICTD's capital assets, NICTD has capitalized a right-to-use lease asset from entering into an agreement as lessee. See Right-to-use Lease Assets and Lease Liabilities.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The funding sources of capital assets are tracked and depreciation on the portion of the cost of assets attributable to federal, state, and local capital grants is internally transferred to the respective capital grant fund balance within unrestricted net position.

Right-to-use Lease Assets and Lease Liabilities: NICTD, as lessee, has entered into an agreement which resulted in the reporting of right-to-use lease assets and lease liabilities. These are calculated at the present value of the fixed lease payments expected over the term of the lease and remeasured for any change in lease payment or lease modification. The right-to-use lease assets are amortized over the shorter of the useful life of the asset or the life of the lease. The lease liabilities decrease as payments are made and interest expense is recognized for the period.

Materials and Supplies Inventory: Material and supplies inventory is stated at cost.

Accounts Receivable: No allowance for bad debts has been established because management considers all material accounts receivable to be collectible.

Lease Receivable: NICTD, as lessor, has entered into various agreements relating to the right to use of its land. An associated lease receivable is recognized if the present value of payments expected to be received over the term of the agreement exceeds twenty thousand dollars.

Compensated Absences: Substantially all employees receive compensation for vacations and holidays. Approximately one-fourth of the employees receive compensation for illness and three-fourths receive compensation for personal days. The number of days compensated for the various categories of absence is based generally on length of service. Leave which has been earned but not paid and more likely than not to be used for time off or otherwise paid in cash or settled through noncash means has been accrued in the accompanying financial statements. Compensation for holidays and other qualifying absences are not accrued in the accompanying financial statements because rights to such compensation amounts either do not accumulate or they do not vest.

Total Other Post Employment Benefit (OPEB) Liability: NICTD has recorded a total OPEB liability related to a single employer OPEB plan for employees. The contribution requirements are based upon projected pay-as-you-go basis and funding for future benefits. NICTD recognizes expense, deferred outflows of resources, and deferred inflows of resources related to OPEB that result in changes in the components of the total OPEB liability.

Net Pension Liability: NICTD has recorded a net pension liability reflecting their proportionate share of the difference between the total pension liabilities and the fiduciary net positions of the Indiana Public Retirement System (INPRS) PERF Plan. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of INPRS PERF Plan and additions to/deductions from the INPRS PERF Plan fiduciary net position have been determined on the same basis as they are reported by the INPRS system. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows of Resources and Deferred Inflows of Resources of Pension and OPEB: Deferred outflows of resources represent a consumption of net assets that applies to a future period(s). Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s). These amounts will not be recognized as expense or revenue until the applicable period. NICTD's activities are related to recognition of changes in its defined benefit plan's net pension liability and net OPEB liability that will be amortized in future periods.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows of Resources of Leases: Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s). These amounts will not be recognized as expense or revenue until the applicable period. NICTD's activities should be measured at the value of the lease receivable plus any payments received at or before the commencement of the term that relate to future periods.

Net Position: NICTD's net position is reported in three categories based on net investment in capital assets, external restrictions, and remaining unrestricted net position.

Net Investment in Capital Assets: This represents the net book value of property and equipment, less the amount of debt outstanding used for the acquisition of capital assets.

Restricted for Debt Service: This represents amounts of indefinite Situs Tax, which is restricted for debt service, less accumulated bond principal and interest payments and capital match for federally funded projects.

Restricted for Capital Projects: This represents unspent grant and bond proceeds net of debt.

Unrestricted Net Position: This represents the balance of net position which use has not been restricted for debt service nor invested in capital assets. It includes amounts internally designated for accident claims and capital asset reserves.

Insurance: NICTD has insurance coverage for property and casualty losses to electrical substations and related equipment. In addition, NICTD is responsible for the retention portion on the following insured risks: the first \$500 - \$2,000 of loss on cars and trucks; \$2 million per occurrence on rolling stock; and the first \$100 thousand of loss on all other property.

NICTD is responsible for catastrophic liability claims up to \$3 million. Claims in excess of \$3 million are covered by commercial insurance carriers up to a maximum of \$320 million. The coverage from \$3 million to \$320 million is with several insurance carriers. During 2024, all such layers of coverage have been subscribed. There is no guarantee that such coverage will continue to be fully subscribed in the future. There were no significant reductions in insurance coverage during 2024 and there were no settlements that exceeded insurance coverage during the past three years for those risks that NICTD purchased insurance.

Accrued injuries and damages claims activity for the year ended December 31, 2024 and 2023 was as follows in thousands of dollars:

	<u>2024</u>	<u>2023</u>
Unpaid claims, beginning of year	\$ 3,591	\$ 1,569
Incurred claims and changes in claim estimates	(1,939)	2,345
Claim payments	(359)	(323)
Unpaid claims, end of year	\$ 1,293	\$ 3,591

Adoption of New Accounting Pronouncements: For the year ended December 31, 2024, NICTD adopted the following accounting pronouncements.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*, for the reporting periods beginning after June 15, 2023. This statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This pronouncement was implemented by NICTD in 2024.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, for the reporting periods beginning after December 15, 2023. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. NICTD implemented this standard for the year ended December 31, 2024, and determined the impact on beginning net position to be immaterial. NICTD recorded the impact of the standard on the compensated absences liability in the current year and incorporated any required changes to their financial reporting.

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and cash equivalents are allocated as follows in thousands of dollars:

Unrestricted	
General fund	\$ 3,119
Accident claims reserve	3,938
Capital asset reserve	8,948
Total unrestricted	16,005
Restricted	
Bond proceeds/local grants restricted for acquisition of capital assets	194
Bond proceeds restricted for Metra MED project	136,905
Indefinite Situs tax restricted for debt repayment	36,767
Total restricted	173,866
	\$ 189,871

Investments at December 31, 2024 are as follows in thousands of dollars:

<u>Description</u>	
Government agency securities, unrestricted	\$ 1,023
Cash securities, restricted	9,260
Taxable Money Market Funds, restricted	5,004
Government agency securities, restricted	3,238
	\$ 18,525

U.S. Treasury securities and Government Agency securities are measured at fair value based on quoted prices for similar assets in active markets and inputs that are observable for the asset, either directly or indirectly for substantially the full term of the investment and as such are classified as Level 2 investments.

As of December 31, 2024 all investment maturities are less than one year. Interest rate ranges for 2024 are 0% to 5.41%.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

Investments are allocated as follows in thousands of dollars:

Unrestricted		
Deferred benefit plan reserve	\$	416
Postretirement health care plan reserve		<u>607</u>
Total unrestricted		<u>1,023</u>
Restricted		
Bond proceeds/local grants restricted for acquisition of capital assets		9,638
Indefinite Situs tax restricted for debt repayment		<u>7,864</u>
Total restricted		<u>17,502</u>
	<u>\$</u>	<u>18,525</u>

Cash and Investment Deposits: NICTD maintains deposits with seven area financial institutions. A summary of these deposits as of December 31, 2024 is as follows in thousands of dollars:

	<u>Carrying Amount</u>	<u>Balance Per Bank</u>
On hand	\$ 46	\$ -
On deposit		
Insured by FDIC	750	750
Insured by IPDIF	189,075	189,826
Held in US Treasury/Gov't Agency	<u>18,525</u>	<u>18,525</u>
	<u>\$ 208,396</u>	<u>\$ 209,101</u>

The investments which NICTD may purchase are limited by Indiana law. NICTD's cash deposits at year-end were entirely covered by Federal Deposit Insurance Corporation (FDIC) or by Indiana Public Deposits Insurance Fund (IPDIF). The IPDIF is a multiple financial institution collateral pool as provided under Indiana Code, Section 5-13-12. Government securities are rated AAA by Standard and Poor's or Aaa by Moody's Investor's Service.

Interest Rate Risk: NICTD does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE 3 - LEASES

Lessor Activity:

NICTD, as lessor, has entered into various agreements for the right to use its land for aerial cables, tunnels, buried pipelines, and buried fiber optic cables. These agreements qualify as leases for accounting purposes and have been recorded at the present value of the future minimum payments if the aggregate qualifying payments over the life of the lease are \$20 thousand or more. Agreement terms range from 5 years to 99 years. If options to extend are reasonably expected, the calculations include the extended years.

Agreements with terms of one year or less and leases with aggregate future minimum lease payments of less than \$20 thousand are not included in the measurement of leases receivable.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 3 - LEASES (Continued)

Upon implementation of GASB 87, NICTD recognized leases receivable and deferred inflow of resources in the Statement of Net Position. Leases receivable are initially measured at the present value of payments expected to be received over the life of the leases using incremental borrowing rates. Subsequently, the leases receivable are reduced by the principal portion of the payments received.

In 2024, NICTD recognized \$221 thousand in lease revenue and \$45 thousand in lease-related interest revenue.

Future Lease and Interest Receivables (in thousands) are scheduled to be received as follows:

<u>Year Ending December 31</u>	<u>Leases</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 215	\$ 45	\$ 260
2026	217	45	262
2027	219	46	265
2028	193	46	239
2029	156	41	197
2030-2034	649	176	825
2035-2039	521	103	624
2040-2044	308	32	340
2045-2049	49	16	65
2050-2054	23	12	35
2055-2059	11	11	22
2060-2064	9	10	19
2065-2069	10	9	19
2070-2074	11	8	19
2075-2079	12	6	18
2080-2084	13	5	18
2085-2089	15	4	19
2090-2094	14	2	16
2095-2099	15	1	16
	<u>\$ 2,660</u>	<u>\$ 618</u>	<u>\$ 3,278</u>

Deferred inflows of resources are initially measured at the value of the lease receivable plus any payments received at or before the commencement of the term that relate to future periods. The deferred inflows of resources amortize over the life of the lease. At December 31, 2024, NICTD had deferred inflows of resources of leases of \$2,681 thousand.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 3 - LEASES (Continued)

Lessee Activity:

NICTD, as a lessee, has entered into an agreement with Metra and agreed to a Trackage Rights Agreement whereby NICTD pays Metra for operating over Metra's tracks and other services between Kensington and Millennium Station. The agreement is reviewed and amended as NICTD's and Metra's needs change. The existing Trackage Rights Agreement was set to expire December 31, 2023 and was extended to December 31, 2029. NICTD also entered into an agreement with Metra to lease railcars for its additional service due to the DT-NWI and West Lake Corridor projects. Each railcar has its own lease term beginning upon acceptance and expiring 15 years later. NICTD recognized \$8,249 thousand in total amortization expense for 2024. The total value of the right-to-use asset, net as of December 31, 2024, is \$46,652 thousand, which is recorded within capital assets being depreciated/amortized. The total value of the lease liability as of December 31, 2024, is \$47,535 thousand.

Future principal and interest payments (in thousands) as of December 31, 2024, are as follows:

<u>Year Ending December 31</u>	<u>Leases</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 7,549	\$ 2,090	\$ 9,639
2026	7,914	1,725	9,639
2027	8,297	1,342	9,639
2028	8,698	941	9,639
2029	9,118	521	9,639
2030-2034	2,971	1,089	4,060
2035-2039	2,988	305	3,293
	<u>\$ 47,535</u>	<u>\$ 8,013</u>	<u>\$ 55,548</u>

Long-term lease liability activity for the year ended December 31, 2024 is as follows (in thousands of dollars):

	<u>January 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>December 31, 2024</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
Lease liabilities	<u>\$ 46,211</u>	<u>\$ 8,690</u>	<u>\$ (7,366)</u>	<u>\$ 47,535</u>	<u>\$ 7,549</u>	<u>\$ 39,986</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 4 - CAPITAL ASSETS

Construction in progress (CIP) includes activities for the development and placement of capital assets into service. Both the West Lake Corridor expansion project and Double Track Northwest Indiana project were in process in 2024 and included in CIP, accounting for a majority of the 2024 additions. Reductions to CIP in 2024 of \$596,342 thousand were comprised of \$593,516 thousand transfers to capital assets, primarily the substantially complete Double Track Northwest Indiana project, and \$2,826 thousand of expensed CIP projects, including studies. A summary of changes in capital assets is as follows in thousands of dollars:

	Balance January 1, <u>2024</u>	<u>Changes During Year</u>		Balance December 31, <u>2024</u>
		<u>Additions</u>	<u>Reductions</u>	
Capital assets not being depreciated:				
Land	\$ 8,617	\$ 33,022	\$ -	\$ 41,639
Construction in progress	<u>1,167,754</u>	<u>211,665</u>	<u>(596,342)</u>	<u>783,077</u>
Total capital assets not being depreciated	<u>1,176,371</u>	<u>244,687</u>	<u>(596,342)</u>	<u>824,716</u>
Capital assets being depreciated/amortized:				
Rolling stock (including capital spare parts)	208,164	1,933	-	210,097
Buildings and improvements	243,819	52,293	-	296,112
Track work and substations	69,423	502,285	-	571,708
Positive train control	112,217	587	-	112,804
Bridges and crossings	57,129	794	-	57,923
Machinery and equipment	13,227	1,952	(22)	15,157
Information system and office equipment	1,981	-	-	1,981
Autos and trucks	5,109	650	(312)	5,447
Right-to-use lease asset	<u>63,162</u>	<u>8,690</u>	<u>-</u>	<u>71,852</u>
Total capital assets being depreciated/amortized	774,231	569,184	(334)	1,343,081
Less accumulated depreciation/amortization:				
Rolling stock (including capital spare parts)	163,168	3,586	-	166,754
Buildings and improvements	195,101	8,079	-	203,180
Track work and substations	11,281	15,022	-	26,303
Positive train control	19,124	5,701	-	24,825
Bridges and crossings	36,612	1,551	-	38,163
Machinery and equipment	10,003	676	(22)	10,657
Information system and office equipment	1,171	160	-	1,331
Autos and trucks	3,973	400	(312)	4,061
Right-to-use lease asset amortization	<u>16,951</u>	<u>8,249</u>	<u>-</u>	<u>25,200</u>
Total accumulated depreciation/amortization	<u>457,384</u>	<u>43,424</u>	<u>(334)</u>	<u>500,474</u>
Total capital assets being depreciated/amortized, net	<u>316,847</u>	<u>525,760</u>	<u>-</u>	<u>842,607</u>
Total capital assets, net	<u>\$ 1,493,218</u>	<u>\$ 770,447</u>	<u>\$ (596,342)</u>	<u>\$ 1,667,323</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 5 - LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2024 is as follows (in thousands of dollars):

	January 1, <u>2024</u>	<u>Additions</u>	<u>Reductions</u>	December 31, <u>2024</u>	Due Within <u>One Year</u>	<u>Long-Term Portion</u>
Bonds payable:						
Bonds payable – 2016	\$ 73,355	\$	\$ (2,695)	\$ 70,660	\$ 2,830	\$ 67,830
Bonds payable – 2024	-	143,035	(640)	142,395	2,075	140,320
Premium on bonds payable:						
Premium – 2016	6,902	-	(606)	6,296	-	6,296
Premium – 2024	-	14,718	(240)	14,478	-	14,478
Loan payable – Metra	-	<u>4,993</u>	-	<u>4,993</u>	-	<u>4,993</u>
Total long-term debt	80,257	162,746	(4,181)	238,822	4,905	233,917
Compensated absences	<u>2,458</u>	<u>738</u>	-	<u>3,196</u>	<u>2,248</u>	<u>948</u>
Total	<u>\$ 82,715</u>	<u>\$ 163,484</u>	<u>\$ (4,181)</u>	<u>\$ 242,018</u>	<u>\$ 7,153</u>	<u>\$ 234,865</u>

On March 14, 2016, NICTD issued \$101 million, \$89 million par value and \$12 million bond premium, in Limited Obligation Revenue Bonds, Series 2016, for the purpose of procuring funds to finance the cost of implementing a Positive Train Control (PTC) system and any property related thereto in accordance with the Railway Safety Improvement Act of 2008 and regulation 49CFR Part 236. PTC uses GPS technology to monitor and even control train movement in the event of human error or a natural disaster. The Bonds bear a true interest rate of 3.57% and interest will be paid semiannually, January 1 and July 1. The Bonds are set to mature on July 1, 2041.

This issuance required a Principal and Interest payment account and a Reserve account. Both of these accounts are at Bank of New York Mellon, which is acting as the Paying Agent for all principal and interest payments. The 2016 P&I account was funded through 2016 bond proceeds. This represented the July 1, 2016 scheduled payment. Subsequent funding of the P&I account each year will occur upon the receipt of NICTD's Indefinite Situs Tax funds. The amount to be funded represents amounts due within the next calendar year. The Reserve account represents 50% of the required maximum annual debt service payment. This was funded through the 2016 Bond proceeds. Those funds will remain in the Reserve account until debt retirement.

The debt service requirements to maturity for the 2016 Bonds are as follows (in thousands of dollars):

<u>Year Ending December 31</u>	<u>2016 Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,830	\$ 3,317	\$ 6,147
2026	2,975	3,175	6,150
2027	3,120	3,027	6,147
2028	3,280	2,871	6,151
2029	3,440	2,707	6,147
2030-2034	19,435	11,305	30,740
2035-2039	24,150	6,598	30,748
2040-2041	<u>11,430</u>	<u>864</u>	<u>12,294</u>
	<u>\$ 70,660</u>	<u>\$ 33,864</u>	<u>\$ 104,524</u>

Interest expense was \$2,779 thousand for the year ended December 31, 2024. Total interest paid was \$3,452 thousand for 2024.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 5 - LONG-TERM LIABILITIES (Continued)

On March 7, 2024, NICTD issued \$158 million, \$143 million par value and \$15 million bond premium in Limited Obligations Consolidated Revenue Bonds, Series 2024 for the purpose of procuring funds to finance the cost for construction of improvements for Metra's main line Track 4 in Chicago, Illinois and other related improvements to pay costs related thereto (collectively, the Project) all of which enhance the District's service in and out of Chicago after the completion of the Double Track Project and the West Lake Corridor Project. The Project will increase the capacity for 26 additional trains planned for the MED track system. NICTD is responsible for the majority of the Project funding and Metra is expected to provide \$16 million toward the project; \$12 million of which will be reimbursed over a ten-year period by the District to Metra as a contractual obligation of the District.

This issuance required a Principal and Interest payment account and a Reserve account. Both of these accounts are at Bank of New York Mellon (BNYM), which is the Paying Agent for all principal and interest payments. The 2024 P&I account was funded through our Indefinite Situs funds. This represented the July 1, 2024 scheduled payment. Subsequent funding of the P&I account will be done through our annual Section 5337 federal grant program. Grant drawdowns will be made and then transferred to BNYM to process the P&I payments. The Reserve account represents 50% of the required maximum annual debt service payment. This was funded through the 2024 Bond proceeds. Those required funds will remain in the Reserve account until debt retirement.

The debt service requirements to maturity for the 2024 Bonds are as follows (in thousands of dollars):

<u>Year Ending</u> <u>December 31</u>	<u>2024 Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 2,075	\$ 7,173	\$ 9,248
2026	2,180	7,068	9,248
2027	2,290	6,958	9,248
2028	2,410	6,842	9,252
2029	2,530	6,720	9,250
2030-2034	14,705	31,542	46,247
2035-2039	19,085	27,157	46,242
2040-2044	24,510	21,735	46,245
2045-2049	31,685	14,564	46,249
2050-2054	<u>40,925</u>	<u>5,321</u>	<u>46,246</u>
	<u>\$ 142,395</u>	<u>\$ 135,080</u>	<u>\$ 277,475</u>

Interest expense was \$5,649 thousand for the year ended December 31, 2024. Total interest paid was \$2,290 thousand for 2024.

Loan Payable: As part of the MED project funding, Metra will loan NICTD a total of \$12,000 thousand for eligible project costs. NICTD recognized \$4,993 thousand of the loan amount in 2024. We expect the remaining \$7,007 thousand to be applied in 2025.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024

NOTE 5 - LONG-TERM LIABILITIES (Continued)

Pledged Revenues: NICTD receives Indefinite Situs Tax funding from the State of Indiana. These funds are restricted for debt service and capital match of federally funded projects. This is pursuant to IC 6-1.1; IC 8-3, "Commuter rail service fund provides that a commuter transportation district may use money deposited in the commuter rail fund that is revenue derived from the taxation of indefinite-situs distributable property of railroad companies to (1) satisfy any debt service; and (2) provide state matching funds for federal transportation capital grants." Additionally, NICTD receives a Sales Tax portion of Commuter Rail Service funding (CRSF) and Electric Rail Service funding from the State of Indiana. These funds have been pledged for the payment of the Series 2016 Bonds principal and interest, and the 2024 Bonds principal and interest. However, the primary source of the Series 2024 Bonds debt service payments will be the District's Grant Receipts under Section 5337 formula funds (federal funds) and the Indefinite Situs tax (local match).

As of December 31, 2024, NICTD had \$191,368 thousand in cash and investments restricted for debt service and capital projects.

Annual Funds Pledged and cash received include the following (in thousands of dollars):

	<u>2024</u>
CRSF – Indefinite Situs Tax Funds Received	\$ 15,589
CRSF – Sales Tax Funds Received	13,607
Electric Rail Service Funds Received	365

Pledged funds used include the following (in thousands of dollars):

	<u>2024</u>
Debt Service Payments – 2016 Bonds	\$ 6,147
Debt Service Payments – 2024 Bonds	2,930

NOTE 6 - EMPLOYEES' POSTRETIREMENT HEALTH PLANS (OPEB)

Plan Description: On December 30, 2003, NICTD adopted a single-employer postretirement health plan. In January 2016, this plan was amended to change entry level age to 60 for eligible retirees and dependents with coverage ceasing at age 65. The plan covers all management employees over the age of 60 with 15 years of service. Employees contribute 30 - 60%, based on years of qualifying service, of the COBRA rate while under the age of 65. NICTD makes contributions for retired employees on a pay as you go basis. This plan is not funded; however, approximately \$607 thousand of NICTD's unrestricted cash and cash equivalents is designated for this health plan. Approximately 91 retired and active employees are covered under this plan. The plan does not issue separate audited financial statements.

Total OPEB Liability: NICTD recognized an increase of \$78 thousand in postretirement health plan obligations for 2024. The total OPEB liability was \$595 thousand as of December 31, 2024.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024

NOTE 6 - EMPLOYEES' POSTRETIREMENT HEALTH PLANS (OPEB) (Continued)

Actuarial assumptions: The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

- Measurement Date – January 1, 2024
- Actuarial Valuation Date – January 1, 2023
- Discount Rate – 4% as of December 31, 2023
- Payroll Growth – 2%
- Cost Method – Allocation of actuarial present value of future benefits for services prior and after the measurement date was determined using Entry Age Normal Level % of Salary method where:
 - Service cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and
 - Annual service cost is a constant percentage of the participant's salary that is assumed to increase according to the payroll growth.
- Health care Trend Rates –

FYE	Medical / RX	FYE	Medical / RX	FYE	Medical / RX
2025	7.5%	2027	6.5%	2029	5.5%
2026	7.0%	2028	6.0%	2030	5.0%
				2031+	4.5%

Dental premiums are expected to increase at a constant rate of 4% each year. Vision premiums are expected to increase at a constant rate of 3% each year.

- Retiree Contributions – Retiree contributions are assumed to increase according to health care trend rates.

The discount rate was based on the yield for 20-year tax-exempt general obligation municipal bonds as of December 31, 2023. The municipal bond rate is derived from a range of indices including the Bond Buyer Go 2-Bond Municipal Bond Index, S&P Municipal Bond 20-Year High Grade Rate Index, and the Fidelity 20-Year Go Municipal Bond Index.

Changes in Assumptions from the Prior Year:

The discount rate decreased from 4.31% at January 1, 2023 to 4.00% at January 1, 2024.

Total OPEB Liability (in thousands),

Balance at beginning of year	\$	517
Service cost		32
Interest		22
Changes in assumptions		37
Differences between expected and actual experience		69
Benefit payments		(82)
Net changes		78
Balance at end of year	\$	595

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024

NOTE 6 - EMPLOYEES' POSTRETIREMENT HEALTH PLANS (OPEB) (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents NICTD's Net OPEB liability (in thousands) calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

	<u>1% Decrease 3.0%</u>	<u>Current Rate 4.0%</u>	<u>1% Increase 5.0%</u>
2024	\$ 638	\$ 595	\$ 556

Sensitivity of the total OPEB liability to changes in the health care cost trend rate: The following presents NICTD's Net OPEB liability (in thousands) calculated using the health care trend rates assumed and what it would be using a 1% higher and 1% lower discount rate.

	<u>1% Decrease (7.0% decreasing to 3.5%)</u>	<u>Current Rate (8.0% decreasing to 4.5%)</u>	<u>1% Increase (9.0% decreasing to 5.5%)</u>
2024	\$ 540	\$ 595	\$ 660

OPEB expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB: For the year ended December 31, 2024, NICTD recognized a reduction in OPEB expense of \$1 thousand.

At December 31, 2024, NICTD reported deferred outflows of resources and deferred inflows of resources (in thousands) related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 145	\$ (248)
Changes in assumptions	85	(49)
Contributions subsequent to the measurement date	<u>62</u>	<u>-</u>
Total	<u>\$ 292</u>	<u>\$ (297)</u>

Deferred outflows of resources resulting from employer contributions subsequent to the January 1, 2024 measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2024. Other amounts reported as deferred outflows/(inflows) of resources will be recognized in OPEB expense as follows (in thousands):

<u>Year ended December 31,</u>	
2025	6
2026	6
2027	(22)
2028	(22)
2029	(19)
Thereafter	<u>(16)</u>
	<u>\$ (67)</u>

(Continued)

NOTE 7 - EMPLOYEES' RETIREMENT PLANS

Public Employees' Retirement Fund (PERF):

NICTD contributes to the Public Employees' Retirement Fund (PERF), which is administered by the Indiana Public Retirement System (INPRS).

Public Employees' Retirement System - Defined Benefit Plan

Plan Description: PERF Defined Benefit (DB) is a cost-sharing, multiple-employer defined benefit fund providing retirement, disability, and survivor benefits to fulltime employees of the State of Indiana 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, and 35 IAC 1.2 and other Indiana pension law. PERF DB is a component of the Public Employees Hybrid plan (PERF Hybrid).

PERF Hybrid consists of two components: PERF DB, the employer-funded monthly defined benefit component, along with the Public Employees' Hybrid Members Defined Contribution Account (see Defined Contribution Plans section), a member-funded account. First time new employees hired by the State or a participating political subdivision who offers a choice, have a one-time election to join either the PERF Hybrid or the PERF My Choice: Retirement Savings Plan for Public Employees (PERF MC DC) which is covered in the Defined Contribution Plans section. A new hire that is an existing member of PERF Hybrid and was not given the option for PERF MC DC is given the option to elect PERF MC DC or remain in PERF Hybrid.

Members who have at least one year of service in both PERF DB and the Teachers Retirement Fund (TRF Pre-'96 DB or TRF '96 DB) have the option of choosing from which of these funds they would like to retire.

Retirement benefits provided:

Full Retirement Benefit -

- At age 65 with at least 10 years of creditable service (eight years for certain elected officials).
- At age 60 with at least 15 years of creditable service.
- At age 55 if age and creditable service total at least 85 ("Rule of 85").
- At age 55 with 20 years of creditable service and active as an elected official in the PERF-covered position.
- At age 70 with 20 years of creditable service and still active in the PERF-covered position.

Early Retirement Benefit - Age 50 and minimum of 15 years of creditable service (44 percent of full benefit at age 50, increasing five percent per year up to 89 percent 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 their disability (minimum of \$180 per month).

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 Five Year Certain & Life, Joint with 100 percent Survivor Benefits, Joints with Two-Thirds Benefits, or Joint with One-Half Survivor Benefits.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024

NOTE 7 - EMPLOYEES' RETIREMENT PLANS (Continued)

The lifetime annual benefit equals years of creditable service multiplied by the average highest five year annual salary multiplied by 1.1 percent (minimum of \$180 per month). Average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than \$2,000 received from the employer in severance.

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the INPRS Board. For the year ended June 30, 2024, postretirement benefits of \$7.8 million were issued to members as a COLA.

Contributions: Contributions are determined by the INPRS Board of Trustees based on an actuarial valuation. During fiscal year 2024, all participating employers were required to contribute 11.2 percent of covered payroll for Hybrid members, with 0.66 percent for the full fiscal year funding a supplemental reserve account for postretirement benefit increases. Contributions from employers with PERF MC DC plan members, who offered PERF Hybrid prior to July 1, 2016, fund PERF DB's unfunded liability at 7.5 percent of covered payroll for the State and 6.8 percent for political subdivisions as of June 30, 2024. No member contributions are required.

NICTD made payments equal to their annual required contribution of 11.2% for the year (in thousands of dollars):

<u>Year Ended</u> <u>December 31,</u>	<u>Annual Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
2024	\$ 125	100%

Financial Report: INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Actuarial Assumptions: The total pension liability is determined by INPRS actuaries in accordance with GASB No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

- Measurement Date – June 30, 2024
- Asset valuation date – June 30, 2024
- Liability valuation date – June 30, 2023 – The TPL as of June 30, 2024 was determined based on an actuarial valuation prepared as of June 30, 2023 rolled forward one year to June 30, 2024, using the following key assumptions and other inputs, such as benefit accruals and actual benefits payments during that time period.
- Actuarial cost method (accounting) – Entry age normal (level percent of payroll)
- Experience study date – Period of 5 years ended June 30, 2019
- Investment rate of return – 6.25%, includes inflation and net of investment expenses
- COLA – 2025 – 13th check, Beginning July 1, 2025 – For members retired before 7/1/2025 – indexed 13th check, For members retired on or after 7/1/2025 – 1% COLA
- Future salary increases, including inflation – 2.65% - 8.65% based on service
- Inflation – 2.00%
- Mortality assumptions – Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 7 - EMPLOYEES' RETIREMENT PLANS (Continued)

The most recent comprehensive experience study, based on member experience between June 30, 2014 and June 30, 2019 was completed in February 2020. The demographic assumptions were updated as needed for the June 30, 2020 actuarial valuation. Economic assumptions were updated and approved by the INPRS Board in May 2021 following the completion of an Asset-Liability study and first used in the June 30, 2021 actuarial valuation.

The long-term return expectation for the INPRS defined benefit retirement plan was determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. In order to determine the expected long-term nominal rate of return, the asset class geometric real returns are projected for a 30-year horizon. These returns are combined with a projected covariance matrix and the target asset allocations to create a range of expected long-term real rates of return for the portfolio. A range of possible expected long-term rates of return is created by adding the forecasted inflation to the expected long-term real rates of return and adding an expected contribution to the return due to manager selection. This range ultimately supports the long-term expected rate of return assumption of 6.25% selected by the Board as the discount rate. The assumption is a long-term assumption and is not expected to change with small fluctuations in the underlying inputs, but may change with a fundamental shift in the underlying market factors or significant asset allocation change.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

	Target <u>Asset Allocation</u>	Geometric Basis Long-Term Expected <u>Real Rate of Return</u>
Public Equity	20.0%	4.6%
Private Equity	15.0%	7.1%
Fixed Income – ExInflation-Linked	20.0%	3.6%
Fixed Income – Inflation-Linked	15.0%	2.1%
Commodities	10.0%	2.8%
Real Estate	10.0%	5.4%
Absolute Return	5.0%	2.5%
Risk Parity	20.0%	6.3%
Cash and Cash Overlay	N/A	1.7%

Discount rate: Total pension liability for each defined benefit pension plan was calculated using the discount rate of 6.25 percent for 2024. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State (the non-employer contributing entity) would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.25 percent for 2024). Based on these assumptions, the PERF defined benefit pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the plan.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 7 - EMPLOYEES' RETIREMENT PLANS (Continued)

Sensitivity of NICTD's proportionate share of the net pension liability to changes in the discount rate: 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 defined benefit pension plan calculated using the discount rate of 6.25 percent for 2024, 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, or one percentage point higher than the current rate (in thousands of dollars):

<u>1% Decrease</u> (5.25%)	<u>Current Rate</u> (6.25%)	<u>1% Increase</u> (7.25%)
\$ 1,056	\$ 663	\$ 336

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in a stand-alone financial report of INPRS that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (in thousands of dollars): At December 31, 2024, NICTD reported a liability of \$663 thousand for its proportionate share of the net pension liability. NICTD's proportionate share of the net pension liability was based on NICTD's wages as a proportion of total wages for the PERF Hybrid Plan. The proportionate share used at the June 30, 2024 measurement date was .01645%, compared to 0.01850% at June 30, 2023.

For the year ended December 31, 2024, NICTD recognized pension expense of \$173 thousand, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of \$(49) thousand. At December 31, 2024, NICTD reported deferred outflows of resources and deferred inflows of resources (in thousands) related to the PERF Hybrid Plan from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ 68	\$ -
Net difference between projected and actual earnings on pension plan investments	88	-
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>5</u>	<u>58</u>
Total that will be recognized in pension expense (income) based on table below	161	58
Pension contributions subsequent to measurement date	<u>68</u>	<u>-</u>
Total	<u>\$ 229</u>	<u>\$ 58</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024

NOTE 7 - EMPLOYEES' RETIREMENT PLANS (Continued)

Deferred outflows of resources resulting from employer contributions subsequent to the June 30, 2024 measurement date is recognized as a reduction of net pension liability in the year ending December 31, 2024. Deferred inflows of resources resulting from the differences between projected and actual investment earnings on Plan investments are amortized over a 5 year period. A change in an employer's proportionate share represents the change as of the current year measurement date versus the prior year measurement date and is amortized over the average expected remaining service lives of the plan. The difference between an employer's contributions and the employer's proportionate share of the collective contributions is amortized over the average expected remaining service lives of the plan. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending December 31, 2024 (in thousands)	<u>Amount</u>
2025	\$ 4
2026	84
2027	20
2028	(5)
2029	-
	<u>\$ 103</u>

Public Employees' Retirement Fund - Defined Contribution Plan

PERF DC is a multiple-employer defined contribution plan providing retirement benefits to full-time employees of the State of Indiana 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 in accordance with IC 5-10.2, IC 5-10.3, 35 IAC 1.2 and other Indiana pension law.

The plan provides supplemental defined contribution benefits under the PERF Hybrid plan.

First time new employees hired by the State of Indiana or a political subdivision that offers a choice have a one-time election to join either the PERF Hybrid Plan or PERF My Choice. A state rehire that is an existing member of the PERF Hybrid Plan and was not given the option for PERF My Choice is given the option to elect PERF My Choice or remain in PERF Hybrid.

PERF DC consists of two tiers:

The Public Employees' Hybrid Members Defined Contribution Account (PERF Hybrid DC) is the defined contribution component of the Public Employees' Hybrid Plan. The Public Employees' Defined Benefit Account (see Defined Benefit Plans section) is the other component of the Public Employees' Hybrid Plan. Member contributions are set by statute at three percent of compensation, and the employer may choose to make these contributions on behalf of the member. Members are 100 percent vested in their account balance, which includes all contributions and earnings.

My Choice: Retirement Savings Plan for Public Employees (My Choice) is for members who are full-time employees of the State of Indiana or a participating political subdivision that elected to become members of My Choice. Member contributions are set by statute at three percent of compensation, plus these members may receive additional employer contributions in lieu of the Public Employees' Defined Benefit Account.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2024

NOTE 7 - EMPLOYEES' RETIREMENT PLANS (Continued)

Members are 100 percent vested in all member contributions and are vested in employer contributions (see Contributions section), which includes all employer contributions and earnings as follows:

One (1) year of participation	20%
Two (2) years of participation	40%
Three (3) years of participation	60%
Four (4) years of participation	80%
Five (5) years of participation	100%

My Choice

The My Choice retirement and termination benefit is that after a 30 day separation from employment, the member is entitled to the sum total of vested contributions plus earnings. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements). Upon providing proof of the member's qualification for social security disability benefits, the member is entitled to the sum total of vested contributions plus earnings. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements).

The survivor benefit is that the beneficiary is entitled to the sum total of vested contributions plus earnings. The amount may be paid in a lump sum, partial lump sum, direct rollover to another eligible retirement plan, or a monthly annuity (in accordance with INPRS requirements).

Investments in the members' accounts are self-directed as participants direct the investment of their account balances among several investment options of varying degrees of risk and return potential. There are eight investment options available to My Choice members: Stable Value Fund, Fixed Income Fund, Inflation-Linked Fixed Income Fund, Money Market Fund, Small/Mid Cap Equity Fund, Large Cap Equity Index Fund, International Equity Fund and Target Date Funds. Members may make changes to their investment directions daily, and investments of the plan are reported at fair value.

PERF Hybrid DC and My Choice members contribute three percent of covered payroll to their annuity savings account, which is not used to fund the defined benefit pension for PERF Hybrid. For PERF Hybrid, the employer may elect to make the contributions on behalf of the member. NICTD pays the member's contributions on behalf of the member employed by NICTD that participate in My Choice. Political subdivisions may choose to pay part or all of the member's contributions on behalf of the member for My Choice. In addition, members of PERF Hybrid and My Choice may elect to make additional voluntary contributions, under certain criteria, of up to 10 percent of their compensation into their annuity savings accounts, political subdivisions that participate in My Choice may elect to match voluntary contributions at a rate of 50 percent.

NICTD made payments on behalf of employees of 3% of covered payroll for the year as follows (in thousands of dollars):

<u>Year Ended</u> <u>December 31,</u>	<u>Annual Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
2024	\$ 33	100%

(Continued)

NOTE 7 - EMPLOYEES' RETIREMENT PLANS (Continued)

Federal Railroad Retirement Act:

All NICTD employees, not covered by Public Employees' Retirement Fund, are covered by the Federal Railroad Retirement Act. Retirement benefits are funded through the Railroad Retirement Board. The RRB is an independent agency in the executive branch of the Federal Government. The agency's mission is to administer retirement/survivor and unemployment/sickness insurance benefit programs for the railroad workers and their families under the Railroad Retirement Act and the Railroad Unemployment Insurance Act. Jurisdiction over the payment of retirement and survivor benefits is shared by the RRB and the Social Security Administration. Payroll taxes paid by railroad employers and their employee are the primary source of funding for the benefit programs. The program is considered a social support program that is not considered an exchange transaction; therefore, not meeting the definition of a pension plan as required under GASB 68. For additional information about the Act visit www.rrb.gov.

NICTD Supplemental Pension Plans and Trusts:

Effective January 1, 1994, NICTD established the NICTD Supplemental Pension Plan and Trust (the Plan) for its non-contract employees. The Plan is a non-contributory defined contribution plan. All employees (excluding some non-participating union employees and part-time or temporary employees) having attained age 21, with one year of service are eligible to participate. Participants are covered under two categories: Class I and Class II. Class I participants are also current participants in Federal Railroad Retirement Act Tier I and II coverage. Class II participants are also current participants in the Public Employees' Retirement Fund of Indiana. All participants' total balances are 100% vested upon plan entry.

The Plan requires contributions by NICTD to be made at the rate of 5% of Class I employees' compensation and 8% of Class II employees' compensation. Contributions for 2024 by NICTD amounted to \$370 thousand (5% of covered payroll) for Class I employees and \$81 thousand (8% of covered payroll) for Class II employees.

Covered payroll for 2024 amounted to \$7,397 thousand for Class I employees and \$1,015 thousand for Class II employees.

In addition, certain contract employees, including clerks, dispatchers, collectors/conductors, engineers, car men, cleaners, and machinists were enrolled in a separate union supplemental pension plan, NICTD Supplemental Pension Plan and Trust for Union Employees. Full-time employees covered by the applicable collective bargain agreements are eligible to participate in the plan. All participants are 100% vested upon plan entry.

Contributions are made by NICTD as follows: \$1.00 per qualifying hour for clerks, \$1.00 per qualifying hour worked for dispatchers, \$1.00 per qualifying hour for collectors/conductors and, and \$0.15 per qualifying hour worked for carmen, cleaners, and machinists. Contributions for 2024 by NICTD amounted to \$27 thousand for clerks, \$14 thousand for dispatchers, \$149 thousand for collectors/conductors and engineers, and \$26 thousand for carmen, cleaners, and machinists. Qualifying hours for 2024 were 27 thousand for clerks, 14 thousand for dispatchers, 149 thousand for collectors/conductors and engineers, and 173 thousand for carmen, cleaners, and machinists.

Both plans are administered by NICTD. Benefit terms are established or amended by the plans' trustees. The trustees hold the assets, and the individual participants control and direct investments in their accounts. There were no securities of, or loans to, NICTD or related parties in the Plan assets.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 7 - EMPLOYEES' RETIREMENT PLANS (Continued)

Hoosier S.T.A.R.T Deferred Compensation Plan:

In 2020, NICTD offered a deferred compensation plan to all full-time employees under a plan administered by the State of Indiana, public employee deferred compensation plan (Hoosier S.T.A.R.T.). The plan is established in accordance with Internal Revenue Code 457. Employees are permitted to defer a portion of their salary until future years. Only upon terminations, retirements, deaths, or an unforeseen emergency is the deferred compensation available to the employee. Federal House Bill 3448 mandates all Internal Revenue Code Section 457 plan assets must be held in a qualified trust for the benefit of participants and their beneficiaries. Because these assets are held by a custodian for the specific benefit of participants and their beneficiaries, they are not reflected in the financial statements and are free from claims of NICTD's creditors. The fair market value of Hoosier S.T.A.R.T. investments held by the State of Indiana for participants was \$780 thousand at December 31, 2024.

NOTE 8 - NONOPERATING REVENUE (EXPENSE)

Other local funds, other revenue, and other expense at December 31, 2024 consists of the following in thousands of dollars:

Other local funds revenue		
Metra Purchase of Service Fee	\$	3,700
Chicago South Shore and South Bend Railroad (ROI fees)		1,484
Total other local funds revenue	\$	5,184
Other revenue		
Interest – unreserved	\$	6,035
Interest – reserved for accident claims		257
Rental income		265
Sale of maintenance services		3
Sale of scrap material		48
Advertising activities		86
Miscellaneous		521
Total other revenue	\$	7,215
Other expense		
Interest expense	\$	10,627
Bond issuance costs		741
MED project noncapital costs		34,091
Total other expense	\$	45,459

The Metra Electric District (MED) Project consists of adding additional track access into Chicago on the Metra Electric District. This Project represents NICTD's capital contribution as part of its Trackage Rights Agreement with Metra (see Note 9). Metra owns the capital assets of the MED Project. Therefore, NICTD is reporting the MED Project costs as non-operating expenses in its financial statements.

(Continued)

NOTE 9 - TRACKAGE RIGHTS

Beginning in 1991, as a result of NICTD's acquisition of the "Joint Assets," including all track, ties, ballast, switches, real estate, and other similar items, NICTD is to receive an "annual fee" for the use of its track. This annual fee has two components: (1) a reimbursement of maintenance of way costs (the MOW fee) and (2) a payment for the right to use the track (the ROI fee). Both components of the annual fee are calculated in accordance with formulas incorporated in the purchase agreement between NICTD and the South Shore Acquisition Company (SSA). NICTD recognized \$3,536 thousand in MOW fees in 2024. These amounts have been recorded as reductions to the related maintenance of way expense in the accompanying statements of revenue and expense and changes in net position. For 2024, \$1,484 thousand in ROI fees were recognized and reported as part of "Other local funds revenue" in the accompanying statement of revenue and expense and change in net position.

NOTE 10 - METRA TRANSACTIONS

NICTD and Metra agreed to a Purchase of Service Agreement whereby Metra reimburses NICTD annually for the provision of passenger service along a certain section of the former Chicago South Shore (CSS) line. The existing Purchase of Service expires December 31, 2029. The operating subsidy for 2024 amounted to \$3,700 thousand. This amount is reported in "Other local funds revenue."

NOTE 11 - COMMITMENTS AND CONTINGENCIES

The following summarizes the significant commitments and contingencies at December 31, 2024:

- (a) During the course of its operations, NICTD is involved in incidents which could result in claims for personal injury. Estimated losses as a result of such incidents have been provided for in the accompanying financial statements, as applicable.
- (b) NICTD has a self-funded health insurance plan for its management employees. Professional Benefit Administrators Inc provides certain administrative services for the plan. An insurance company provides specific and aggregate stop loss coverage. NICTD is responsible for the funding of all claims up to \$100 thousand (aggregate specific deductible) per individual per policy year and up to approximately \$2,116 thousand (attachment point/minimum aggregate deductible) per year for the group as a whole. A liability of \$95 thousand has been recorded by NICTD at December 31, 2024 to estimate payment of claims pending on that date. Group insurance expense related to this plan totaled \$1,661 thousand for the year ended December 31, 2024. Approximately 366 union employees are covered under a separate national multi-employer railroad plan not related to NICTD. Total health insurance expenses for the year ended December 31, 2024 totaled \$8,020 thousand.
- (c) NICTD has received Federal and State financial assistance in the form of grants that are subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement by the grantor agency for expenditures disallowed under terms and conditions specified in the grant agreements. In the opinion of District management, such disallowances, if any, would not be significant.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 11 - COMMITMENTS AND CONTINGENCIES (Continued)

NICTD had the following significant contractual capital commitments as of December 31, 2024 (in thousands of dollars):

<u>Project</u>	
Track Equipment	\$ 370
Track Improvements	795
Station & Facility Improvements	1,679
Railcar Rehabilitation	2,862
Rolling Stock Lease	782
Vehicles	259
Bridges	62
West Lake Corridor Project	86,987
Double Track Project	11,892
Substations	5,569
Others	<u>2,657</u>
Total	<u>\$ 113,914</u>

REQUIRED SUPPLEMENTARY INFORMATION

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NICTD'S TOTAL
OPEB LIABILITY AND RELATED RATIOS (in thousands)
December 31, 2024

Total OPEB liability	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service cost	\$ 32	\$ 47	\$ 58	\$ -	\$ 47	\$ 32	\$ 30	\$ 29
Interest	22	16	20	-	27	24	20	20
Changes in benefit terms	-	-	-	-	2	-	-	-
Changes in assumptions	37	(58)	(6)	19	56	67	(24)	13
Differences between expected and actual experience	69	(106)	(192)	74	(86)	166	-	-
Benefit payments	<u>(82)</u>	<u>(83)</u>	<u>(83)</u>	<u>-</u>	<u>(50)</u>	<u>(43)</u>	<u>(33)</u>	<u>(28)</u>
Net change in total OPEB liability	78	(184)	(203)	93	(4)	246	(7)	34
Total OPEB liability - beginning	<u>517</u>	<u>701</u>	<u>904</u>	<u>811</u>	<u>815</u>	<u>569</u>	<u>576</u>	<u>542</u>
Total OPEB liability – ending	<u>\$ 595</u>	<u>\$ 517</u>	<u>\$ 701</u>	<u>\$ 904</u>	<u>\$ 811</u>	<u>\$ 815</u>	<u>\$ 569</u>	<u>\$ 576</u>
Covered employee payroll	\$ 7,608	\$ 7,406	\$ 7,248	\$ 6,908	\$ 6,341	\$ 5,755	\$ 5,903	\$ 5,055
Total OPEB liability as a percentage of covered-employee payroll	7.8%	7.0%	9.7%	13.1%	12.8%	14.2%	9.6%	11.4%

Notes:

There are no assets accumulated in a trust to pay related benefits.

Changes of benefit terms. Vision coverage was added January 1, 2020.

Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2024	4.00%	2019	3.26%
2023	4.31%	2018	4.10%
2022	2.25%	2017	3.44%
2021	2.12%		
2020	2.12%		

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, NICTD is presenting information for those years for which information is available.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF NICTD'S PROPORTIONATE SHARE OF THE
 NET PENSION LIABILITY (in thousands)
 December 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
NICTD's proportion of the net pension liability	0.01645%	0.0185%	0.0204%	0.0203%	0.0236%
NICTD's proportionate share of the net pension liability	\$ 663	\$ 653	\$ 645	\$ 267	\$ 714
NICTD's covered payroll	\$ 1,114	\$ 1,127	\$ 1,176	\$ 1,117	\$ 1,276
NICTD's proportion of the net pension liability as a percentage of its covered payroll	59.6%	57.9%	54.8%	23.9%	56.0%
Plan fiduciary net position as a percentage of the total pension liability	79.5%	80.8%	82.5%	92.5%	81.4%

Notes: The amounts presented for each calendar year were determined as of the June 30 fiscal year-end that occurred within the calendar year.

- Asset valuation date – June 30, 2024
- Liability valuation date – June 30, 2023 – The TPL as of June 30, 2024 was determined based on an actuarial valuation prepared as of June 30, 2023 rolled forward one year to June 30, 2024, using the following key assumptions and other inputs, such as benefit accruals and actual benefits payments during that time period.
- Actuarial cost method (accounting) – Entry age normal (level percent of payroll)
- Experience study date – Period of 5 years ended June 30, 2019
- Investment rate of return – 6.25%
- COLA – 2025 – 13th check, Beginning July 1, 2025 – For members retired before 7/1/2025 – indexed 13th check, For members retired on or after 7/1/2025 – 1% COLA
- Future salary increases, including inflation – 2.65% - 8.65% based on service.
- Inflation – 2.00%
- Mortality assumptions – Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Measurement date: Actuarial valuation reports from the prior fiscal year.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF NICTD'S PROPORTIONATE SHARE OF THE
 NET PENSION LIABILITY (in thousands)
 December 31, 2024

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
NICTD's proportion of the net pension liability	0.0195%	0.0286%	0.0303%	0.0282%	0.0302%
NICTD's proportionate share of the net pension liability	\$ 644	\$ 971	\$ 1,350	\$ 1,278	\$ 1,230
NICTD's covered payroll	\$ 1,015	\$ 1,459	\$ 1,552	\$ 1,299	\$ 1,447
NICTD's proportion of the net pension liability as a percentage of its covered payroll	63.4%	66.6%	87.0%	98.4%	85.0%
Plan fiduciary net position as a percentage of the total pension liability	80.1%	78.9%	72.7%	71.2%	73.3%

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF NICTD'S CONTRIBUTIONS – PERF (in thousands)
 December 31, 2024

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Statutorily required contribution	\$ 125	\$ 131	\$ 126	\$ 127	\$ 128
Contributions in relation to the statutorily required contribution	<u>(125)</u>	<u>(131)</u>	<u>(126)</u>	<u>(127)</u>	<u>(128)</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NICTD's contributions as a percentage of statutorily required contribution for pension	100%	100%	100%	100%	100%
NICTD's covered payroll	\$ 1,114	\$ 1,174	\$ 1,126	\$ 1,136	\$ 1,138
Contributions as a percentage of its covered payroll	11.2%	11.2%	11.2%	11.2%	11.2%

Valuation date: Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.

Actuarial cost method: Entry age normal (Level Percent of Payroll)

Amortization method: Level dollar

Remaining amortization period: 20 years, closed

Asset valuation method: 5 year smoothing of gains and losses on the market value of assets subject to a 20% corridor.

Inflation: 2.0%

Salary increases: 2.65% - 8.65% based on service

Investment rate of return: 6.25%

Mortality: Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Other information:

The INPRS Board sets, at its discretion, the State's employer contribution rate upon considering the results of the actuarial valuation and other analysis as appropriate. The employer contribution rate for the year ended June 30, 2024 was 11.20%.

Member census data as of the prior year end was used in the valuation and adjusted, where appropriate, to reflect changes during the current fiscal year. Standard actuarial roll forward techniques were then used to project the liabilities computed as of prior year end to the current year measurement date.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF NICTD'S CONTRIBUTIONS – PERF (in thousands)
 December 31, 2024

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 142	\$ 135	\$ 173	\$ 159	\$ 147
Contributions in relation to the statutorily required contribution	<u>(142)</u>	<u>(135)</u>	<u>(173)</u>	<u>(159)</u>	<u>(147)</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 NICTD's contributions as a percentage of statutorily required contribution for pension	 100%	 100%	 100%	 100%	 100%
NICTD's covered payroll	\$ 1,266	\$ 1,205	\$ 1,542	\$ 1,416	\$ 1,309
Contributions as a percentage of its covered payroll	11.2%	11.2%	11.2%	11.2%	11.2%

SUPPLEMENTARY SCHEDULES

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENSES
Year ended December 31, 2024
(In thousands of dollars)

TRANSPORTATION

Salaries and wages	\$	8,642
Fringe benefits and payroll taxes		6,930
Equipment expense		6
Repairs and maintenance materials		6
Operating costs		1,824
Utilities		281
Other services		180
Office supplies		55
Administration		(2,587)
Rents and leases		1
		15,338

MAINTENANCE OF WAY EXPENSES

Salaries and wages		4,343
Fringe benefit and payroll taxes		4,013
Equipment expense		160
Repairs and maintenance materials		1,936
Traction power		2,201
Operating costs		(3,164)
Utilities		483
Professional services		3,042
Other services		802
Office supplies		56
Administration		(1,858)
Rents and leases		27
		12,041

MAINTENANCE OF EQUIPMENT EXPENSES

Salaries and wages		8,864
Fringe benefit and payroll taxes		7,676
Equipment expense		194
Repairs and maintenance materials		3,786
Operating costs		39
Utilities		98
Other services		694
Office supplies		32
Administration		(2,899)
Rents and leases		14
		18,498

CLAIMS AND INSURANCE

5,083

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENSES
Year ended December 31, 2024
(In thousands of dollars)

GENERAL AND ADMINISTRATIVE EXPENSES

Salaries and wages	\$ 3,453
Fringe benefit and payroll taxes	3,993
Equipment expense	3
Repairs and maintenance materials	76
Operating costs	86
Utilities	355
Professional services	4,637
Other services	556
Office supplies	133
Administration	788
Rents and leases	13
	<u>14,093</u>

DEPRECIATION

Depreciation on assets acquired with federal funds	17,367
Depreciation on assets acquired with state and local funds	17,808
	<u>35,175</u>

AMORTIZATION

	<u>8,249</u>
	<u>\$ 108,477</u>

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2024

Federal Grantor/Program or Cluster Title	Federal ALN No.	Grant No.	Federal Expenditures
U.S. Department of Transportation			
Federal Transit Cluster			
Direct Program:			
Federal Transit - Capital Investment Grants	20.500	IN-2021-020	\$ 10,852
Federal Transit - Capital Investment Grants	20.500	IN-2020-040	56,170,929
Total Federal Transit - Capital Investment Grants			<u>56,181,781</u>
Federal Transit - Formula Grants	20.507	IN-2023-034	26,348,706
Federal Transit - Formula Grants (ARP)	20.507	IN-2024-007	1,151,557
Total Federal Transit - Formula Grants			<u>27,500,263</u>
State of Good Repair Grants	20.525	IN-2023-034	1,926,332
State of Good Repair Grants	20.525	IN-2022-027	8,483,440
State of Good Repair Grants	20.525	IN-2019-026	989,415
State of Good Repair Grants	20.525	IN-2018-024	4,666,532
State of Good Repair Grants	20.525	IN-2017-023	43,132
State of Good Repair Grants	20.525	IN-2016-020	44,563
Total State of Good Repair Grants Program			<u>16,153,414</u>
Total Federal Transit Cluster			<u>99,835,458</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 99,835,458</u>

See accompanying note to schedule of expenditures of federal awards.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of NICTD. NICTD's reporting entity is defined in Note 1 to NICTD's financial statements.

Basis of Presentation: The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of NICTD under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of NICTD, it is not intended to and does not present the statements of net position, statements of revenues, expenses and changes in net position, or statements of cash flows of NICTD.

Basis of Accounting and Cost Principles: Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to NICTD's financial statements. Such expenditures are recognized following cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement. NICTD has not elected to use the 10-percent de-minimis indirect cost rate as allowed under the Uniform Guidance. NICTD's indirect cost rate for 2024 was 161%.

Subrecipients: Of the Federal expenditures presented in the schedule, NICTD did not provide any Federal awards to subrecipients.

Non-Cash and Federal Insurance: NICTD did not receive non-cash assistance or have Federal insurance in effect during the year.

STATISTICAL SECTION

Statistical Section

These schedules provide additional details to better understand the financial statements, notes and required supplemental information.

Financial Trends P.49-50

These schedules indicate how NICTD's performance and conditions have changed over a ten-year time frame.

Revenue Capacity P.51-60

These schedules contain information to help the reader understand NICTD's most significant revenue sources.

Debt Capacity P.61-62

Schedules in this section provide an overview of NICTD's outstanding debt.

Demographic and Economic Information P.63-65

These schedules contain economic and demographic indicators to help the reader understand the environment within which NICTD's financial activities take place.

Operating Information P.66-68

These schedules contain data to help the reader understand how the information in NICTD's financial report relates to the services NICTD provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive reports for the relevant year.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
Net Position
Last Ten Fiscal Years
(In thousands of dollars)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
NET POSITION										
Net investment in capital assets	\$ 245,477	\$ 273,034	\$ 291,178	\$ 301,574	\$ 326,144	\$ 408,169	\$ 541,927	\$ 893,181	\$ 1,286,257	\$ 1,490,516
Restricted for debt service	13,373	19,345	13,459	1,230	2,163	6,469	12,036	45,550	35,024	36,767
Restricted for capital projects	6,241	5,204	3,127	4,713	3,335	4,957	3,396	5,522	2,671	194
Unrestricted	46,840	27,255	41,448	52,242	61,637	86,831	84,202	55,816	119,075	78,194
TOTAL NET POSITION	<u>\$ 311,931</u>	<u>\$ 324,838</u>	<u>\$ 349,212</u>	<u>\$ 359,759</u>	<u>\$ 393,279</u>	<u>\$ 506,426</u>	<u>\$ 641,561</u>	<u>\$ 1,000,069</u>	<u>\$ 1,443,027</u>	<u>\$ 1,605,671</u>

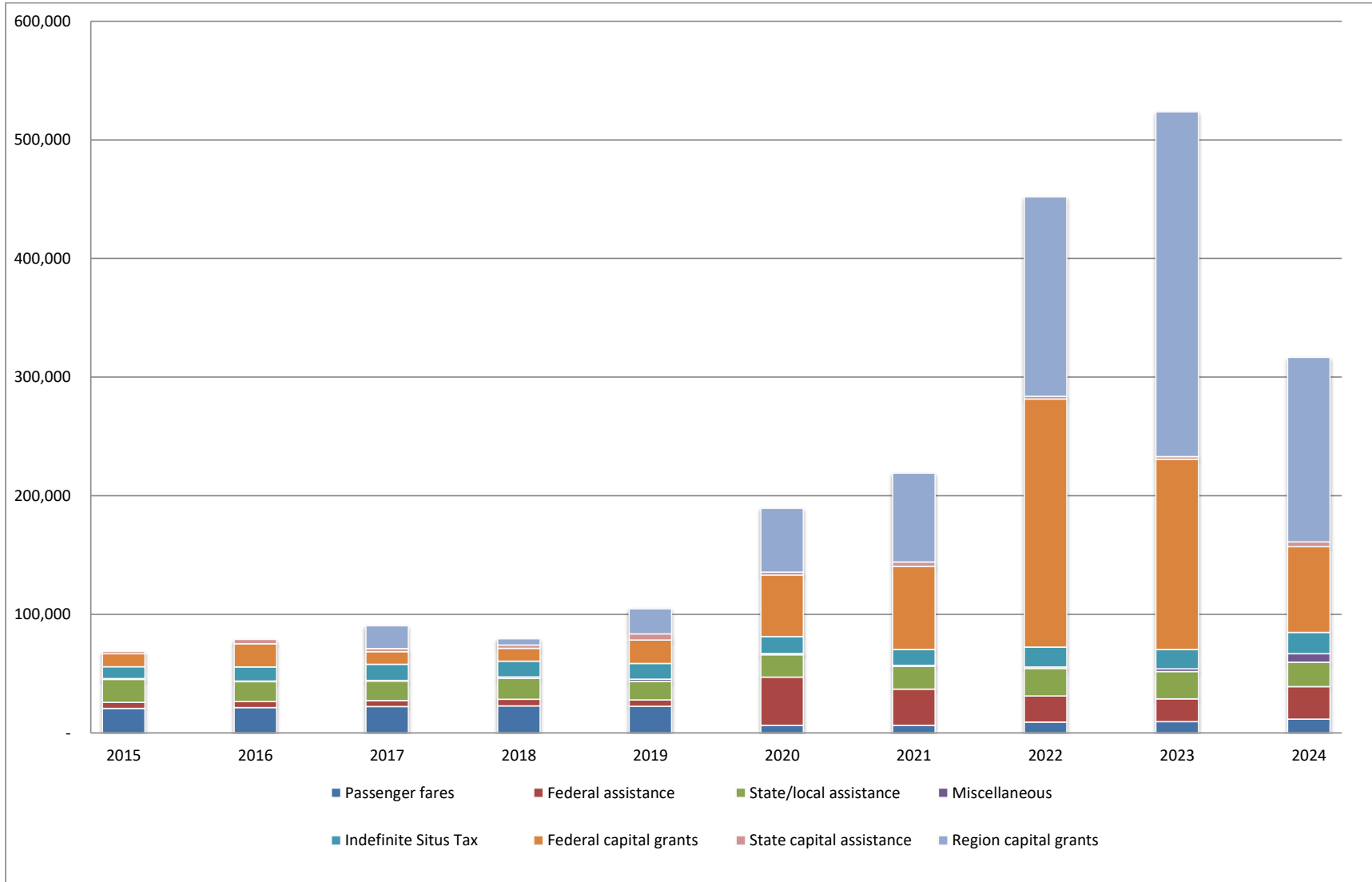
NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
Changes in Net Position
Last Ten Fiscal Years
(In thousands of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
OPERATING REVENUE										
Passenger fares (net of refunds)	\$ 20,698	\$ 21,358	\$ 22,178	\$ 22,788	\$ 22,509	\$ 6,329	\$ 6,340	\$ 9,189	\$ 9,451	\$ 11,537
Parking lot collections	36	35	35	35	35	9	-	12	-	-
Total operating revenue	20,734	21,393	22,213	22,823	22,544	6,338	6,340	9,201	9,451	11,537
OPERATING EXPENSES										
Transportation	16,958	17,811	18,518	19,036	19,755	19,570	20,028	11,863	12,657	15,338
Maintenance of Way	6,400	7,237	7,005	6,951	8,825	6,166	7,947	7,678	6,876	12,041
Maintenance of Equipment	12,345	12,759	12,030	13,706	12,397	14,806	15,758	15,900	15,318	18,498
Claims and Insurance	1,352	1,692	1,731	1,495	1,851	3,491	4,920	5,129	7,184	5,083
General and administrative	7,494	7,855	9,342	10,137	9,165	8,568	9,112	9,509	10,976	14,093
Depreciation	17,974	17,712	17,287	17,389	17,623	20,534	23,089	31,382	16,269	35,175
Amortization	-	-	-	-	-	-	-	8,361	8,590	8,249
Total operating expenses	62,523	65,066	65,913	68,714	69,616	73,135	80,854	89,822	77,870	108,477
NONOPERATING REVENUES (EXPENSES)										
Maintenance grant	5,064	5,177	5,201	5,589	5,421	-	-	21,996	19,348	27,500
Federal CARES Act funding	-	-	-	-	-	40,653	30,669	-	-	-
State operating assistance	12,951	11,288	11,240	12,681	10,537	13,704	13,833	17,271	17,738	15,409
Local subsidies	6,410	5,452	5,030	4,945	5,151	5,171	5,241	5,420	5,204	5,184
Interest - unreserved	155	91	90	180	810	235	60	638	1,781	6,292
Interest - reserved for accident claims	4	-	-	-	-	-	-	-	-	-
Rental income	196	191	254	390	344	364	337	308	287	265
Sale of maintenance services	7	4	3	3	3	3	4	3	1	3
Sale of scrap material	281	59	108	340	212	346	421	160	75	48
Advertising activities	83	128	103	84	112	153	109	99	100	86
Miscellaneous	9	16	55	170	139	10	-	30	50	521
Interest and bond issuance expense	(661)	(964)	(29)	(120)	(1,631)	(3,145)	(3,054)	(2,957)	(2,857)	(11,368)
Metra MED noncapital project costs	-	-	-	-	-	-	-	-	-	(34,091)
Indefinite Situs tax	9,989	11,902	13,649	13,256	13,327	14,324	13,490	16,570	16,350	17,831
Total nonoperating revenues, net	34,488	33,344	35,704	37,518	34,425	71,818	61,110	59,538	58,077	27,680
CAPITAL CONTRIBUTIONS										
Federal	10,885	19,551	10,646	10,959	19,779	51,806	69,910	209,229	160,336	72,335
State	1,995	3,685	2,637	2,742	5,175	2,398	3,633	2,171	2,341	4,041
Region	-	-	19,087	5,219	21,213	53,922	74,996	168,191	290,623	155,528
	12,880	23,236	32,370	18,920	46,167	108,126	148,539	379,591	453,300	231,904
Change in net position	5,579	12,907	24,374	10,547	33,520	113,147	135,135	358,508	442,958	162,644
Net position beginning of year	306,352	311,931	324,838	349,212	359,759	393,279	506,426	641,561	1,000,069	1,443,027
Net position end of year	\$ 311,931	\$ 324,838	\$ 349,212	\$ 359,759	\$ 393,279	\$ 506,426	\$ 641,561	\$ 1,000,069	\$ 1,443,027	\$ 1,605,671

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
Revenues by Source
Last Ten Fiscal Years
(In thousands of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
OPERATING REVENUE										
Passenger fares (net of refunds)	\$ 20,698	\$ 21,358	\$ 22,178	\$ 22,788	\$ 22,509	\$ 6,329	\$ 6,340	\$ 9,189	\$ 9,451	\$ 11,537
Parking lot collections	36	35	35	35	35	9	-	12	-	-
Total operating revenue	<u>20,734</u>	<u>21,393</u>	<u>22,213</u>	<u>22,823</u>	<u>22,544</u>	<u>6,338</u>	<u>6,340</u>	<u>9,201</u>	<u>9,451</u>	<u>11,537</u>
NONOPERATING REVENUES										
Maintenance grant	5,064	5,177	5,201	5,589	5,421	-	-	21,996	19,348	27,500
Federal CARES Act funding	-	-	-	-	-	40,653	30,669	-	-	-
State operating assistance	12,951	11,288	11,240	12,681	10,537	13,704	13,833	17,271	17,738	15,409
Other local funds	6,410	5,452	5,030	4,945	5,151	5,171	5,241	5,420	5,204	5,184
Other revenue	735	489	613	1,167	1,620	1,111	931	1,238	2,294	7,215
Indefinite Situs tax	9,989	11,902	13,649	13,266	13,327	14,324	13,490	16,570	16,350	17,831
Total nonoperating revenues before capital grants	<u>35,149</u>	<u>34,308</u>	<u>35,733</u>	<u>37,648</u>	<u>36,056</u>	<u>74,963</u>	<u>64,164</u>	<u>62,495</u>	<u>60,934</u>	<u>73,139</u>
CAPITAL CONTRIBUTIONS										
Federal capital grants	10,885	19,551	10,646	10,959	19,779	51,806	69,910	209,229	160,336	72,335
State capital grants	1,995	3,685	2,637	2,742	5,175	2,398	3,633	2,171	2,341	4,041
Region capital grants	-	-	19,087	5,219	21,213	53,922	74,996	168,191	290,623	155,528
Total nonoperating revenues	<u>48,029</u>	<u>57,544</u>	<u>68,103</u>	<u>56,568</u>	<u>82,223</u>	<u>183,089</u>	<u>212,703</u>	<u>442,086</u>	<u>514,234</u>	<u>305,043</u>
TOTAL REVENUES	<u>\$ 68,763</u>	<u>\$ 78,937</u>	<u>\$ 90,316</u>	<u>\$ 79,391</u>	<u>\$ 104,767</u>	<u>\$ 189,427</u>	<u>\$ 219,043</u>	<u>\$ 451,287</u>	<u>\$ 523,685</u>	<u>\$ 316,580</u>

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 Statistical Information (Unaudited)
 Revenues by Source
 Last Ten Fiscal Years
 (In thousands of dollars)



NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
Revenues and Operating Assistance
Comparison to Industry Trend Data
Last Ten Fiscal Years

TRANSPORTATION INDUSTRY (1)

Year	<u>Operating and Other Revenue</u>			<u>Operating Assistance</u>			<u>Totals</u>
	Passenger	Other	Total	State & Local	Federal	Total	Total All Revenues
2015	32.5%	11.6%	44.1%	47.6%	8.3%	55.9%	100.0%
2016	31.3%	11.7%	43.0%	49.0%	8.0%	57.0%	100.0%
2017	31.4%	11.9%	43.3%	48.2%	8.5%	56.7%	100.0%
2018	30.7%	11.5%	42.2%	49.2%	8.6%	57.8%	100.0%
2019	29.5%	12.7%	42.2%	49.9%	7.9%	57.8%	100.0%
2020	16.6%	10.2%	26.8%	46.7%	26.5%	73.2%	100.0%
2021	11.8%	3.7%	15.5%	47.5%	37.0%	84.5%	100.0%
2022	*	*	*	*	*	*	*
2023	*	*	*	*	*	*	*
2024	*	*	*	*	*	*	*

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT (2)

Year	<u>Operating and Other Revenue</u>			<u>Operating Assistance</u>			<u>Totals</u>
	Passenger	(3) Other	Total	State & Local	Federal	Total	Total All Revenues
2015	45.2%	15.6%	60.8%	28.2%	11.0%	39.2%	100.0%
2016	48.8%	13.6%	62.4%	25.8%	11.8%	37.6%	100.0%
2017	50.1%	12.7%	62.8%	25.4%	11.8%	37.2%	100.0%
2018	48.3%	12.9%	61.2%	26.9%	11.9%	38.8%	100.0%
2019	49.8%	15.0%	64.8%	23.3%	11.9%	35.2%	100.0%
2020	9.5%	9.4%	18.9%	20.5%	60.7%	81.1%	100.0%
2021	11.1%	10.8%	21.9%	24.3%	53.9%	78.1%	100.0%
2022	16.8%	12.1%	28.9%	31.3%	39.9%	71.1%	100.0%
2023	17.5%	13.9%	31.4%	32.9%	35.8%	68.6%	100.0%
2024	17.3%	18.6%	35.9%	23.1%	41.1%	64.1%	100.0%

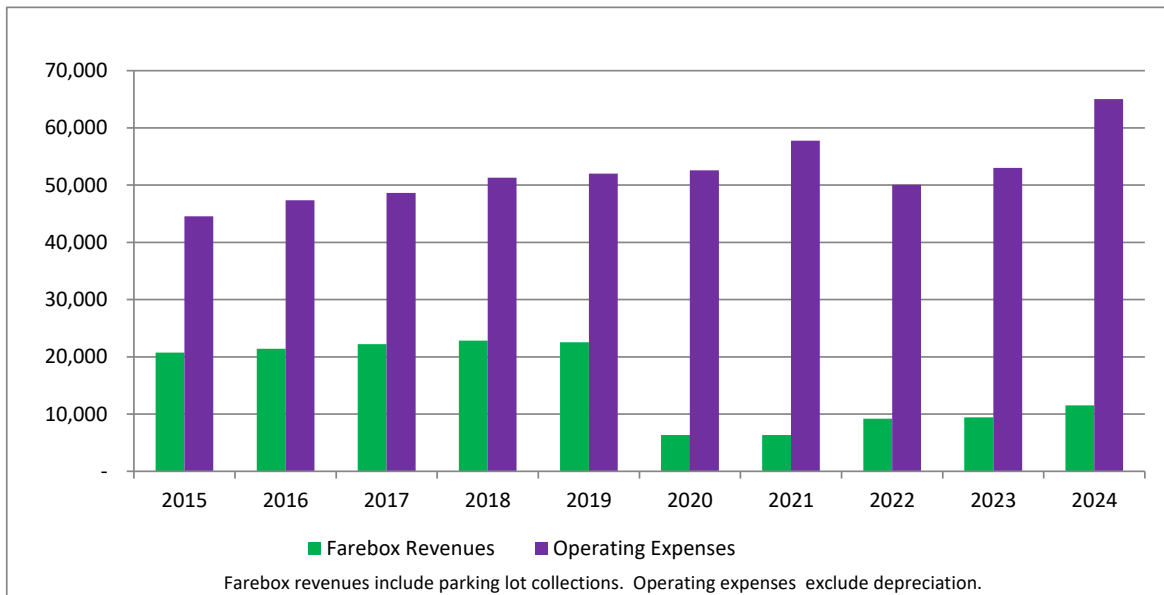
* Information not yet available

- (1) Source: The American Public Transit Association. 2023 APTA Transit Fact Book, Appendix A Table 87 (2022/2023/2024 data not yet available)
- (2) Percentages are derived from NICTD's independently audited annual financial statements
- (3) Includes interest income, advertising, sale of scrap material and miscellaneous revenue

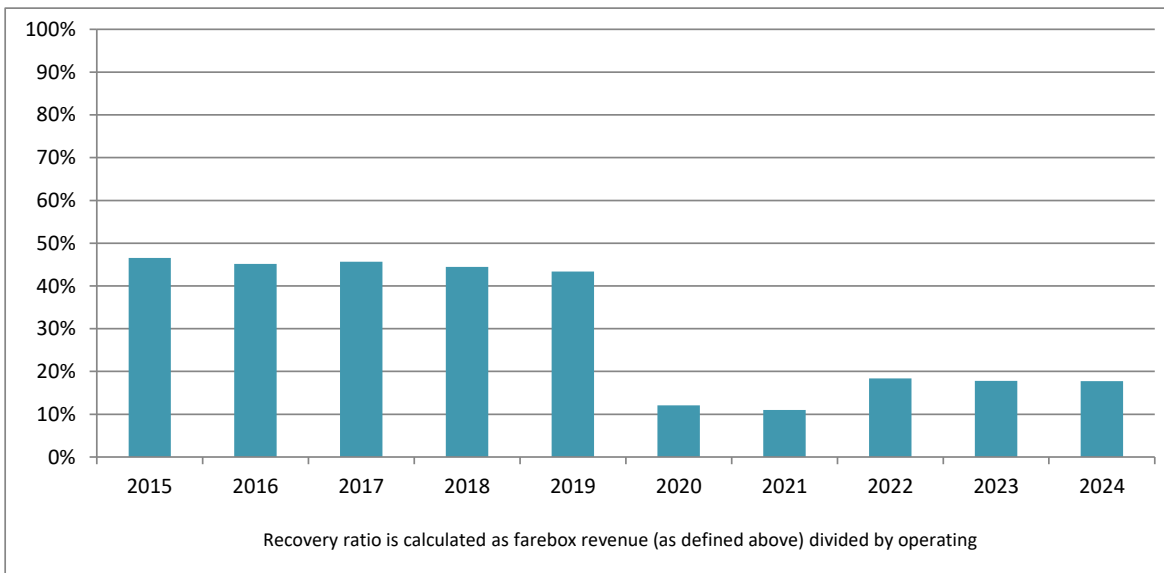
NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
System Recovery Ratio
Last Ten Fiscal Years
(In thousands of dollars)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
OPERATING REVENUE										
Passenger fares (net of refunds)	\$ 20,698	\$ 21,358	\$ 22,178	\$ 22,788	\$ 22,509	\$ 6,329	\$ 6,340	\$ 9,189	\$ 9,451	\$ 11,537
Parking lot collections	36	35	35	35	35	9	-	12	-	-
Total operating revenue for recovery ratio calculation (A)	\$ 20,734	\$ 21,393	\$ 22,213	\$ 22,823	\$ 22,544	\$ 6,338	\$ 6,340	\$ 9,201	\$ 9,451	\$ 11,537
OPERATING EXPENSES										
Transportation	\$ 16,958	\$ 17,811	\$ 18,518	\$ 19,036	\$ 19,755	\$ 19,570	\$ 20,028	\$ 11,863	\$ 12,657	\$ 15,338
Maintenance of Way	6,400	7,237	7,005	6,951	8,825	6,166	7,947	7,678	6,876	12,041
Maintenance of Equipment	12,345	12,759	12,030	13,706	12,397	14,806	15,758	15,900	15,318	18,498
Claims and Insurance	1,352	1,692	1,731	1,495	1,851	3,491	4,920	5,129	7,184	5,083
General and administrative	7,494	7,855	9,342	10,137	9,165	8,568	9,112	9,509	10,976	14,093
Total operating expenses for recovery ratio calculation (B)	\$ 44,549	\$ 47,354	\$ 48,626	\$ 51,325	\$ 51,993	\$ 52,601	\$ 57,765	\$ 50,079	\$ 53,011	\$ 65,053
Recovery ratio (A/B)	46.5%	45.2%	45.7%	44.5%	43.4%	12.0%	11.0%	18.4%	17.8%	17.7%

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 Statistical Information (Unaudited)
 Farebox Revenues vs Operating Expenses
 Last Ten Fiscal Years
 (In thousands of dollars)



NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 Statistical Information (Unaudited)
 Farebox Recovery Ratio
 Last Ten Fiscal Years



NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
Operating Expenses by Object Class
Last Ten Fiscal Years
(In thousands of dollars)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
OPERATING EXPENSES										
OTHER THAN DEPRECIATION										
Salaries and wages	\$ 15,519	\$ 16,404	\$ 16,944	\$ 17,684	\$ 18,257	\$ 18,904	\$ 19,406	\$ 19,096	\$ 19,808	\$ 25,302
Fringe benefits and payroll taxes	12,354	12,897	15,645	15,520	15,859	16,220	18,867	18,697	20,542	22,612
Equipment expense	104	60	181	99	163	149	146	173	197	363
Repair and maintenance materials	4,204	4,417	3,507	4,680	4,152	3,952	4,645	5,021	4,638	5,804
Operating costs	5,178	5,686	5,758	5,779	5,861	5,898	5,762	(2,667)	(2,209)	(1,215)
Utilities	752	761	899	948	841	862	931	1,373	1,452	1,217
Other services	1,520	1,844	1,506	1,627	1,850	2,143	2,189	1,667	1,342	2,232
Office supplies	367	282	312	190	428	261	145	125	183	276
Administration	(67)	(536)	(1,865)	(1,936)	(1,709)	(2,680)	(2,933)	(2,864)	(5,401)	(6,556)
Rents and leases	62	128	167	128	225	37	37	29	26	54
Traction power	2,086	2,054	2,245	2,232	2,199	1,686	1,927	1,631	1,398	2,201
Claims and insurance	1,352	1,692	1,731	1,495	1,851	3,491	4,920	5,124	7,184	5,083
Professional services	1,118	1,665	1,596	2,879	2,016	1,678	1,723	2,674	3,851	7,680
Total	<u>44,549</u>	<u>47,354</u>	<u>48,626</u>	<u>51,325</u>	<u>51,993</u>	<u>52,601</u>	<u>57,765</u>	<u>50,079</u>	<u>53,011</u>	<u>65,053</u>
DEPRECIATION	17,974	17,712	17,287	17,389	17,623	20,534	23,089	31,382	16,269	35,175
AMORTIZATION	-	-	-	-	-	-	-	8,361	8,590	8,249
Total operating expenses	<u>62,523</u>	<u>65,066</u>	<u>65,913</u>	<u>68,714</u>	<u>69,616</u>	<u>73,135</u>	<u>80,854</u>	<u>89,822</u>	<u>77,870</u>	<u>108,477</u>
NONOPERATING EXPENSES										
Interest and bond issuance expense	661	964	29	120	1,631	3,145	3,054	2,957	2,857	11,368
METRA 4th Main project costs	-	-	-	-	-	-	-	-	-	34,091
TOTAL EXPENSES	<u>\$ 63,184</u>	<u>\$ 66,030</u>	<u>\$ 65,942</u>	<u>\$ 68,834</u>	<u>\$ 71,247</u>	<u>\$ 76,280</u>	<u>\$ 83,908</u>	<u>\$ 92,779</u>	<u>\$ 80,727</u>	<u>\$ 153,936</u>

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
Operating Expenses by Function Class - Comparison to Industry Trend Data
Last Ten Fiscal Years

TRANSPORTATION INDUSTRY (1)

Year	Vehicle Operations	Vehicle Maintenance	Non-Vehicle Maintenance	General Administration	Purchased Transportation	Total Operating Expenses
2015	42.8%	16.1%	10.8%	16.1%	14.2%	100.0%
2016	42.2%	16.4%	11.0%	16.7%	13.7%	100.0%
2017	41.8%	16.4%	11.7%	15.9%	14.2%	100.0%
2018	42.0%	16.0%	11.1%	16.4%	14.5%	100.0%
2019	41.6%	15.6%	11.3%	16.5%	15.0%	100.0%
2020	41.6%	15.7%	10.9%	16.7%	15.1%	100.0%
2021	40.5%	16.1%	11.5%	17.6%	14.3%	100.0%
2022	*	*	*	*	*	*
2023	*	*	*	*	*	*
2024	*	*	*	*	*	*

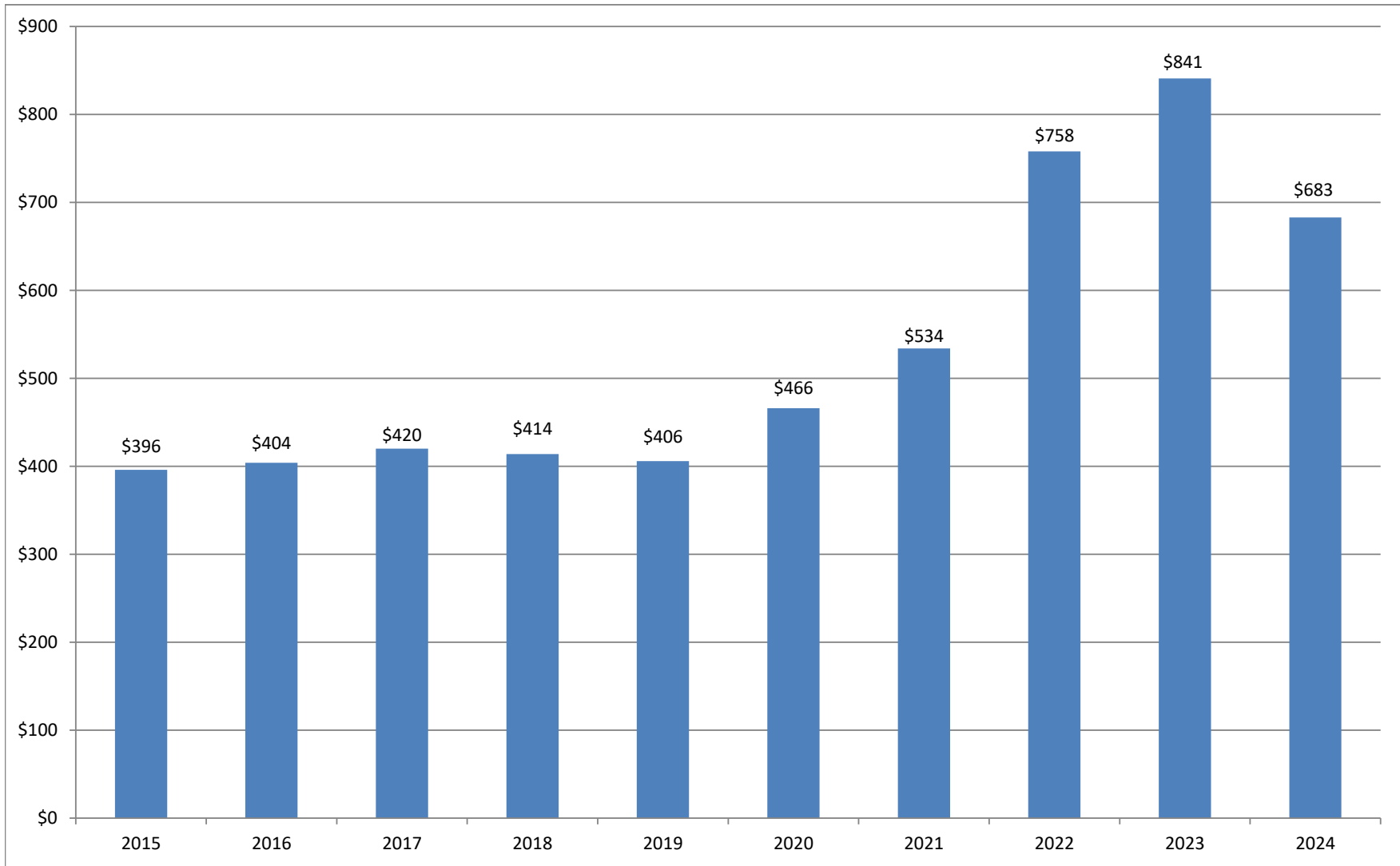
NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT (2)

Year	Vehicle Operations	Vehicle Maintenance	Non-Vehicle Maintenance	General Administration (3)	Purchased Transportation	Total Operating Expenses
2015	38.1%	27.7%	14.4%	19.8%	-	100.0%
2016	37.6%	26.9%	15.3%	20.2%	-	100.0%
2017	38.1%	24.7%	14.4%	22.8%	-	100.0%
2018	37.1%	26.7%	13.5%	22.7%	-	100.0%
2019	38.0%	23.8%	17.0%	21.2%	-	100.0%
2020	37.2%	28.1%	11.8%	22.9%	-	100.0%
2021	34.7%	27.3%	13.7%	24.3%	-	100.0%
2022	34.6%	27.2%	13.1%	25.1%	-	100.0%
2023	23.9%	28.8%	13.0%	34.3%	-	100.0%
2024	23.6%	18.5%	28.4%	29.5%	-	100.0%

* Information not yet available

- (1) Source: The American Public Transit Association. 2023 APTA Transit Fact Book, Appendix A Table 69 (2022/2023/2024 not yet available)
- (2) Percentages are derived from NICTD's audited financial statements
- (3) Includes claims and insurance

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
Operating Expenses per Electric Multiple-Unit Hour
Last Ten Fiscal Years



NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
Pledged Revenue Coverage
Last Ten Fiscal Years

Limited Obligation Revenue Bonds (2024 Bond Issuance):

Fiscal Year	Commuter Rail Service Fund		Electric Rail Service Fund Receipts	Debt Service		Coverage Ratio
	Indefinite Situs	Sales Tax		Principal	Interest	
	Tax Receipts	Receipts				
2024	\$ 15,589,253	\$ 13,606,625	\$ 364,919	\$ 640,000	\$ 2,289,805	10.09

Limited Obligation Revenue Bonds (2018 Bond Issuance):

Fiscal Year	Commuter Rail Service Fund		Debt Service Interest	Coverage Ratio
	Indefinite Situs	Principal		
	Tax Receipts	Receipts		
2018	\$ 12,615,310	\$ 7,500,000	\$ 33,688	1.67 *

* Series 2018 Bonds were fully redeemed in December 2018.

Limited Obligation Revenue Bonds (2016 Bond Issuance):

Fiscal Year	Commuter Rail Service Fund		Electric Rail Service Fund Receipts	Debt Service		Coverage Ratio
	Indefinite Situs	Sales Tax		Principal	Interest	
	Tax Receipts	Receipts				
2016	\$ 10,402,260	\$ 9,494,994	\$ 152,270	\$ -	\$ 1,259,903	15.91
2017	12,015,215	8,472,327	143,939	1,910,000	4,238,925	3.36
2018	12,615,310	9,656,627	201,016	2,030,000	4,118,050	3.66
2019	12,936,480	10,006,433	172,906	2,135,000	4,015,175	3.76
2020	13,623,128	10,280,758	207,670	2,240,000	3,907,175	3.92
2021	13,551,425	11,688,648	280,285	2,355,000	3,793,800	4.15
2022	14,953,018	12,885,953	440,025	2,475,000	3,674,550	4.60
2023	15,120,726	13,569,057	457,892	2,600,000	3,549,300	4.74
2024	15,589,253	13,606,625	364,919	2,695,000	3,451,675	4.81

Limited Obligation Capital Grant Receipts Revenue Bonds (2007 Bond Issuance):

Fiscal Year	Commuter Rail Service Fund		Debt Service Principal	Debt Service Interest	Coverage Ratio
	Indefinite Situs	Capital Grant			
	Tax Receipts	Receipts			
2015	\$ -	\$ 2,905,738	\$ 2,411,000	\$ 494,738	1.00
2016	-	2,905,798	2,471,000	434,797	1.00 **

** Series 2007 Bonds were fully redeemed in December 2016.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
Pledged Revenue Coverage
Last Ten Fiscal Years

Indefinite Situs Tax Receipts Special Program Bonds, Series 2004 D (2004 Bond Issuance):

Fiscal Year	Commuter Rail Service Fund		Debt Service		Coverage Ratio
	Indefinite Situs Tax Receipts	Capital Grant Receipts	Principal	Interest	
2015	\$ 8,960,512	\$ -	\$ -	\$ 366,175	24.47 ***

*** Series 2004 Bonds were fully redeemed in July 2015.

**CONSOLIDATED TABLE FOR ALL DEBT COVERAGE:
2004 Bond Series, 2007 Bond Series, 2016 Bond Series, 2018 Series, and 2024 Series**

Fiscal Year	Commuter Rail Service Fund		Electric Rail Service Fund Receipts	Capital Grant Receipts	Debt Service		Coverage Ratio
	Indefinite Situs Tax Receipts	Sales Tax Receipts			Principal	Interest	
2015	\$ 8,960,512	\$ -	\$ -	\$ 2,905,738	\$ 2,411,000	\$ 860,913	3.63
2016	10,402,260	9,494,994	152,270	2,905,798	2,471,000	1,694,700	5.51 ***
2017	12,015,215	8,472,327	143,939	-	1,910,000	4,238,925	3.36 **
2018	12,615,310	9,656,627	201,016	-	2,030,000	4,118,050	3.66
2019	12,936,480	10,006,433	172,906	-	2,135,000	4,015,175	3.76 *
2020	13,623,128	10,280,758	207,670	-	2,240,000	3,907,175	3.92
2021	13,551,425	11,688,648	280,285	-	2,355,000	3,793,800	4.15
2022	14,953,018	12,885,953	440,025	-	2,475,000	3,674,550	4.60
2023	15,120,726	13,569,057	457,892	-	2,600,000	3,549,300	4.74
2024	31,178,506	27,213,250	729,838	-	3,335,000	5,741,480	6.51

*** Series 2004 Bonds were fully redeemed in July 2015.

** Series 2007 Bonds were fully redeemed in December 2016.

* Series 2018 Bonds were fully redeemed in December 2018.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Business-Type Activities

Fiscal Year	2024 Series- Revenue Bonds	2016 Series- Revenue Bonds	2007 Series- Revenue Bonds	Premium on Bonds Payable	Lease Liabilities	Total	Outstanding Debt Per Capita	Outstanding Debt as a Percentage of Per Capita Personal Income
2015	-	-	18,213,000	-	-	18,213,000	14.50	0.03%
2016	-	89,100,000	-	11,844,000	-	100,944,000	80.66	0.18%
2017	-	87,190,000	-	11,062,000	-	98,252,000	78.81	0.16%
2018	-	85,160,000	-	10,307,000	-	95,467,000	76.91	0.15%
2019	-	83,025,000	-	9,575,000	-	92,600,000	74.87	0.15%
2020	-	80,785,000	-	8,867,000	-	89,652,000	72.91	0.13%
2021	-	78,430,000	-	8,185,000	-	86,615,000	69.51	0.12%
2022	-	75,955,000	-	7,530,000	17,417,000	100,902,000	81.80	0.14%
2023	-	73,355,000	-	6,902,000	46,211,000	126,468,000	102.86	0.17%
2024	142,395,000	70,660,000	-	20,774,000	47,535,000	281,364,000	*	*

* Information not yet available

Source: Bureau of Economic Analysis, Average of counties serviced

Northern Indiana Commuter Transportation District
Statistical Information (Unaudited)
Demographic and Economic Indicators
Last Ten Fiscal Years

Lake County, Indiana

Fiscal Year	Population	Personal Income in thousands	Per Capita Personal Income	Unemployment Rate
2015	488,195	\$ 19,728,563	\$ 40,411	6.6
2016	486,381	\$ 20,260,852	\$ 41,656	5.9
2017	484,834	\$ 20,899,264	\$ 43,106	4.8
2018	484,918	\$ 21,935,622	\$ 45,236	4.9
2019	486,244	\$ 22,354,492	\$ 45,974	4.9
2020	487,536	\$ 24,001,036	\$ 49,229	6.4
2021	498,558	\$ 26,513,928	\$ 53,181	2.5
2022	499,689	\$ 26,546,880	\$ 53,127	4.4
2023	500,598	\$ 28,119,622	\$ 56,172	4.7
2024	*	*	*	6.0

LaPorte County, Indiana

Fiscal Year	Population	Personal Income in thousands	Per Capita Personal Income	Unemployment Rate
2015	110,884	\$ 4,203,577	\$ 37,910	6.4
2016	110,331	\$ 4,326,954	\$ 39,218	5.7
2017	109,958	\$ 4,459,074	\$ 40,553	4.2
2018	110,134	\$ 4,652,941	\$ 42,248	4.4
2019	110,044	\$ 4,739,021	\$ 43,065	4.2
2020	109,663	\$ 5,074,533	\$ 46,274	5.9
2021	112,390	\$ 5,564,165	\$ 49,508	1.9
2022	111,675	\$ 5,582,895	\$ 49,992	3.3
2023	111,706	\$ 5,936,463	\$ 53,144	3.6
2024	*	*	*	4.9

Porter County, Indiana

Fiscal Year	Population	Personal Income in thousands	Per Capita Personal Income	Unemployment Rate
2015	167,439	\$ 7,924,688	\$ 47,329	5.4
2016	167,616	\$ 8,153,899	\$ 48,646	4.7
2017	168,568	\$ 8,613,566	\$ 51,098	3.7
2018	169,647	\$ 9,079,485	\$ 53,520	3.8
2019	170,599	\$ 9,351,166	\$ 54,814	3.6
2020	170,980	\$ 9,857,612	\$ 57,654	4.2
2021	174,243	\$ 10,672,325	\$ 61,250	1.4
2022	174,791	\$ 11,109,181	\$ 63,557	2.9
2023	175,335	\$ 11,731,001	\$ 66,906	3.2
2024	*	*	*	4.5

St. Joseph County, Indiana

Fiscal Year	Population	Personal Income in thousands	Per Capita Personal Income	Unemployment Rate
2015	268,567	\$ 11,782,838	\$ 43,873	4.6
2016	270,042	\$ 11,803,625	\$ 43,710	4.1
2017	270,219	\$ 12,375,498	\$ 45,798	3.3
2018	270,961	\$ 12,929,747	\$ 47,718	3.6
2019	271,695	\$ 13,107,730	\$ 48,244	3.4
2020	271,484	\$ 13,883,877	\$ 51,141	5.0
2021	272,212	\$ 15,277,028	\$ 56,122	1.4
2022	272,234	\$ 15,432,451	\$ 56,688	2.9
2023	272,848	\$ 15,523,823	\$ 56,895	3.3
2024	*	*	*	4.4

Cook County, Illinois

Fiscal Year	Population	Personal Income in thousands	Per Capita Personal Income	Unemployment Rate
2015	5,243,371	\$ 296,606,188	\$ 56,568	5.7
2016	5,223,386	\$ 298,747,988	\$ 57,194	5.7
2017	5,199,582	\$ 308,258,726	\$ 59,285	5.0
2018	5,171,007	\$ 328,313,740	\$ 63,491	4.0
2019	5,145,326	\$ 338,650,193	\$ 65,817	2.9
2020	5,108,284	\$ 357,246,062	\$ 69,935	9.3
2021	5,173,146	\$ 380,521,307	\$ 73,557	5.0
2022	5,109,292	\$ 372,197,013	\$ 72,847	4.6
2023	5,087,072	\$ 396,470,899	\$ 77,937	4.0
2024	*	*	*	4.6

* Information not yet available

Sources: Bureau of Economic Analysis, Annual Earnings and Bureau of Labor Statistics
Unemployment rates based on preliminary figures

Northern Indiana Commuter Transportation District
Statistical Information (Unaudited)
Principal Employers in Chicago
Current and Nine Years Ago

<u>Employer</u>	2024			2015		
	Chicago		Percentage of Total County	Chicago		Percentage of Total County
	<u>Employees</u>	<u>Rank</u>	<u>Labor Force</u>	<u>Employees</u>	<u>Rank</u>	<u>Labor Force</u>
U.S. Government	52,157	1	1.97%	42,887	1	1.62%
Chicago Public Schools	44,786	2	1.69%	37,406	2	1.41%
Amazon.com Inc.	33,247	3	1.25%	-	-	-
City of Chicago	32,465	4	1.22%	30,276	3	1.14%
Advocate Health Care	30,751	5	1.16%	18,308	5	0.69%
Northwestern Memorial Healthcare	29,434	6	1.11%	15,317	7	0.58%
University of Chicago	22,287	7	0.84%	16,197	6	0.61%
Endeavor Health	21,134	8	0.80%	-	-	-
Cook County	20,323	9	0.77%	21,795	4	0.82%
United Airlines Holdings Inc.	18,000	10	0.68%	-	-	-
State of Illinois	-	-	-	15,136	8	0.57%
JPMorgan Chase & Co.	-	-	-	14,158	9	0.53%
United Continental Holdings, Inc.	-	-	-	14,000	10	0.53%
	<u>304,584</u>		<u>11.49%</u>	<u>225,480</u>		<u>8.52%</u>

Source: Crain's Chicago Business Largest Employers 2024 and 2015
Percentage of Total County Employment based on Cook County Labor Force figures pulled from LAUS, Bureau of Labor Statistics, US Department of Labor 2023 and 2015 Labor Force; 2024 data not yet available

Northern Indiana Commuter Transportation District
 Statistical Information (Unaudited)
 Fare Rate Structure
 12/31/2024

The District offers a variety of tickets depending on your travel needs. Our service area is divided into zones and the fare is generally based on distance traveled.

Zone	Station	Fare Type	Zone 1	Zone 2	Zone 3	Zone 4	Zone 5	Zone 6	Zone 7	Zone 8	Zone 10
	The South Shore may not carry passengers between Zones 1 and 2 - Use Metra instead		Millennium Station Van Buren St. Museum Campus/11th St. McCormick Place	63rd St. 57th St.							
3	Hegewisch	One-Way 10-Ride 25-Ride Monthly Reduced 1-Ride Reduced 25-Ride	6.25 59.50 140.75 181.25 3.00 75.00	5.50 52.25 123.75 159.50 2.75 68.75							
4	Hammond East Chicago	One-Way 10-Ride 25-Ride Monthly Reduced 1-Ride Reduced 25-Ride	7.00 66.50 157.50 197.25 3.50 87.50	6.75 64.25 152.00 184.50 3.25 81.25	4.25 40.50 95.75 144.50 2.00 50.00	4.00 38.00 90.00 132.50 2.00 50.00					
5	Gary Gary/Chicago Airport Metro Center Miller	One-Way 10-Ride 25-Ride Monthly Reduced 1-Ride Reduced 25-Ride	7.50 71.25 168.75 211.75 3.75 93.75	7.25 69.00 163.25 200.50 3.50 87.50	6.00 57.00 135.00 164.75 3.00 75.00	4.50 42.75 101.25 140.25 2.25 56.25	4.00 38.00 90.00 129.25 2.00 50.00				
6	Portage/Ogden Dunes Dune Park	One-Way 10-Ride 25-Ride Monthly Reduced 1-Ride Reduced 25-Ride	9.00 85.50 202.50 251.75 4.50 112.50	8.00 76.00 180.00 227.00 4.00 100.00	7.25 69.00 163.25 203.75 3.50 87.50	6.50 61.75 146.25 179.25 3.25 81.25	6.25 59.50 140.75 167.75 3.00 75.00	4.00 38.00 90.00 131.25 2.00 50.00			
7	Beverly Shores	One-Way 10-Ride 25-Ride Monthly Reduced 1-Ride Reduced 25-Ride	10.00 95.00 225.00 284.75 5.00 125.00	9.25 88.00 208.25 261.75 4.50 112.50	8.00 76.00 180.00 225.25 4.00 100.00	7.50 71.25 168.75 214.50 3.75 93.75	7.25 69.00 163.25 203.00 3.50 87.50	6.25 59.50 140.75 167.00 3.00 75.00			
8	Michigan City 11th St. Carroll Ave.	One-Way 10-Ride 25-Ride Monthly Reduced 1-Ride Reduced 25-Ride	10.25 97.50 230.75 296.75 5.00 125.00	10.00 95.00 225.00 283.00 5.00 125.00	9.00 85.50 202.50 249.50 4.50 112.50	8.00 76.00 180.00 224.75 4.00 100.00	7.50 71.25 168.75 213.50 3.75 93.75	6.50 61.75 146.25 177.50 3.25 81.25	4.50 42.75 101.25 141.75 2.25 56.25	3.75 35.75 84.50 119.25 1.75 43.75	
10	Hudson Lake	One-Way 10-Ride 25-Ride Monthly Reduced 1-Ride Reduced 25-Ride	13.00 123.50 292.50 365.25 6.50 162.50	12.25 116.50 275.75 343.00 6.00 150.00	11.00 104.50 247.50 307.25 5.50 137.50	10.25 97.50 230.75 296.25 5.00 125.00	10.00 95.00 225.00 282.50 5.00 125.00	9.00 85.50 202.50 249.00 4.50 112.50	7.50 71.25 168.75 213.00 3.75 93.75	6.50 61.75 146.25 177.00 3.25 81.25	
11	South Bend	One-Way 10-Ride 25-Ride Monthly Reduced 1-Ride Reduced 25-Ride	14.25 135.50 320.75 402.25 7.00 175.00	13.25 126.00 298.25 377.75 6.50 162.50	12.25 116.50 275.75 343.75 6.00 150.00	11.75 111.75 264.50 332.75 5.75 143.75	11.00 104.50 247.50 308.25 5.50 137.50	10.00 95.00 225.00 283.00 5.00 125.00	9.00 85.50 202.50 249.50 4.50 112.50	7.50 71.25 168.75 213.50 3.75 93.75	6.25 59.50 140.75 166.25 3.00 75.00

(Continued)

FARE INFORMATION

One-Way Fare: passage in one direction between two station stops

Reduced Fare One-Way: at least 50% off the normal one-way fare for:

- * Children 13 years of age or younger
- * Seniors at least 65 years of age
- * Passengers with disabilities displaying a valid NICTD or RTA identification card
- * Seniors displaying the RTA "Circuit Ride Free Permit" ride free between Hegewisch and Chicago

Reduced Fare Identification - when requested, passengers riding on reduced fare tickets must present identification showing they qualify for the reduced fare

Multiple Ride Tickets: 10 and 25-ride punch tickets. These tickets offer a small discount off the normal one-way adult fare and are valid for one year from date of purchase

Monthly Pass: deeply discounted and provides unlimited rides to the pass-holder. They are valid for the calendar month identified on the ticket and the inbound trip of the first business day of the following month

Northern Indiana Commuter Transportation District
Statistical Information (Unaudited)
Operating Statistics
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating Statistics:										
Annual System Trips	3,616,660	3,504,080	3,455,842	3,400,197	3,283,603	995,049	1,024,745	1,406,684	1,526,839	1,771,513
Average Weekday System Trips	12,056	11,723	11,467	11,352	10,962	3,348	3,116	4,418	4,946	5,550
Average Saturday System Trips	5,538	5,183	5,565	5,264	5,092	1,437	2,306	2,738	2,724	3,558
Average Sunday System Trips	4,343	4,138	4,279	4,075	3,938	1,173	1,898	2,298	2,149	2,858
Passenger Miles	104,159,808	113,035,111	112,953,766	110,846,662	108,385,897	32,750,046	34,944,971	47,423,227	49,941,940	57,773,167
Assets in Passenger Car Fleet:										
Total Passenger Cars in Fleet	82	82	82	82	82	82	82	82	82	88
Passenger Car Revenue Miles	4,026,813	4,233,598	4,184,136	4,211,197	4,393,966	3,923,145	3,821,360	2,687,265	2,032,288	3,684,700
Passenger Car Revenue Hours	112,543	117,214	115,659	124,044	128,077	112,835	108,239	77,127	63,067	95,296

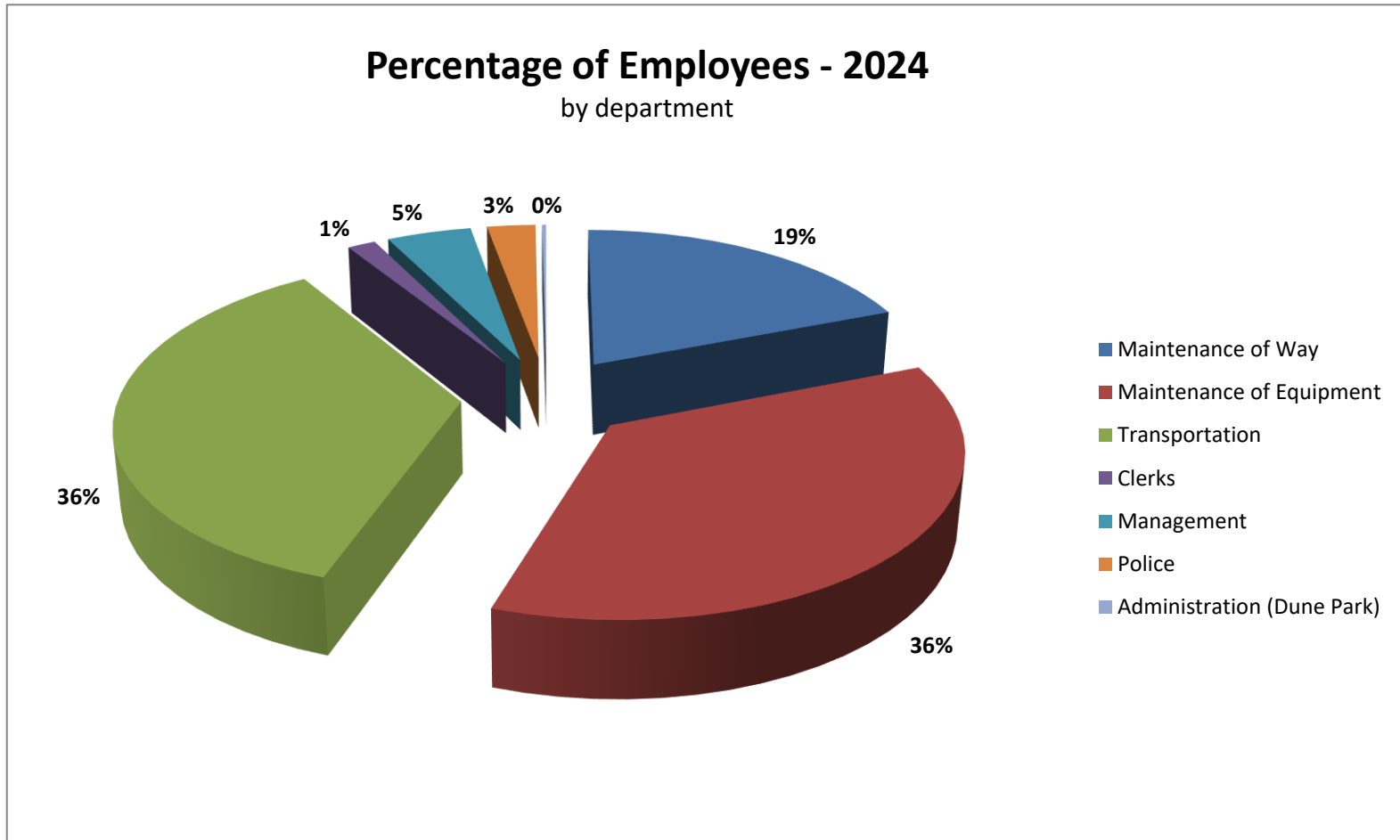
Source: NICTD's annual *National Transit Database Report*, filed with the Federal Transit Administration

Northern Indiana Commuter Transportation District
Statistical Information (Unaudited)
Number of Employees and Labor Classification
Last Ten Fiscal Years

	<u>2015</u>		<u>2016</u>		<u>2017</u>		<u>2018</u>		<u>2019</u>	
	Salary	Contract	Salary	Contract	Salary	Contract	Salary	Contract	Salary	Contract
<u>Michigan City Cost Center</u>										
Maintenance of Way	12	58	18	58	22	59	26	62	29	64
Maintenance of Equipment	10	102	11	92	11	102	11	116	13	110
Transportation	7	106	8	96	9	102	11	105	10	102
Clerks	-	8	-	8	-	8	-	9	-	9
Management	10	-	12	-	13	-	15	-	15	-
<u>Dune Park Cost Center</u>										
Police	8	-	8	-	8	-	9	-	9	-
Administration (Dune Park)	8	-	8	-	7	-	5	-	5	-
Subtotal	55	274	65	254	70	271	77	292	81	285
TOTAL LABOR	329		319		341		369		366	
<u>2020</u>										
	Salary	Contract	Salary	Contract	Salary	Contract	Salary	Contract	Salary	Contract
<u>Michigan City Cost Center</u>										
Maintenance of Way	29	61	33	60	33	58	32	62	27	60
Maintenance of Equipment	15	143	15	138	16	131	16	133	17	147
Transportation	12	100	12	103	12	102	12	121	15	148
Clerks	-	9	-	9	-	9	-	8	-	7
Management	18	-	18	-	18	-	20	-	21	-
<u>Dune Park Cost Center</u>										
Police	9	-	9	-	9	-	8	-	12	-
Administration (Dune Park)	4	-	4	-	3	-	2	-	1	-
Subtotal	87	313	91	310	91	300	90	324	93	362
TOTAL LABOR	400		401		391		414		455	

Source: NICTD's Payroll Journals

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
Percentage of Employees by Department
For the Year Ended December 31, 2024



COMPLIANCE SECTION

INDEPENDENT AUDITOR'S 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*

Board of Trustees
Northern Indiana Commuter
Transportation District
Chesterton, Indiana

We have audited, in accordance with the 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 the Northern Indiana Commuter Transportation District (NICTD) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise NICTD's basic financial statements, and have issued our report thereon dated April 17, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered NICTD's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NICTD's internal control. Accordingly, we do not express an opinion on the effectiveness of NICTD'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 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 that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether NICTD'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 financial statements. 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*.

(Continued)

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.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
April 17, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Trustees
Northern Indiana Commuter
Transportation District
Chesterton, Indiana

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited the Northern Indiana Commuter Transportation District's (NICTD) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on NICTD's major federal program for the year ended December 31, 2024. NICTD's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, NICTD complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of NICTD and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of NICTD's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to NICTD's federal programs.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on NICTD's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about NICTD's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 NICTD's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of NICTD's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of NICTD's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

(Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
April 17, 2025

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2024

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

 Yes X No

Identification of major federal programs:

Assistance Listing Number

Name of Federal Program or Cluster

20.500, 20.507, 20.525

Federal Transit Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$2,995,064

Auditee qualified as low-risk auditee?

 X Yes No

SECTION II - FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

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