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State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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December 16, 2024

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, 2023 to December 31, 2023. 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, 2023, and the results of its operations for the period then ended, on the basis of accounting described in the report.

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



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

For the Year Ended December 31, 2023

Prepared by
Accounting and Administration

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

December 31, 2023

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NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT
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INTRODUCTORY SECTION



April 30, 2024

Board of Trustees
Northern Indiana Commuter
Transportation District
Chesterton, Indiana

The Annual Comprehensive Financial Report of the Northern Indiana Commuter Transportation District ("District" or "NICTD") for the year ended December 31, 2023 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 the District. 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.

LETTER OF TRANSMITTAL

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 the District. 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, 2023 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, 2023.

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, 2023 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.

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, NICTD's commuter service is a major contributor to the economic engine of northern Indiana and southeast Chicago, operating about 13,000 trains in a typical year 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. In the wake of the pandemic, staff responded promptly by implementing advanced cleaning and safety protocols to enhance the safety of passengers and staff. These enhancements continue. In 2023, ridership levels increased a promising 8.5% over 2022. NICTD remains hopeful that ridership will continue to rebound.

The South Shore is uniquely positioned in the heart of Chicago's Loop within easy access to approximately 616,590 jobs, more than doubling the job base of Lake and Porter counties, Indiana (247,000 jobs). On average these jobs pay 44% 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.

The District 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 82 electric multiple-unit (EMUs) with an average fleet age of 32.6 years. The District's goal is to be the mode of choice for accessing Chicago. To accomplish this, the District must enhance safety, improve reliability and reduce travel time.



Revenue and Funding

NICTD generates operating income through a formal fare structure that is based on the rail service it provides. NICTD also recognizes as operating revenue parking lot collections. 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. NICTD received federal ARP Act funding in 2023. Additional funding is provided through the public mass transportation fund, electric rail service fund and commuter rail service fund in the State of Indiana.

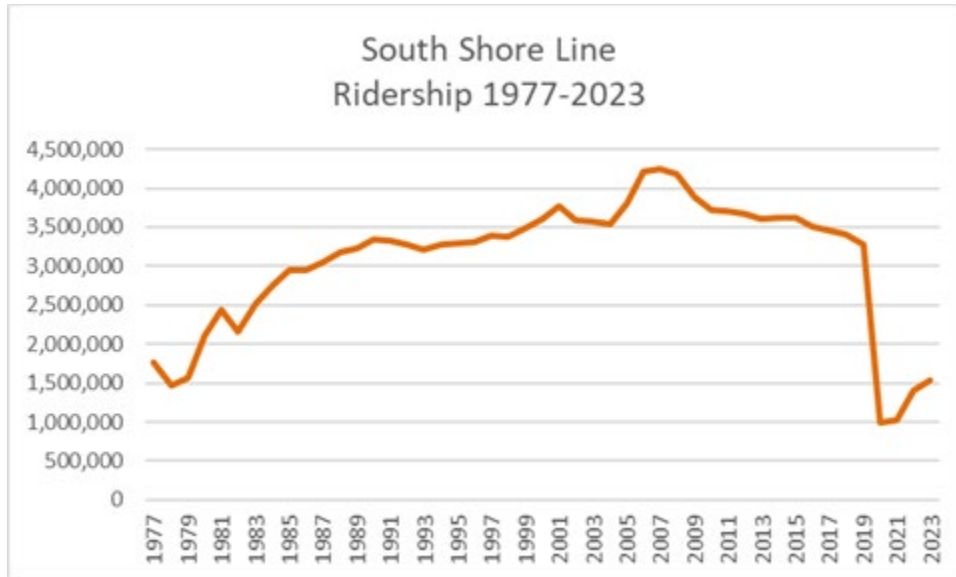
NICTD practices financial planning and cost controls, however it is not legally required to report on a budgetary basis. No comparison of actual and budget data is included.

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. Workforce increases within Chicago's Central Business District should

correlate to increases in rush hour ridership. However, as a result of the pandemic, several businesses in Chicago had employees telecommute. More currently, we are seeing patterns that indicate hybrid-working situations that only require employees to physically be in the office a few days each week. In total, NICTD carried over 1.53 million passengers in 2023.



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.

South Bend Realignment Study In 2017, SSL hired DLZ to perform a study to evaluate new alignments to connect SSL to the airport in South Bend, to reduce travel time. In September 2017, South Bend asked SSL to put the study on hold to give the city the opportunity to evaluate other alignments, including the downtown area. In August of 2022, the decision was made to reissue a scope of work including environmental work and 100% engineering design to bring the service to the west side of South Bend International Airport. Proposals were solicited for this project and a contract was approved at the November 28, 2022, board meeting to be issued to DLZ. Engineering design and environmental review has been ongoing throughout 2023. NICTD is nearing the end of this process and anticipates completion of this portion of the project by the spring of 2024. The NICTD board updated its Strategic Plan recently to add a second phase goal to the project that would extend service into downtown South Bend.

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 90% complete with only one bridge and systems related design package remaining. The final design is targeted for completion in the first quarter of 2024. There will be 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 will be a joint station where the West Lake Corridor and South Shore Line come together.

Project-wide construction activities are over 50% complete. Land clearing is done, and both utility conflict resolution and the environmental remediation work on the project is near completion. A number of bridges have been erected including bridges over the Canadian National, Indiana Harbor Belt, and CSX railroads. Earthwork, drainage systems, and retaining wall work has occurred project wide with over three miles of track has been installed and destressed in the middle segment of the project where the track will be running at-grade. Construction is proceeding very well at three of the four station locations, including Hammond Gateway, South Hammond, and Ridge Road in Munster.

The project remains on schedule and on budget. The current schedule without contingency continues to show substantial completion achieved in October of 2024, and revenue service in May of 2025. Visit www.nictdwestlake.com for more information.

Double Track Northwest Indiana Project As of November 1, 2023, construction is over 91% complete. The project is expected to be on time and under budget. On October 25, 2023, the project achieved a major milestone in completing work between Michigan City and Dune Park Station (Chesterton). Gates, bells, and flashers are installed for the first time along our path through 10th and 11th Streets in Michigan City, a major safety improvement. SSL and the City of Michigan City's Quiet Zone application was sent to the Federal Railroad Administration (FRA) in the fall of 2022 with approval expected in the first quarter of 2024. The summer of 2023 was spent finalizing all work in the segment between Dune Park Station and Michigan City and undergoing commissioning and testing, as well as running simulated service trains to ensure everything was in proper order and staff understood the new territory. Trains are now running in that portion of the 26-mile Double Track project corridor.

NICTD is now focused on the final phase of work between Dune Park Station and Miller Station (Gary). That work is expected to reach substantial completion by the end of 2023, with commissioning and testing to follow in early 2024. NICTD expects to return to full service, including a schedule that will include fourteen new weekday trains, in May of 2024.

The City of Michigan City and Flaherty & Collins, their developer, have started construction on the Transit Oriented Development structure that will contain SSL's 11th Street Station and parking garage in October 2023. Construction is expected to be completed in November of 2024. NICTD and Michigan City have coordinated to provide 437 surface-level parking spaces between May and November 2024 to support our passengers. For more information visit www.doubletrack-nwi.com.

Line & Signal Department In 2023, the Line/ Signal Department completed the Tee Lake Substation conversion of primary power to 69kv. Due to delays on the part of AEP and NIPSCO, the Tee Lake transformer was replaced in the spring of 2023 rather than as scheduled in 2022.

LETTER OF TRANSMITTAL

In addition to these upgrades, the designs for the Miller and Pines Modular Substations were completed and submitted to NICTD. Solicitation for bids for the construction of the two new substations are anticipated to go out in early 2024. Additionally, up to two substation rehabilitations may be included in the project.

As identified in the Traction Power Substation System (TPSS) improvement study, the project of adding a second feeder cable from Tee Lake Substation to Michigan City has begun. Acquisition of wood poles, 1000 MCM wire, and associated hardware is complete. NICTD L/S forces have installed approximately 90 percent of the 175 new wood poles needed along the alignment from MP 23.1 to MP 33.1. Work will continue in 2024 and is expected to be completed by EOY 2024.

The designs for the upgraded communication paths remain ongoing. We expect to see procurement of materials and installation before the end of 2024. These upgrades will greatly increase the reliability and reach of the existing radio communications system.

The Hegewisch CP 70.0/70.5 project saw NICTD L/S signal forces install approximately thirty new wood poles, three portal assemblies, and ten beam extensions to allow for the repositioning of the tracks and overhead wire. Overhead wire and feeder wire were transferred into new alignment. A new OCS/overhead crossover was designed and installed to accommodate the upgrade at CP 70.0 from a number 10 to a number 20 crossover. Switch machines and switch snow melters were relocated to the new alignment, to include installation and termination of the buried cables from the devices in the field to the affected control houses. Work is ongoing for preparations for the 70.5 portion of the project, which is scheduled for 2024. That will include relocation of two absolute signals, four power switch machines, relocation of overhead catenary and feeder to accommodate the track shifts, and installation and termination of the buried cable to control the power switch machines, switch heaters, absolute signals and relocated insulated joints.

The forces of the L/S department were heavily consumed by the Double Track project. Some duties included utility locates of NICTD owned fiber, along with signal and grade crossing warning cables, on track safety protection, grade crossing warning modifications/testing, and overhead catenary preparation for sectionalization. Our cooperation and skill will be utilized for the remainder of the project going forward until completion.

Track & Structures and Bridges & Buildings Departments In 2023, the Hegewisch CP70.0/70.5 project was kicked off with the upgrade of a #10 Crossover to a #20 Crossover. The remainder of the project will be completed in Spring 2024 including reversing the gauntlets at CP 70.5 and upgrading the Burnham Diamonds to One Way Low Speed (OWLS) Diamonds. This project will increase 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 fourteen turnouts, welded out 220 joints, and replaced ¼ track mile of rail.

The Operation Control Center, New Shop Building, and Dune Park Station roof replacements are underway and expected to be complete in 2024. The engineering progresses for the rehabilitation of the Calumet Expressway and Calumet River Bridges with engineering firm Czaplicki Lopez.

In 2024, the Department plans to finish upgrades to CP 70.0/70.5 in addition to replacing 15,000 cross ties, upgrade ½ track mile of rail, and weld out 250 joints throughout the year.

LETTER OF TRANSMITTAL

Mechanical Department In 2023 the replacement of APS units and the 100 series air dryers will continue and is expected to be completed in 2024. The mechanical staff continue to inspect and maintain the fleet as they gear up for the opening of double track and the additional trains that will include. Looking forward, preparations are underway for acceptance of the remaining 24 Metra leased cars as well as working through hiring and training for the additional maintenance crews necessary for the opening of the Monon Corridor in Lake County in May of 2025 running the thirty-two railcars going through the End-life rebuild program.

Mechanical Capital Projects The End-life rebuild of the West Lake Corridor cars kicked off in the third quarter of 2019 and has continued through 2023 with the completion of the 16th single level car as of the end of 2023. Staff continue to refine rehabilitation processes in addition to an increase of six laborers in the shop. These improvements have resulted in a reduction in shop time by twenty-eight calendar days per car in 2023.

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, 2022. NICTD's Annual Comprehensive Financial Report for the year ended December 31, 2023 is currently under review by the GFOA. NICTD has achieved this prestigious award for eleven 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**

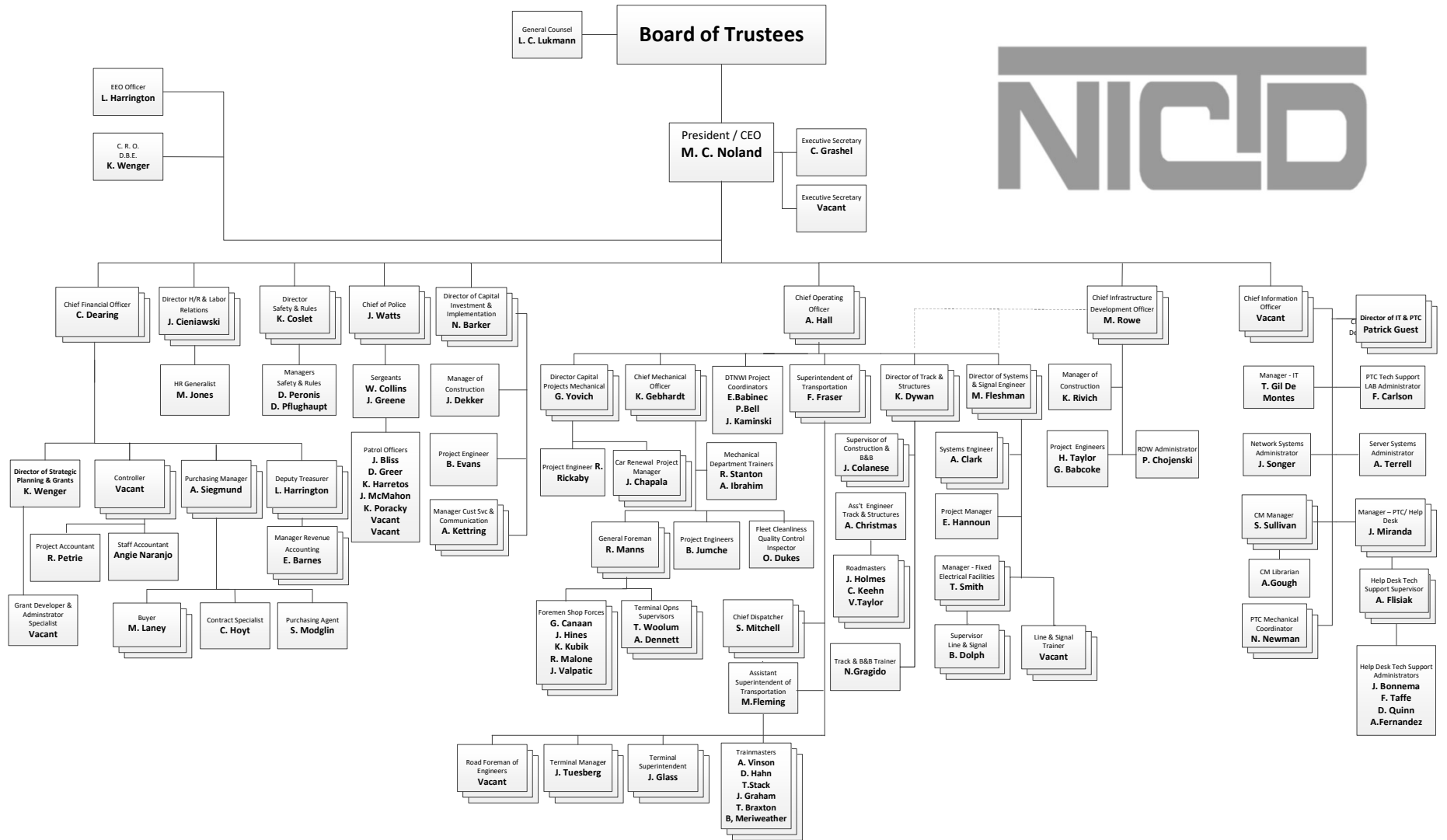
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

Northern Indiana Commuter Transportation District Organization Chart



Northern Indiana Commuter Transportation District

Board of Trustees and Administration
as of December 31, 2023

Members of the Board of Trustees

Indiana Department of Transportation Commissioner

Michael Smith
Chairman

Lake County, Indiana

Jerome Prince
Vice Chairman

Porter County, Indiana

Matt Murphy
Board Member

LaPorte County, Indiana

Jim Arnold
Secretary

St. Joseph County, Indiana

Carl Baxmeyer
Treasurer

Administration

Michael Noland, President
Christine Dearing, Chief Financial Officer
Kevin Gebhardt, Chief Mechanical Officer
Jessie Watts, Jr., Chief of Police
Joseph Cieniawski, Director of HR & Labor Relations
Kristen Coslet, Director of Safety & Training



System-wide Station Map



Construction of new bridge over CSX in Gary in 2023. This was one of four bridges constructed as part of the Double Track project.



The first Double Track test trains operating at slow speeds between Carroll Ave. and Dune Park stations successfully completed their runs in August 2023.



Metropolitan Steel setting a steel superstructure beam on the elevated structure for the new Monon Corridor through downtown Hammond, Indiana as part of the West Lake Project.



Metropolitan Steel assembling Bridge 110 in advance of setting the structure over the Norfolk Southern Railroad in Hammond, Indiana as part of the West Lake 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, 2023 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, 2023 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.

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 30, 2024 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 30, 2024

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023 and 2022
(In thousands of dollars)

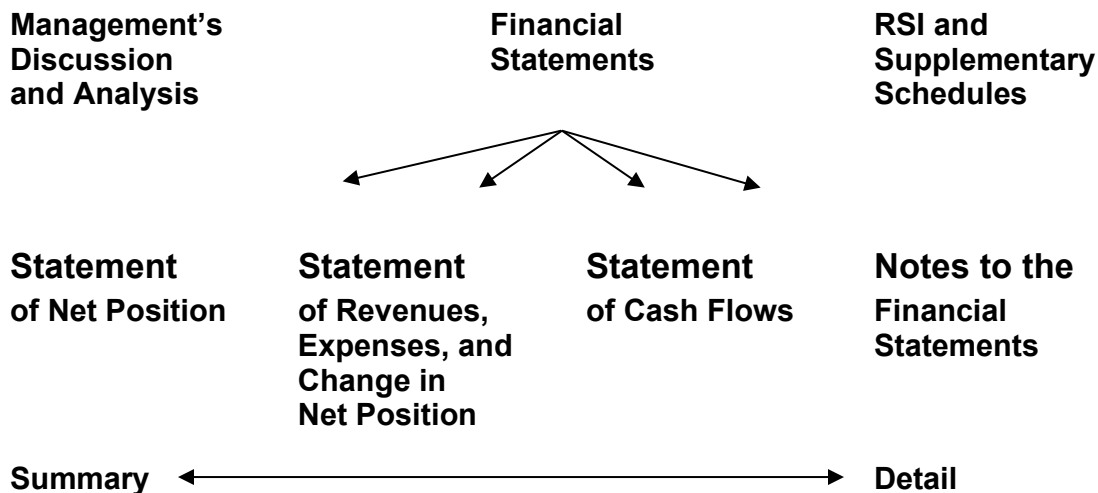
The following discussion and analysis of the Northern Indiana Commuter Transportation District's (NICTD's) financial performance provides an overview of NICTD's financial activities for the year ended December 31, 2023 and 2022.

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, 2023 and 2022
(In thousands of dollars)

Financial Highlights

- NICTD reported a \$442,958 increase to Net Position for 2023. This increase is primarily due to additional federal and regional funding for the West Lake and Double Track projects.
- Operating revenues increased by 2.72% in 2023 to \$9,451 due to a slight recovery in ridership.
- Operating loss decreased by \$12,202 or 15.14% in 2023 primarily due to a decrease in depreciation costs from prior year capitalized projects.
- Loss before capital contributions decreased by \$10,741 or 50.95% in 2023 also due to the decrease in depreciation expense. Nonoperating revenues remained constant from prior year.
- Capital contributions increased by 19.42% or \$73,709 in 2023 due primarily to federal and regional government capital contributions received to fund NICTD's two Capital Investment Grant projects, Double Track Northwest Indiana and West Lake Corridor.

Statements of Net Position

Total net position increased by \$442,958 in 2023. (see Figure A-2). The largest portion of net position is net investment in capital assets, which increased \$393,077 in 2023 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>2023</u>	<u>2022</u>	<u>Difference</u>	<u>Percent Change</u>
Current assets	\$ 240,551	\$ 192,534	\$ 48,017	24.94%
Capital assets (net)	1,493,218	1,016,003	477,215	46.97
Other noncurrent assets	<u>77,905</u>	<u>79,407</u>	<u>(1,502)</u>	<u>(1.89)</u>
Total assets	1,811,674	1,287,944	523,730	40.66
Deferred outflows of resources	531	589	(58)	(9.85)
Current liabilities	226,154	172,094	54,060	31.41
Long-term liabilities	137,916	110,922	26,994	24.34
Other liabilities	<u>1,170</u>	<u>1,346</u>	<u>(176)</u>	<u>(13.08)</u>
Total liabilities	365,240	284,362	80,878	28.44
Deferred inflows of resources	3,938	4,102	(164)	(4.00)
Net investment in capital assets	1,286,257	893,181	393,076	44.00
Restricted for debt service	35,024	45,550	(10,526)	(23.11)
Restricted for capital projects	2,671	5,522	(2,851)	(51.63)
Unrestricted	<u>119,075</u>	<u>55,816</u>	<u>63,259</u>	<u>113.33</u>
Total net position	<u>\$ 1,443,027</u>	<u>\$ 1,000,069</u>	<u>\$ 442,958</u>	<u>44.29</u>

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023 and 2022
(In thousands of dollars)

Statements of Revenues, Expenses and Changes in Net Position

Operating revenues increased in 2023 by \$250 (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>2023</u>	<u>2022</u>
Operating revenue	\$ 9,451	\$ 9,201
Commuter ridership	832	728
Off-peak ridership	<u>695</u>	<u>679</u>
Total ridership	<u>1,527</u>	<u>1,407</u>

Operating expenses decreased by \$11,952 in 2023 due to a decrease in depreciation costs from prior year capitalized projects. Total non-operating revenues/expenses decreased by \$1,461 in 2023 due primarily to a decrease in Federal Maintenance Grant revenue.

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

	<u>2023</u>	<u>2022</u>	<u>Difference</u>	<u>Percent Change</u>
Operating revenue	\$ 9,451	\$ 9,201	\$ 250	2.72%
Operating expenses	<u>(77,870)</u>	<u>(89,822)</u>	<u>(11,952)</u>	<u>(13.31)</u>
Operating loss	(68,419)	(80,621)	12,202	15.14
Non-operating revenues/expenses	<u>58,077</u>	<u>59,538</u>	<u>(1,461)</u>	<u>(2.45)</u>
Loss before contributions	(10,342)	(21,083)	(10,741)	50.95
Capital contributions	<u>453,300</u>	<u>379,591</u>	<u>73,709</u>	<u>19.42</u>
Increase in net position	442,958	358,508	84,450	23.56
Net position, beginning of year	<u>1,000,069</u>	<u>641,561</u>	<u>358,508</u>	<u>55.88</u>
Net position, end of year	<u>\$ 1,443,027</u>	<u>\$ 1,000,069</u>	<u>\$ 442,958</u>	<u>44.29%</u>

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023 and 2022
(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>2023</u>	<u>2022</u>
Operating revenue		
Passenger fares (net of refunds)	\$ 9,451	\$ 9,189
Parking lot collections	<u>-</u>	<u>12</u>
Total operating revenues	<u>\$ 9,451</u>	<u>\$ 9,201</u>
Operating expenses		
Transportation	\$ 12,657	\$ 11,863
Maintenance of way	6,876	7,678
Maintenance of equipment	15,318	15,900
Claims and insurance	7,184	5,129
General and administrative	<u>10,976</u>	<u>9,509</u>
Total before depreciation/amortization	53,011	50,079
Depreciation	16,269	31,382
Amortization	<u>8,590</u>	<u>8,361</u>
Total operating expenses	<u>\$ 77,870</u>	<u>\$ 89,822</u>
Nonoperating revenues (expenses)		
Federal maintenance grant	\$ 19,348	\$ 21,996
State operating assistance	17,738	17,271
Other local funds	5,204	5,420
Other revenue	2,294	1,238
Interest expense	(2,857)	(2,957)
Indefinite Situs tax	<u>16,350</u>	<u>16,570</u>
Total nonoperating revenues (expenses)	<u>\$ 58,077</u>	<u>\$ 59,538</u>

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023 and 2022
(In thousands of dollars)

Statements of Cash Flows

Cash flow used in operating activities in 2023 decreased by \$1,382 (see Figure A-4). Cash flow provided by capital and related financing activities decreased by \$9,586 due to an increase in capital contributions. Cash from investing activities increased by \$2,310 due to an increase in interest rates.

Figure A-4
Condensed Statements of Cash Flows

	<u>2023</u>	<u>2022</u>	<u>Difference</u>	<u>Percent Change</u>
Net cash flows used in operating activities	\$ (50,375)	\$ (51,757)	\$ 1,382	2.67%
Net cash flows provided by noncapital financing activities	36,407	49,443	(13,036)	(26.37)
Net cash flows provided by (used in) Capital and related financing activities	4,655	14,241	(9,586)	(67.31)
Net cash flows provided by investing activities	<u>2,768</u>	<u>458</u>	<u>2,310</u>	<u>504.37</u>
Net increase (decrease) in cash and cash equivalents	(6,545)	12,385	(18,930)	(152.85)
Cash and equivalents, beginning of year	<u>85,208</u>	<u>72,823</u>	<u>12,385</u>	<u>17.01</u>
Cash and equivalents, end of year	<u>\$ 78,663</u>	<u>\$ 85,208</u>	<u>\$ (6,545)</u>	<u>7.68%</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 2024 through 2029. NICTD expects to invest \$215,168 in capital improvements during 2024 – 2029. 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 2024-2026. See table below for funding sources. 2023 spending amounted to \$231,659 for West Lake and \$223,164 for Double Track.

Planned Funding Sources for 2024 – 2026:

West Lake*	State/RDA/Local funding	Federal funding	Total funding
Project Costs	\$93,283	\$-	\$93,283
Double Track*	State/RDA/Local funding	Federal funding	Total funding
Project Costs	\$19,798	\$-	\$19,798

* Amounts subject to change based on actual activity.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023 and 2022
(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.

Net capital assets were \$1,493,218 for 2023 and \$1,016,003 for 2022. For detailed information related to Capital Asset activity, see Note 4 to the financial statements.

Debt Administration

At December 31, 2023 and 2022, NICTD had \$73,355 and \$75,955 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, 2023 and 2022 was \$6,902 and \$7,530. The original bond premium was \$11,844.

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>2023</u>	<u>2022</u>	<u>Difference</u>	<u>Percent Change</u>
Situs Tax Restricted for Debt Service	\$ 15,121	\$ 14,953	\$ (168)	1.12%
Debt Payments - Series 2016 Bonds	6,150	6,150	(0)	0.00

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

Economic Factors and Next Year's Business Plans and Fares

NICTD carried over 1.5 million passengers in 2023; an increase of 8.54% from 2022. Annual ridership has experienced a decline since 2016, but the COVID-19 (coronavirus) pandemic caused a severe decline in overall ridership for 2020 and continues to affect it. NICTD will continue to closely monitor ridership compared to the pre-pandemic ridership of 2019. 2023's ridership is down 53.50% 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 2.72% in 2023. Operating and maintenance expenses for 2024 are expected to remain consistent with 2023 levels.

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, 2023
(In thousands of dollars)

ASSETS

Current assets

Cash and cash equivalents, unrestricted (Note 2)	\$ 4,835
Cash and cash equivalents, restricted (Note 2)	2,662
Investments, restricted (Note 2)	2,332
Receivables:	
Federal capital and planning assistance	153,174
Federal operating assistance	4,908
State assistance	22,363
Metra portion of operating costs	308
Leases receivable (Note 3)	274
RDA/IFA receivables	38,118
Other	<u>1,024</u>
Total receivables	220,169
Materials and supplies inventory	6,966
Prepaid expenses	<u>3,587</u>
Total current assets	240,551

Noncurrent assets

Cash and cash equivalents, unrestricted (Note 2)	35,803
Cash and cash equivalents, restricted (Note 2)	35,363
Investments, unrestricted (Note 2)	345
Investments, restricted (Note 2)	3,157
Leases receivable (Note 3)	3,237
Capital assets not being depreciated	1,176,371
Capital assets being depreciated/amortized	774,231
Less accumulated depreciation and amortization	<u>(457,384)</u>
Capital assets being depreciated, net	<u>316,847</u>
Total capital assets, net (Note 4)	<u>1,493,218</u>
Total noncurrent assets	<u>1,571,123</u>
Total assets	<u>1,811,674</u>

DEFERRED OUTFLOWS OF RESOURCES

Other Post-Employment Benefits (OPEB) (Note 6)	263
Pension (Note 7)	<u>268</u>
Total deferred outflows of resources	<u>531</u>

Total assets and deferred outflows of resources \$ 1,812,205

See accompanying notes to financial statements.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
STATEMENT OF NET POSITION
December 31, 2023
(In thousands of dollars)

LIABILITIES

Current liabilities

Accounts payable:

Trade	\$ 1,756
Due to RDA/IFA	138,208
Capital projects	46,511
Retainage	18,680
Payroll taxes and withholdings	638
Accrued interest	1,726
Unearned revenue	352
Accrued injuries and damages (Note 1)	3,591
Other accrued expenses	5,020
Lease liabilities – current portion (Note 3)	6,977
Bonds payable – current portion (Note 5) (payable from restricted assets)	<u>2,695</u>
Total current liabilities	<u>226,154</u>

Noncurrent liabilities

Long-term liabilities

Retainage payable	21,120
Lease liabilities (Note 3)	39,234
Long-term debt - bonds payable (Note 5)	<u>77,562</u>
Total long-term liabilities	137,916

Other liabilities

Total OPEB liability (Note 6)	517
Net pension liability (Note 7)	<u>653</u>
Total other liabilities	<u>1,170</u>

Total noncurrent liabilities 139,086

Total liabilities 365,240

DEFERRED INFLOWS OF RESOURCES

Leases (Note 3)	3,532
OPEB (Note 6)	347
Pension (Note 7)	<u>59</u>
Total deferred inflows of resources	<u>3,938</u>

NET POSITION (Note 1)

Net investment in capital assets	1,286,257
Restricted for debt service	35,024
Restricted for capital projects	2,671
Unrestricted	<u>119,075</u>
Total net position	<u>1,443,027</u>

Total liabilities, deferred inflows of resources, and net position \$ 1,812,205

See accompanying notes to financial statements.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
Year ended December 31, 2023
(In thousands of dollars)

Operating revenue	
Passenger fares (net of refunds)	\$ 9,451
Total operating revenues	<u>9,451</u>
Operating expenses	
Transportation	12,657
Maintenance of way	6,876
Maintenance of equipment	15,318
Claims and insurance	7,184
General and administrative	<u>10,976</u>
Total before depreciation/amortization	53,011
Depreciation	16,269
Amortization	<u>8,590</u>
Total operating expenses	<u>77,870</u>
Operating loss	<u>(68,419)</u>
Nonoperating revenues (expenses)	
Federal maintenance grant	19,348
State operating assistance	17,738
Other local funds (Note 8)	5,204
Other revenue (Note 8)	2,294
Interest expense (Note 8)	(2,857)
Indefinite Situs tax	<u>16,350</u>
Total nonoperating revenues(expenses)	<u>58,077</u>
Loss before capital contributions	<u>(10,342)</u>
Capital contributions	
Federal	160,336
State	2,341
Regional governments	<u>290,623</u>
Total capital contributions	<u>453,300</u>
Change in net position	442,958
Net position at beginning of year	<u>1,000,069</u>
Net position at end of year	<u>\$ 1,443,027</u>

See accompanying notes to financial statements.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
STATEMENT OF CASH FLOWS
Year ended December 31, 2023
(In thousands of dollars)

Cash flows from operating activities	
Cash receipts from customers	\$ 8,684
Cash payments for salaries and benefits	(39,783)
Cash payments for insurance	(5,488)
Cash paid for goods and services	<u>(13,788)</u>
Net cash flows used in operating activities	<u>(50,375)</u>
Cash flows from noncapital financing activities	
State operating assistance	17,071
Federal maintenance grant	14,440
Metra operating subsidy	3,392
Trackage rights - ROI subsidy	<u>1,504</u>
Net cash flows provided by noncapital financing	<u>36,407</u>
Cash flows from capital and related financing activities	
Acquisition and construction of capital assets	(472,986)
Capital contributions	404,450
Interest paid	(3,550)
Indefinite Situs tax	16,350
Proceeds from asset disposition	32
Proceeds from RDA/IFA	62,959
Payment on bonds	<u>(2,600)</u>
Net cash flows provided by capital and related financing activities	<u>4,655</u>
Cash flows from investing activities	
Purchase of investments	987
Interest received on cash equivalents and investments	<u>1,781</u>
Net cash flows provided by investing activities	<u>2,768</u>
Net decrease in cash and cash equivalents	(6,545)
Cash and cash equivalents at beginning of year	<u>85,208</u>
Cash and cash equivalents at end of year	<u><u>\$ 78,663</u></u>

See accompanying notes to financial statements.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
STATEMENT OF CASH FLOWS
Year ended December 31, 2023
(In thousands of dollars)

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

Operating loss	\$ (68,419)
Adjustments to reconcile operating loss to net cash flows used in operating activities:	
Depreciation expense	16,269
Amortization expense	8,590
Gain on sale of fixed assets	(27)
Change in assets and liabilities	
Receivables	1,612
Leases receivable	272
Right-to-use lease asset, net	(37,384)
Materials and supplies inventories	(359)
Prepaid expenses	(326)
Deferred outflows of resources – pension and OPEB	58
Accounts payable – trade	644
Unearned revenue	(2,379)
Total OPEB liability	(184)
Accrued injuries and damages	2,022
Accrued and withheld items	598
Lease liabilities	28,794
Net pension liability	8
Deferred inflows of resources – leases	(251)
Deferred inflows of resources – pension and OPEB	<u>87</u>
Net cash flows used in operating activities	<u>\$ (50,375)</u>

Noncash capital and related financing activities

Capital assets included in accounts payable and retainage payable	
End of year	\$ 46,511
Beginning of year	63,104
Capital contributions included in accounts receivable	
End of year	\$ 192,246
Beginning of year	142,442

See accompanying notes to financial statements.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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, 2023

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 unrestricted resources first, and then restricted 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

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.

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.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 certain other qualifying absences. The number of days compensated for the various categories of absence is based generally on length of service. Vacation leave which has been earned but not paid has been accrued in the accompanying financial statements. Compensation for holiday, illness, 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.

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.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2023, 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 2023 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, 2023, and 2022 was as follows in thousands of dollars:

	<u>2023</u>	<u>2022</u>
Unpaid claims, beginning of year	\$ 1,569	\$ 1,061
Incurred claims and changes in claim estimates	2,345	623
Claim payments	<u>(323)</u>	<u>(115)</u>
Unpaid claims, end of year	<u>\$ 3,591</u>	<u>\$ 1,569</u>

Adoption of New Accounting Pronouncements: For the year ended December 31, 2023, NICTD adopted the following accounting pronouncement.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, establishes standards of accounting and financial reporting for public-private and public-public partnerships (PPPs) and availability payment arrangements (APAs) for governments. This pronouncement was applicable for 2023, however there were no arrangements that qualified as of December 31, 2023, therefore no changes in reporting or presentation were made for this year.

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NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* ("GASB 96"), provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This pronouncement was applicable for 2023, however there were no material arrangements that qualified as of December 31, 2023, therefore no changes in reporting or presentation were made for this year.

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

	<u>2023</u>
Unrestricted	
General fund	\$ 4,834
Accident claims reserve	7,166
Capital asset reserve	<u>28,638</u>
Total unrestricted	40,638
Restricted	
Bond proceeds/local grants restricted for acquisition of capital assets	3,001
Indefinite Situs tax restricted for debt repayment	<u>35,024</u>
Total restricted	<u>38,025</u>
	<u>\$ 78,663</u>

Investments at December 31, 2023 are as follows in thousands of dollars:

<u>Description</u>	<u>2023 Amount</u>
Government agency securities, unrestricted	\$ 345
Taxable Money Market Funds, restricted	2,332
Government agency securities, restricted	<u>3,157</u>
	<u>\$ 5,834</u>

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, 2023 all investment maturities are less than one year. Interest rate ranges for 2023 are 4.36% to 5.41%.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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

Investments are allocated as follows in thousands of dollars:

	<u>2023</u>
Unrestricted	
Deferred benefit plan reserve	\$ 345
Total unrestricted	<u>345</u>
Restricted	
Bond proceeds/local grants restricted for acquisition of capital assets	3,157
Indefinite Situs tax restricted for debt repayment	<u>2,332</u>
Total restricted	<u>5,489</u>
	<u>\$ 5,834</u>

Cash and Investment Deposits: NICTD maintains deposits with seven area financial institutions. A summary of these deposits as of December 31, 2023 is as follows in thousands of dollars:

	<u>2023</u>	
	<u>Carrying Amount</u>	<u>Balance Per Bank</u>
On hand	\$ 34	\$ -
On deposit		
Insured by FDIC	1,000	1,000
Insured by IPDIF	77,629	78,588
Held in US Treasury/Gov't Agency	<u>5,834</u>	<u>5,834</u>
	<u>\$ 84,497</u>	<u>\$ 85,422</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, 2023

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 2023, NICTD recognized \$287 thousand in lease revenue and \$47 thousand in lease-related interest revenue. An amount of \$13 thousand of the recognized lease revenue was attributable to other payments not previously included in the measurement of the leases receivable.

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

Year Ending December 31	Leases		
	Principal	Interest	Total
2024	\$ 274	\$ 48	\$ 322
2025	273	49	322
2026	274	51	325
2027	276	52	328
2028	249	53	302
2029-2033	956	239	1,195
2034-2038	629	148	777
2039-2043	389	40	429
2044-2048	48	17	65
2049-2053	30	13	43
2054-2058	12	11	23
2059-2063	9	10	19
2064-2068	10	9	19
2069-2073	11	8	19
2074-2078	12	7	19
2079-2083	13	5	18
2084-2088	15	4	19
2089-2093	14	3	17
2094-2098	14	1	15
2099	3	-	3
	<u>\$ 3,511</u>	<u>\$ 768</u>	<u>\$ 4,279</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, 2023, NICTD had deferred inflows of resources of leases of \$3,532 thousand.

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NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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 recognized \$8,590 thousand in total amortization expense for 2023. The total value of the right-to-use asset, net as of December 31, 2023, is \$46,211 thousand, which is recorded within capital assets being depreciated/amortized. The total value of the lease liability as of December 31, 2023, is \$46,211 thousand.

Future principal and interest payments (in thousands) as of December 31, 2023, are as follows:

Year Ending December 31	Leases		
	Principal	Interest	Total
2024	\$ 6,977	\$ 1,850	\$ 8,827
2025	7,124	1,703	8,827
2026	7,468	1,359	8,826
2027	7,829	999	8,826
2028	8,208	619	8,827
2029	8,605	222	8,827
	<u>\$ 46,211</u>	<u>\$ 6,751</u>	<u>\$ 52,962</u>

Long-term lease liability activity for the year ended December 31, 2023 is as follows (in thousands of dollars):

	January 1, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	December 31, <u>2023</u>	Due Within <u>One Year</u>	Long-Term <u>Portion</u>
Lease liabilities	<u>\$ 17,417</u>	<u>\$ 37,384</u>	<u>\$ (8,590)</u>	<u>\$ 46,211</u>	<u>\$ 6,977</u>	<u>\$ 39,234</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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 are in process and included in CIP, accounting for a majority of the 2023 additions. Reductions to CIP in 2023 of \$10,448 thousand were comprised of \$10,447 thousand transfers to capital assets and \$1 thousand of expensed CIP projects. A summary of changes in capital assets is as follows in thousands of dollars:

	Balance January 1, <u>2023</u>	<u>Changes During Year</u>		Balance December 31, <u>2023</u>
		<u>Additions</u>	<u>Reductions</u>	
Capital assets not being depreciated:				
Land	\$ 8,617	\$ -	\$ -	\$ 8,617
Construction in progress	<u>713,500</u>	<u>464,702</u>	<u>(10,448)</u>	<u>1,167,754</u>
Total capital assets not being depreciated	<u>722,117</u>	<u>464,702</u>	<u>(10,448)</u>	<u>1,176,371</u>
Capital assets being depreciated/amortized:				
Rolling stock (including capital spare parts)	208,164	-	-	208,164
Buildings and improvements	243,819	-	-	243,819
Track work and substations	59,863	9,560	-	69,423
Positive train control	112,217	-	-	112,217
Bridges and crossings	57,129	-	-	57,129
Machinery and equipment	12,884	559	(216)	13,227
Information system and office equipment	1,921	60	-	1,981
Autos and trucks	5,171	268	(330)	5,109
Right-to-use lease asset	<u>25,778</u>	<u>37,384</u>	<u>-</u>	<u>63,162</u>
Total capital assets being depreciated/amortized	726,946	47,831	(546)	774,231
Less accumulated depreciation/amortization:				
Rolling stock (including capital spare parts)	159,679	3,489	-	163,168
Buildings and improvements	190,742	4,359	-	195,101
Track work and substations	9,343	1,938	-	11,281
Positive train control	15,237	3,887	-	19,124
Bridges and crossings	35,069	1,543	-	36,612
Machinery and equipment	9,714	524	(235)	10,003
Information system and office equipment	1,003	168	-	1,171
Autos and trucks	3,912	361	(300)	3,973
Right-to-use lease asset amortization	<u>8,361</u>	<u>8,590</u>	<u>-</u>	<u>16,951</u>
Total accumulated depreciation/ amortization	<u>433,060</u>	<u>24,859</u>	<u>(535)</u>	<u>457,384</u>
Total capital assets being depreciated/amortized, net	<u>293,886</u>	<u>22,972</u>	<u>(11)</u>	<u>316,847</u>
Total capital assets, net	<u>\$ 1,016,003</u>	<u>\$ 487,674</u>	<u>\$ (10,459)</u>	<u>\$ 1,493,218</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 5 - LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2023 is as follows (in thousands of dollars):

	January 1, 2023	Additions	Reductions	December 31, 2023	Due Within One Year	Long-Term Portion
Bonds payable:						
Bonds payable – 2016	\$ 75,955	\$ -	\$ (2,600)	\$ 73,355	\$ 2,695	\$ 70,660
Premium on bonds payable	7,530	-	(628)	6,902	-	6,902
Total	<u>\$ 83,485</u>	<u>\$ -</u>	<u>\$ (3,228)</u>	<u>\$ 80,257</u>	<u>\$ 2,695</u>	<u>\$ 77,562</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):

Year Ending December 31	2016 Bonds		
	Principal	Interest	Total
2024	\$ 2,695	\$ 3,452	\$ 6,147
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
2028-2032	18,645	12,096	30,741
2033-2037	23,070	7,677	30,747
2038-2041	<u>16,740</u>	<u>1,701</u>	<u>18,441</u>
	<u>\$ 73,355</u>	<u>\$ 37,316</u>	<u>\$ 110,671</u>

Interest expense was \$2,857 thousand at December 31, 2023. Total interest paid was \$3,550 thousand for 2023.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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. As of December 31, 2023, NICTD has \$43,514 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>2023</u>
CRSF – Indefinite Situs Tax Funds Received	\$ 15,121
CRSF – Sales Tax Funds Received	13,569
Electric Rail Service Funds Received	458

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

	<u>2023</u>
Debt Service Payments – 2016 Bonds	\$ 6,150

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 \$579 thousand of NICTD's unrestricted cash and cash equivalents is designated for this health plan. Approximately 90 retired and active employees are covered under this plan. The plan does not issue separate audited financial statements.

Total OPEB Liability: NICTD recognized a decrease of \$184 thousand in postretirement health plan obligations for 2023. The total OPEB liability was \$517 thousand as of December 31, 2023.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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

Actuarial assumptions: The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

- Measurement Date – January 1, 2023
- Actuarial Valuation Date – January 1, 2023
- Discount Rate – 4.31% as of December 31, 2022
- Payroll Growth – 2.00%
- 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
2024	7.5%	2028	5.5%
2025	7.0%	2029	5.0%
2026	6.5%	2030+	4.5%
2027	6.0%		

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, 2022. 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 increased from 2.25% at January 1, 2022 to 4.31% at January 1, 2023.

Total OPEB Liability (in thousands),	<u>2023</u>
Balance at beginning of year	\$ 701
Service cost	47
Interest	16
Changes in assumptions	(58)
Differences between expected and actual experience	(106)
Benefit payments	(83)
Net changes	<u>(184)</u>
Balance at end of year	<u>\$ 517</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

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 3.31%</u>	<u>Current Rate 4.31%</u>	<u>1% Increase 5.31%</u>
2023	\$ 550	\$ 517	\$ 488

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 (6.5% decreasing to 3.5%)</u>	<u>Current Rate (7.5% decreasing to 4.5%)</u>	<u>1% Increase (8.5% decreasing to 5.5%)</u>
2023	\$ 480	\$ 517	\$ 561

OPEB expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB:
For the year ended December 31, 2023, NICTD recognized a reduction in OPEB expense of \$24 thousand.

At December 31, 2023, 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	\$ 111	\$ (291)
Changes in assumptions	69	(56)
Contributions subsequent to the measurement date	<u>83</u>	<u>-</u>
Total	<u>\$ 263</u>	<u>\$ (347)</u>

Deferred outflows of resources resulting from employer contributions subsequent to the January 1, 2023 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>	
2024	\$ (4)
2025	(4)
2026	(4)
2027	(33)
2028	(33)
Thereafter	<u>(89)</u>
	<u>\$ (167)</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).

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7 - EMPLOYEES' RETIREMENT PLANS (Continued)

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.

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, 2023, postretirement benefits of \$8.0 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 2023, all participating employers were required to contribute 11.2 percent of covered payroll for Hybrid members, with 0.72 percent from July 2022 to December 2022 and 0.66 percent from January 2023 to June 2023 funding a supplemental reserve account for postretirement benefits. Contributions from employers with PERF MC DC plan members, who either currently offer or have offered PERF Hybrid, fund PERF DB's unfunded liability at 7.5 percent of covered payroll for the State and 6.8 percent for political subdivisions. 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 December 31</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2023	\$ 131	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.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7 - EMPLOYEES' RETIREMENT PLANS (Continued)

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, 2023
- Asset valuation date – June 30, 2023
- Liability valuation date – June 30, 2022 – The TPL as of June 30, 2023 was determined based on an actuarial valuation prepared as of June 30, 2022 rolled forward one year to June 30, 2023, 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 – No COLA was granted for the 2023-2025 biennium. Thereafter, the following COLAs, compounded annually, were assumed: 0.4% beginning on January 1, 2024, 0.5% beginning on January 1, 2024, and 0.6% beginning on January 1, 2029.
- 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.

There were no changes in assumptions from the prior year measurement date.

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.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7 - EMPLOYEES' RETIREMENT PLANS (Continued)

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

	<u>Target Asset Allocation</u>	<u>Geometric Basis Long-Term Expected Real Rate of Return</u>
	<u>2023</u>	<u>2023</u>
Public Equity	20.0%	3.7%
Private Equity	15.0%	6.4%
Fixed Income – ExInflation-Linked	20.0%	2.2%
Fixed Income – Inflation-Linked	15.0%	0.5%
Commodities	10.0%	1.1%
Real Estate	10.0%	3.4%
Absolute Return	5.0%	1.6%
Risk Parity	20.0%	5.9%
Cash and Cash Overlay	N/A	-%

Discount rate: Total pension liability for each defined benefit pension plan was calculated using the discount rate of 6.25 percent for 2023. 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 2023). 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.

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 2023, 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 (5.25%)</u>	<u>Current Rate (6.25%)</u>	<u>1% Increase (7.25%)</u>
2023	\$ 1,064	\$ 653	\$ 310

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.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7 - EMPLOYEES' RETIREMENT PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (in thousands of dollars): At December 31, 2023, NICTD reported a liability of \$653 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, 2023 measurement date was 0.01850%, compared to 0.02044% at June 30, 2022.

For the year ended December 31, 2023, NICTD recognized pension expense of \$125 thousand, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of \$(8) thousand. At December 31, 2023, 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 of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 13	\$ -
Net difference between projected and actual earnings on pension plan investments	150	-
Changes in assumptions	36	-
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>3</u>	<u>59</u>
Total that will be recognized in pension expense (income) based on table below	202	59
Pension contributions subsequent to measurement date	<u>66</u>	<u>-</u>
Total	<u>\$ 268</u>	<u>\$ 59</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 7 - EMPLOYEES' RETIREMENT PLANS (Continued)

Deferred outflows of resources resulting from employer contributions subsequent to the June 30, 2023 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, 2023 (in thousands)	<u>Amount</u>
2024	\$ 33
2025	-
2026	90
2027	20
2028	-
	<u>\$ 143</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, 2023

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 December 31</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2023	\$ 35	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 2023 by NICTD amounted to \$315 thousand (5% of covered payroll) for Class I employees and \$80 thousand (8% of covered payroll) for Class II employees.

Covered payroll for 2023 amounted to \$6,292 thousand for Class I employees and \$1,010 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 2023 by NICTD amounted to \$30 thousand for clerks, \$17 thousand for dispatchers, \$142 thousand for collectors/conductors and engineers, and \$26 thousand for carmen, cleaners, and machinists. Qualifying hours for 2023 were 30 thousand for clerks, 17 thousand for dispatchers, 142 thousand for collectors/conductors and engineers, and 176 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, 2023

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 \$529 thousand at December 31, 2023.

NOTE 8 - NONOPERATING REVENUE (EXPENSE)

Other local funds, other revenue, and other expense at December 31, 2023 consists of the following in thousands of dollars:

	<u>2023</u>
Other local funds revenue	
Metra Purchase of Service Fee	\$ 3,700
Chicago South Shore and South Bend Railroad (ROI fees)	<u>1,504</u>
Total other local funds revenue	<u>\$ 5,204</u>
Other revenue	
Interest – unreserved	\$ 1,525
Interest – reserved for accident claims	256
Rental income	287
Sale of maintenance services	1
Sale of scrap material	75
Advertising activities	100
Miscellaneous	<u>50</u>
Total other revenue	<u>\$ 2,294</u>
Other expense	
Interest expense	<u>\$ 2,857</u>
Total other expense	<u>\$ 2,857</u>

(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 \$3,097 thousand in MOW fees in 2023. 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 2023, \$1,504 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, 2024. The operating subsidy for 2023 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, 2023:

- (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. Benefits Administrative Systems, LLC 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 \$90 thousand (aggregate specific deductible) per individual per policy year and up to approximately \$1,713 thousand (attachment point/minimum aggregate deductible) per year for the group as a whole. A liability of \$184 thousand has been recorded by NICTD at December 31, 2023 to estimate payment of claims pending on that date. Group insurance expense related to this plan totaled \$2,825 thousand for the year ended December 31, 2023. Approximately 325 union employees are covered under a separate national multi-employer railroad plan. Total health insurance expenses for the year ended December 31, 2023 totaled \$7,336 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.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

NOTE 11 - COMMITMENTS AND CONTINGENCIES (continued)

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

<u>Project</u>	<u>2023</u>
Track Equipment	\$ 2,113
Track Improvements	4,233
Station & Facility Improvements	4,755
Railcar Rehabilitation	6,962
Vehicles	608
Bridges	7
West Lake Corridor Project	224,011
Double Track Project	69,323
Substations	2,046
Others	<u>3,671</u>
Total	<u>\$ 317,729</u>

NOTE 12 – SUBSEQUENT EVENTS

On March 7, 2024, NICTD issued \$143,035 thousand in Series 2024 Limited Obligation Consolidated Revenue Bonds. The Series 2024 bonds were issued to provide funds for construction of improvements for Metra's main line Track 4 in Chicago, Illinois and other related improvements, which will enhance NICTD's service in and out of Chicago after the completion of the Double Track Project and the West Lake Corridor Project.

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, 2023

Total OPEB liability	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service cost	\$ 47	\$ 58	\$ -	\$ 47	\$ 32	\$ 30	\$ 29
Interest	16	20	-	27	24	20	20
Changes in benefit terms	-	-	-	2	-	-	-
Changes in assumptions	(58)	(6)	19	56	67	(24)	13
Differences between expected and actual experience	(106)	(192)	74	(86)	166	-	-
Benefit payments	<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	<u>(184)</u>	<u>(203)</u>	<u>93</u>	<u>(4)</u>	<u>246</u>	<u>(7)</u>	<u>34</u>
Total OPEB liability - beginning	<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>\$ 517</u>	<u>\$ 701</u>	<u>\$ 904</u>	<u>\$ 811</u>	<u>\$ 815</u>	<u>\$ 569</u>	<u>\$ 576</u>
Covered employee payroll	7,406	7,248	6,908	6,341	5,755	5,903	5,055
Total OPEB liability as a percentage of covered-employee payroll	7.0%	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:

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

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, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
NICTD's proportion of the net pension liability	0.0185%	0.0204%	0.0203%	0.0236%	0.0195%
NICTD's proportionate share of the net pension liability	\$ 653	\$ 645	\$ 267	\$ 714	\$ 644
NICTD's covered payroll	\$ 1,127	\$ 1,176	\$ 1,117	\$ 1,276	\$ 1,015
NICTD's proportion of the net pension liability as a percentage of its covered payroll	57.9%	54.8%	23.9%	56.0%	63.4%
Plan fiduciary net position as a percentage of the total pension liability	80.8%	82.5%	92.5%	81.4%	80.1%

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, 2023
- Liability valuation date – June 30, 2022 – The TPL as of June 30, 2023 was determined based on an actuarial valuation prepared as of June 30, 2022 rolled forward one year to June 30, 2023, 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 – Members in pay were granted a 1.0% COLA on January 1, 2022 and no COLA on January 1, 2023. Therefore, the COLA assumption will be 0.4% beginning on January 1, 2024, 0.5% beginning on January 1, 2034, and 0.6% beginning on January 1, 2039.
- 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.

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.

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

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NICTD'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY (in thousands)
December 31, 2023

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

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 CONTRIBUTIONS – PERF (in thousands)
December 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 131	\$ 126	\$ 127	\$ 128	\$ 142	\$ 135
Contributions in relation to the statutorily required contribution	<u>(131)</u>	<u>(126)</u>	<u>(127)</u>	<u>(128)</u>	<u>(142)</u>	<u>(135)</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<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%	100%
NICTD's covered payroll	\$ 1,174	\$ 1,126	\$ 1,136	\$ 1,138	\$ 1,266	\$ 1,205
Contributions as a percentage of its covered payroll	11.2%	11.2%	11.2%	11.2%	11.2%	11.2%

Note: 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.

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, 2023 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.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NICTD'S CONTRIBUTIONS – PERF (in thousands)
December 31, 2023

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

Note: 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.

SUPPLEMENTARY SCHEDULES

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENSES
Year ended December 31, 2023
(In thousands of dollars)

TRANSPORTATION

Salaries and wages	\$ 6,865
Fringe benefits and payroll taxes	5,710
Equipment expense	11
Repairs and maintenance materials	7
Operating costs	290
Utilities	212
Other services	60
Office supplies	37
Administration	(536)
Rents and leases	1
	<u>12,657</u>

MAINTENANCE OF WAY EXPENSES

Salaries and wages	3,134
Fringe benefit and payroll taxes	3,516
Equipment expense	89
Repairs and maintenance materials	1,178
Traction power	1,398
Operating costs	(2,618)
Utilities	314
Professional services	1,819
Other services	355
Office supplies	35
Administration	(2,356)
Rents and leases	12
	<u>6,876</u>

MAINTENANCE OF EQUIPMENT EXPENSES

Salaries and wages	6,796
Fringe benefit and payroll taxes	6,615
Equipment expense	74
Repairs and maintenance materials	3,411
Operating costs	37
Utilities	117
Professional services	1
Other services	561
Office supplies	33
Administration	(2,327)
	<u>15,318</u>

CLAIMS AND INSURANCE

7,184

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF EXPENSES
Year ended December 31, 2023
(In thousands of dollars)

GENERAL AND ADMINISTRATIVE EXPENSES

Salaries and wages	\$ 3,013
Fringe benefit and payroll taxes	4,701
Equipment expense	23
Repairs and maintenance materials	42
Operating costs	82
Utilities	809
Professional services	2,031
Other services	366
Office supplies	78
Administration	(182)
Rents and leases	13
	<u>10,976</u>

DEPRECIATION

Depreciation on assets acquired with federal funds	8,353
Depreciation on assets acquired with state and local funds	7,916
	<u>16,269</u>

AMORTIZATION

	<u>8,590</u>
	<u>\$ 77,870</u>

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2023

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 (COVID-19)	20.500	IN-2023-016 COVID-19	\$ 738,884
Federal Transit Capital Investment Grants	20.500	IN-2021-020	126,190
Federal Transit Capital Investment Grants	20.500	IN-2021-002	61,197,679
Federal Transit Capital Investment Grants	20.500	IN-2020-040	88,313,812
Total Federal Transit Capital Investment Grants			<u>150,376,565</u>
Federal Transit Formula Grants	20.507	IN-2023-034	19,348,019
Federal Transit Formula Grants (COVID-19)	20.507	IN-2020-012 COVID-19	720,859
Total Federal Transit Formula Grants			<u>20,068,878</u>
Federal Transit State of Good Repair Grants	20.525	IN-2023-034	1,536,880
Federal Transit State of Good Repair Grants	20.525	IN-2022-027	4,422,657
Federal Transit State of Good Repair Grants	20.525	IN-2019-026	1,273,829
Federal Transit State of Good Repair Grants	20.525	IN-2018-024	416,271
Federal Transit State of Good Repair Grants	20.525	IN-2017-023	1,544,211
Federal Transit State of Good Repair Grants	20.525	IN-2016-020	25,464
Federal Transit State of Good Repair Grants	20.525	IN-54-0003	18,486
Total Federal Transit State of Good Repair Grants			<u>9,237,798</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 179,683,241</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, 2023

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, 2023. 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 2023 was 151%.

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.

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STATISTICAL SECTION

Statistical Section

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

Financial Trends P.48-49

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

Revenue Capacity P.50-59

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

Debt Capacity P.60-61

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

Demographic and Economic Information P.62-64

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

Operating Information P.65-67

These schedules contain data to help the reader understand how the information in the District's financial report relates to the services the District 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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
NET POSITION										
Net investment in capital assets	\$ 233,493	\$ 245,477	\$ 273,034	\$ 291,178	\$ 301,574	\$ 326,144	\$ 408,169	\$ 541,927	\$ 893,181	\$ 1,286,257
Restricted for debt service	21,892	13,373	19,345	13,459	1,230	2,163	6,469	12,036	45,550	35,024
Restricted for capital projects	6,239	6,241	5,204	3,127	4,713	3,335	4,957	3,396	5,522	2,671
Unrestricted	44,728	46,840	27,255	41,448	52,242	61,637	86,831	84,202	55,816	119,075
TOTAL NET POSITION	<u><u>\$ 306,352</u></u>	<u><u>\$ 311,931</u></u>	<u><u>\$ 324,838</u></u>	<u><u>\$ 349,212</u></u>	<u><u>\$ 359,759</u></u>	<u><u>\$ 393,279</u></u>	<u><u>\$ 506,426</u></u>	<u><u>\$ 641,561</u></u>	<u><u>\$ 1,000,069</u></u>	<u><u>\$ 1,443,027</u></u>

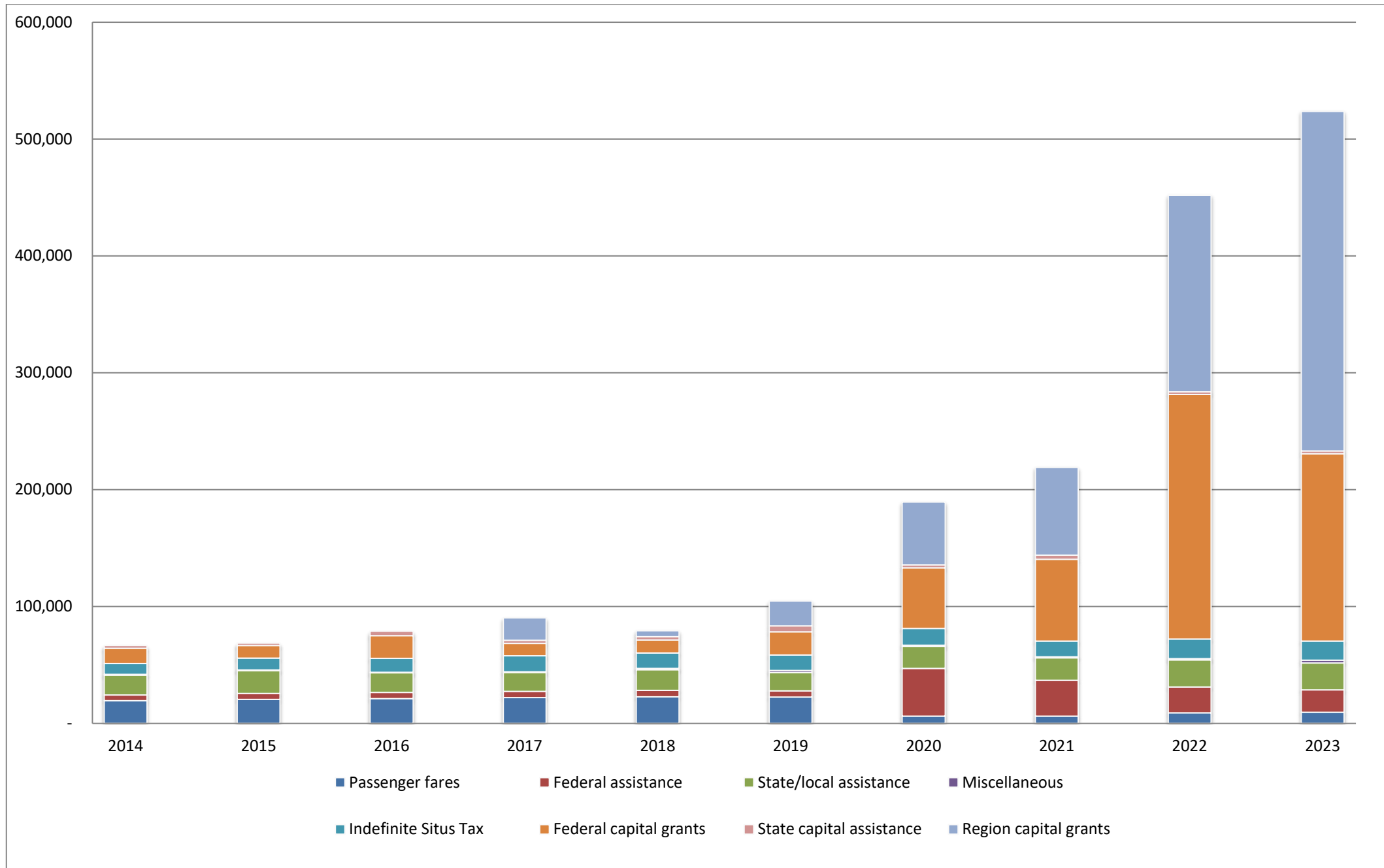
NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
Changes in Net Position
Last Ten Fiscal Years
(In thousands of dollars)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
OPERATING REVENUE										
Passenger fares (net of refunds)	\$ 19,371	\$ 20,698	\$ 21,358	\$ 22,178	\$ 22,788	\$ 22,509	\$ 6,329	\$ 6,340	\$ 9,189	\$ 9,451
Parking lot collections	45	36	35	35	35	35	9	-	12	-
Total operating revenue	<u>19,416</u>	<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>
OPERATING EXPENSES										
Transportation	15,937	16,958	17,811	18,518	19,036	19,755	19,570	20,028	11,863	12,657
Maintenance of Way	6,689	6,400	7,237	7,005	6,951	8,825	6,166	7,947	7,678	6,876
Maintenance of Equipment	12,497	12,345	12,759	12,030	13,706	12,397	14,806	15,758	15,900	15,318
Claims and Insurance	1,601	1,352	1,692	1,731	1,495	1,851	3,491	4,920	5,129	7,184
General and administrative	7,716	7,494	7,855	9,342	10,137	9,165	8,568	9,112	9,509	10,976
Depreciation	17,545	17,974	17,712	17,287	17,389	17,623	20,534	23,089	31,382	16,269
Amortization	-	-	-	-	-	-	-	-	8,361	8,590
Total operating expenses	<u>61,985</u>	<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>
NONOPERATING REVENUES (EXPENSES)										
Maintenance grant	4,947	5,064	5,177	5,201	5,589	5,421	-	-	21,996	19,348
Federal CARES Act funding	-	-	-	-	-	-	40,653	30,669	-	-
State operating assistance	11,820	12,951	11,288	11,240	12,681	10,537	13,704	13,833	17,271	17,738
Local subsidies	5,215	6,410	5,452	5,030	4,945	5,151	5,171	5,241	5,420	5,204
Interest - unreserved	40	155	91	90	180	810	235	60	638	1,781
Interest - reserved for accident claims	6	4	-	-	-	-	-	-	-	-
Rental income	166	196	191	254	390	344	364	337	308	287
Sale of maintenance services	2	7	4	3	3	3	3	4	3	1
Sale of scrap material	326	281	59	108	340	212	346	421	160	75
Advertising activities	135	83	128	103	84	112	153	109	99	100
Miscellaneous	6	9	16	55	170	139	10	-	30	50
Interest and bond issuance expense	(1,292)	(661)	(964)	(29)	(120)	(1,631)	(3,145)	(3,054)	(2,957)	(2,857)
Indefinite Situs tax	9,163	9,989	11,902	13,649	13,256	13,327	14,324	13,490	16,570	16,350
Total nonoperating revenues, net	<u>30,534</u>	<u>34,488</u>	<u>33,344</u>	<u>35,704</u>	<u>37,518</u>	<u>34,425</u>	<u>71,818</u>	<u>61,110</u>	<u>59,538</u>	<u>58,077</u>
CAPITAL CONTRIBUTIONS										
Federal	12,953	10,885	19,551	10,646	10,959	19,779	51,806	69,910	209,229	160,336
State	2,514	1,995	3,685	2,637	2,742	5,175	2,398	3,633	2,171	2,341
Region	-	-	-	19,087	5,219	21,213	53,922	74,996	168,191	290,623
	<u>15,467</u>	<u>12,880</u>	<u>23,236</u>	<u>32,370</u>	<u>18,920</u>	<u>46,167</u>	<u>108,126</u>	<u>148,539</u>	<u>379,591</u>	<u>453,300</u>
Change in net position	<u>3,432</u>	<u>5,579</u>	<u>12,907</u>	<u>24,374</u>	<u>10,547</u>	<u>33,520</u>	<u>113,147</u>	<u>135,135</u>	<u>358,508</u>	<u>442,958</u>
Adjustment per GASB 68	(843)	-	-	-	-	-	-	-	-	-
Net position beginning of year	<u>303,763</u>	<u>306,352</u>	<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>
Net position end of year	<u>\$ 306,352</u>	<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>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
OPERATING REVENUE										
Passenger fares (net of refunds)	\$ 19,371	\$ 20,698	\$ 21,358	\$ 22,178	\$ 22,788	\$ 22,509	\$ 6,329	\$ 6,340	\$ 9,189	\$ 9,451
Parking lot collections	45	36	35	35	35	35	9	-	12	-
Total operating revenue	<u>19,416</u>	<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>
NONOPERATING REVENUES										
Maintenance grant	4,947	5,064	5,177	5,201	5,589	5,421	-	-	21,996	19,348
Federal CARES Act funding	-	-	-	-	-	-	40,653	30,669	-	-
State operating assistance	11,820	12,951	11,288	11,240	12,681	10,537	13,704	13,833	17,271	17,738
Other local funds	5,215	6,410	5,452	5,030	4,945	5,151	5,171	5,241	5,420	5,204
Other revenue	681	735	489	613	1,167	1,620	1,111	931	1,238	2,294
Indefinite Situs tax	9,163	9,989	11,902	13,649	13,266	13,327	14,324	13,490	16,570	16,350
Total nonoperating revenues before capital grants	<u>31,826</u>	<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>
CAPITAL CONTRIBUTIONS										
Federal capital grants	12,953	10,885	19,551	10,646	10,959	19,779	51,806	69,910	209,229	160,336
State capital grants	2,514	1,995	3,685	2,637	2,742	5,175	2,398	3,633	2,171	2,341
Region capital grants	-	-	-	19,087	5,219	21,213	53,922	74,996	168,191	290,623
Total nonoperating revenues	<u>47,293</u>	<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>
TOTAL REVENUES	<u>\$ 66,709</u>	<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>

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)

<u>Operating and Other Revenue</u>				<u>Operating Assistance</u>			<u>Totals</u>
Year	Passenger	Other	Total	State & Local	Federal	Total	Total All Revenues
2014	32.0%	10.8%	42.8%	48.6%	8.6%	57.2%	100.0%
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	*	*	*	*	*	*	*
2022	*	*	*	*	*	*	*
2023	*	*	*	*	*	*	*

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT (2)

<u>Operating and Other Revenue</u>				<u>Operating Assistance</u>			<u>Totals</u>
Year	Passenger	(3) Other	Total	State & Local	Federal	Total	Total All Revenues
2014	46.1%	14.0%	60.1%	28.1%	11.8%	39.9%	100.0%
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%

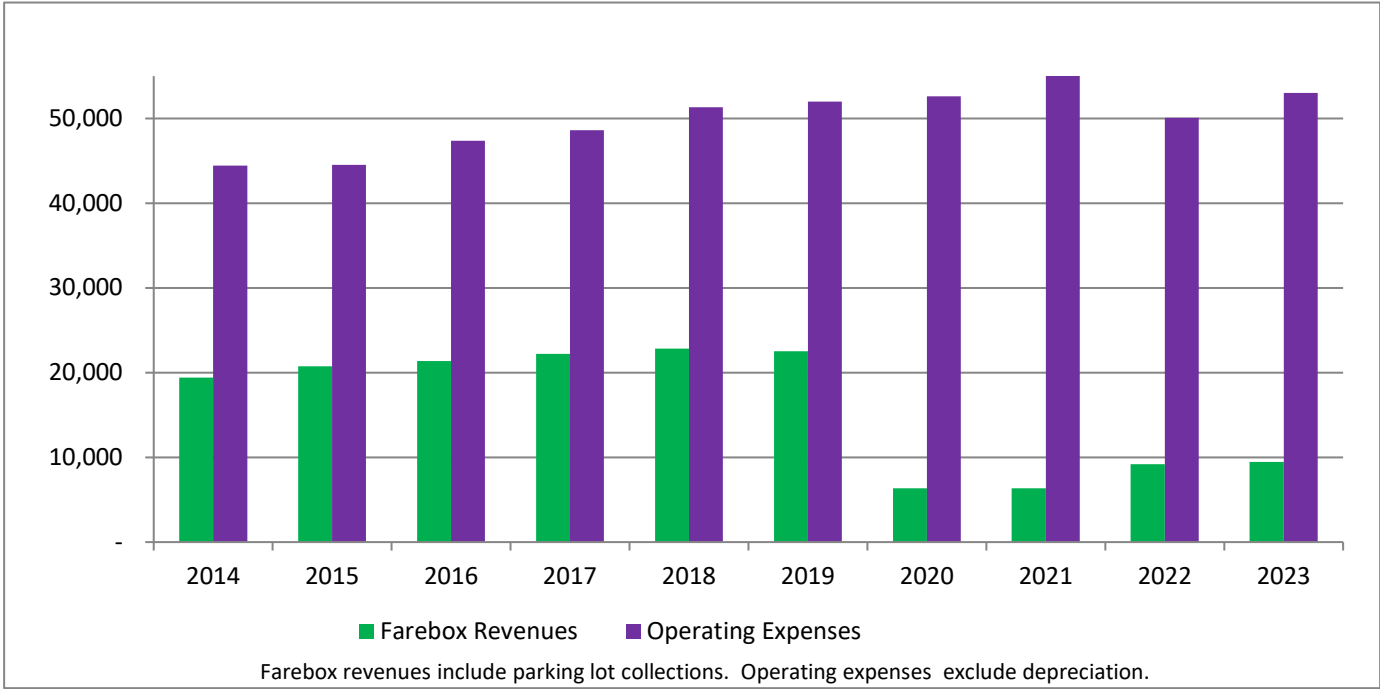
* Information not yet available

- (1) Source: The American Public Transit Association. 2022 APTA Transit Fact Book, Appendix A Table 87 (2021/2022/2023 data not yet available)
(2) Percentages are derived from the District's independently audited annual financial statements
(3) Includes interest income, advertising, sale of scrap material and miscellaneous revenue

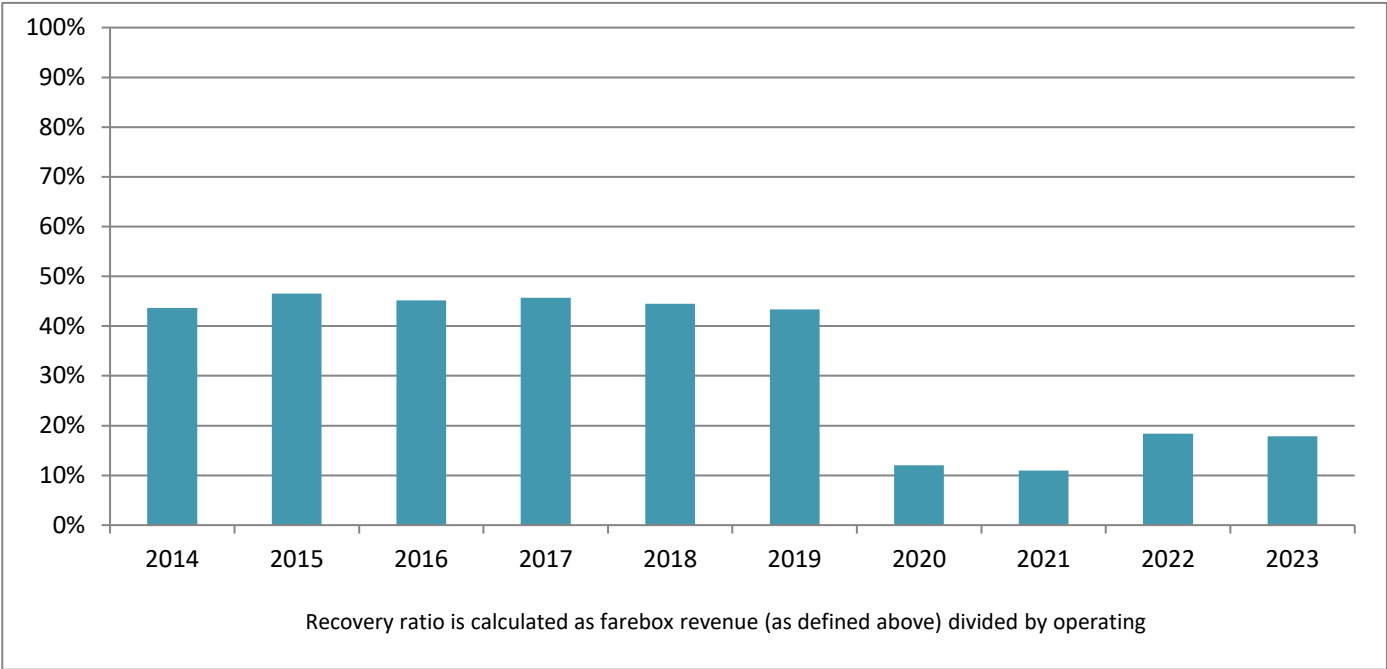
NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
System Recovery Ratio
Last Ten Fiscal Years
(In thousands of dollars)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
OPERATING REVENUE										
Passenger fares (net of refunds)	\$ 19,371	\$ 20,698	\$ 21,358	\$ 22,178	\$ 22,788	\$ 22,509	\$ 6,329	\$ 6,340	\$ 9,189	\$ 9,451
Parking lot collections	45	36	35	35	35	35	9	-	12	-
Total operating revenue for recovery ratio calculation (A)	<u>\$ 19,416</u>	<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>
OPERATING EXPENSES										
Transportation	\$ 15,937	\$ 16,958	\$ 17,811	\$ 18,518	\$ 19,036	\$ 19,755	\$ 19,570	\$ 20,028	\$ 11,863	\$ 12,657
Maintenance of Way	6,689	6,400	7,237	7,005	6,951	8,825	6,166	7,947	7,678	6,876
Maintenance of Equipment	12,497	12,345	12,759	12,030	13,706	12,397	14,806	15,758	15,900	15,318
Claims and Insurance	1,601	1,352	1,692	1,731	1,495	1,851	3,491	4,920	5,129	7,184
General and administrative	7,716	7,494	7,855	9,342	10,137	9,165	8,568	9,112	9,509	10,976
Total operating expenses for recovery ratio calculation (B)	<u>\$ 44,440</u>	<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>
Recovery ratio (A/B)	43.7%	46.5%	45.2%	45.7%	44.5%	43.4%	12.0%	11.0%	18.4%	17.8%

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
OPERATING EXPENSES										
OTHER THAN DEPRECIATION										
Salaries and wages	\$ 14,481	\$ 15,519	\$ 16,404	\$ 16,944	\$ 17,684	\$ 18,257	\$ 18,904	\$ 19,406	\$ 19,096	\$ 19,808
Fringe benefits and payroll taxes	11,997	12,354	12,897	15,645	15,520	15,859	16,220	18,867	18,697	20,542
Equipment expense	57	104	60	181	99	163	149	146	173	197
Repair and maintenance materials	5,123	4,204	4,417	3,507	4,680	4,152	3,952	4,645	5,021	4,638
Operating costs	4,989	5,178	5,686	5,758	5,779	5,861	5,898	5,762	(2,667)	(2,209)
Utilities	859	752	761	899	948	841	862	931	1,373	1,452
Other services	1,766	1,520	1,844	1,506	1,627	1,850	2,143	2,189	1,667	1,342
Office supplies	263	367	282	312	190	428	261	145	125	183
Administration	(429)	(67)	(536)	(1,865)	(1,936)	(1,709)	(2,680)	(2,933)	(2,864)	(5,401)
Rents and leases	79	62	128	167	128	225	37	37	29	26
Traction power	2,092	2,086	2,054	2,245	2,232	2,199	1,686	1,927	1,631	1,398
Claims and insurance	1,601	1,352	1,692	1,731	1,495	1,851	3,491	4,920	5,124	7,184
Professional services	1,562	1,118	1,665	1,596	2,879	2,016	1,678	1,723	2,674	3,851
Total	44,440	44,549	47,354	48,626	51,325	51,993	52,601	57,765	50,079	53,011
DEPRECIATION	17,545	17,974	17,712	17,287	17,389	17,623	20,534	23,089	31,382	16,269
AMORTIZATION	-	-	-	-	-	-	-	-	8,361	8,590
Total operating expenses	61,985	62,523	65,066	65,913	68,714	69,616	73,135	80,854	89,822	77,870
NONOPERATING EXPENSES										
Interest and bond issuance expense	1,292	661	964	29	120	1,631	3,145	3,054	2,957	2,857
TOTAL EXPENSES	<u>\$ 63,277</u>	<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>

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
2014	43.5%	16.2%	10.9%	15.7%	13.7%	100.0%
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	*	*	*	*	*	*
2022	*	*	*	*	*	*
2023	*	*	*	*	*	*

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT (2)

Year	Vehicle Operations	Vehicle Maintenance	Non-Vehicle Maintenance	General Administration	Purchased Transportation	Total Operating Expenses
2014	35.9%	28.1%	15.0%	(3) 21.0%	-	100.0%
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%

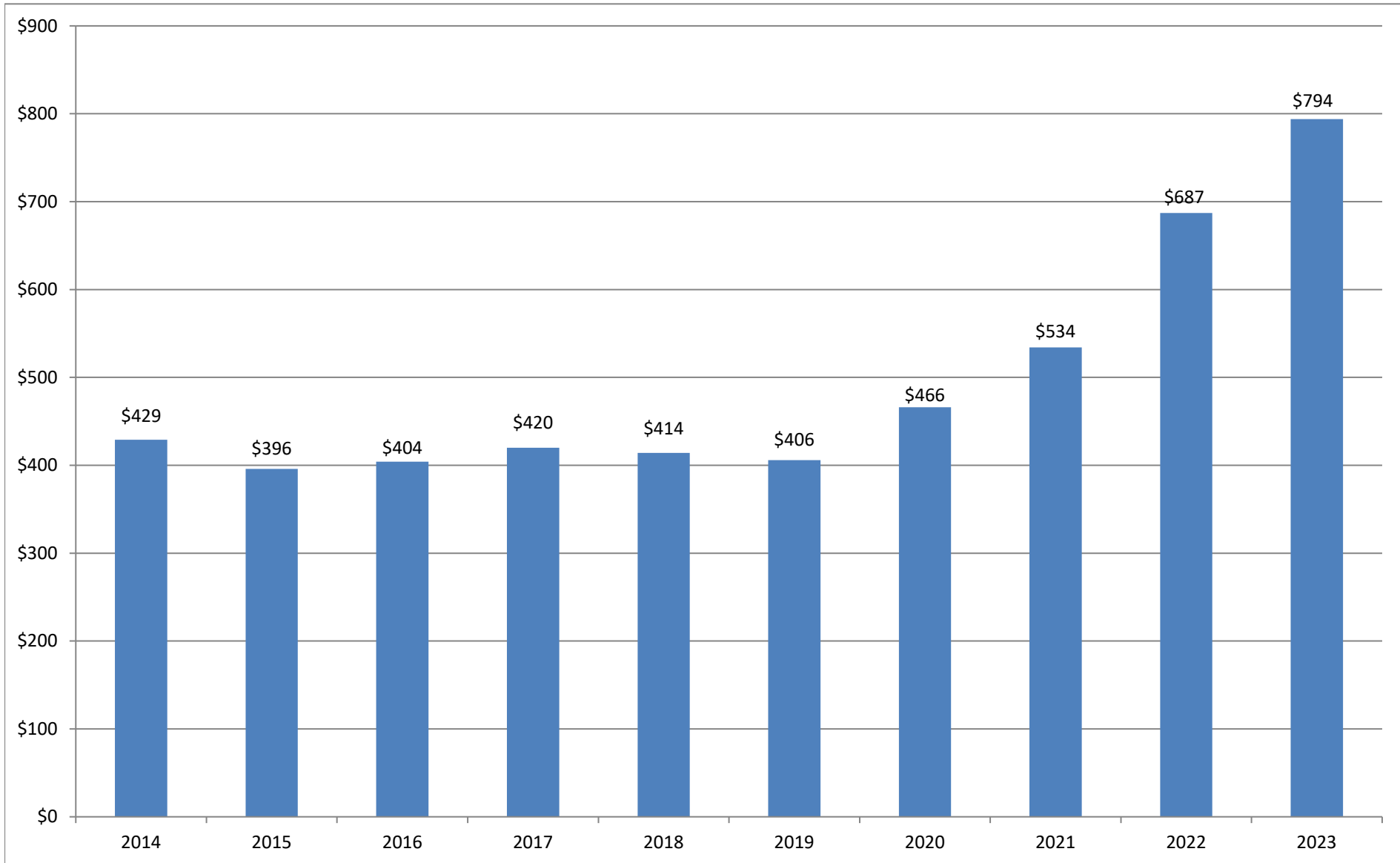
* Information not yet available

(1) Source: The American Public Transit Association. 2022 APTA Transit Fact Book, Appendix A Table 69 (2021/2022/2023 not yet available)

(2) Percentages are derived from the District'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 (2018 Bond Issuance):

<u>Fiscal Year</u>	Commuter Rail Service Fund Indefinite Situs	<u>Debt Service</u>		<u>Coverage Ratio</u>
	<u>Tax Receipts</u>	<u>Principal</u>	<u>Interest</u>	
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):

<u>Fiscal Year</u>	<u>Commuter Rail Service Fund</u>		Electric Rail Service Fund	<u>Debt Service</u>		<u>Coverage Ratio</u>
	<u>Indefinite Situs Tax Receipts</u>	<u>Sales Tax Receipts</u>	<u>Receipts</u>	<u>Principal</u>	<u>Interest</u>	
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

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

<u>Fiscal Year</u>	Commuter Rail Service Fund Indefinite Situs	<u>Capital Grant Receipts</u>	<u>Debt Service</u>		<u>Coverage Ratio</u>
	<u>Tax Receipts</u>		<u>Principal</u>	<u>Interest</u>	
2014	\$ -	\$ 2,905,203	\$ 2,352,000	\$ 553,203	1.00
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):

<u>Fiscal Year</u>	Commuter Rail Service Fund		Capital Grant Receipts	Debt Service		Coverage Ratio
	Indefinite Situs Tax Receipts			Principal	Interest	
2014	\$ 7,953,373	\$ -		\$ 1,800,000	\$ 799,850	3.06
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, and 2018 Series**

<u>Fiscal Year</u>	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	
2014	\$ 7,953,373	\$ -	\$ -	\$ 2,905,203	\$ 4,152,000	\$ 1,353,053	1.97
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

*** 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	2016 Series- Revenue Bonds	2007 Series- Revenue Bonds	2004 Series- Special Program Bonds	Premium on Bonds Payable	Lease Liabilities	Total	Outstanding Debt Per Capita	Outstanding Debt as a Percentage of Per Capita Personal Income
2014	\$ -	\$ 20,624,000	\$ 15,020,000	\$ 299,000	\$ -	\$ 35,943,000	\$ 28.56	0.07%
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	*	*

* 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
2014	491,259	\$ 19,011,535	\$ 38,700	8.1
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	*	*	*	4.7

LaPorte County, Indiana

Fiscal Year	Population	Personal Income in thousands	Per Capita Personal Income	Unemployment Rate
2014	111,774	\$ 4,143,821	\$ 37,073	7.7
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	*	*	*	3.6

Porter County, Indiana

Fiscal Year	Population	Personal Income in thousands	Per Capita Personal Income	Unemployment Rate
2014	167,242	\$ 7,691,822	\$ 45,992	6.3
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	*	*	*	3.2

St. Joseph County, Indiana

Fiscal Year	Population	Personal Income in thousands	Per Capita Personal Income	Unemployment Rate
2014	268,023	\$ 11,090,206	\$ 41,378	6.7
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	*	*	*	3.3

Cook County, Illinois

Fiscal Year	Population	Personal Income in thousands	Per Capita Personal Income	Unemployment Rate
2014	5,254,108	\$ 281,734,111	\$ 53,622	7.4
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	*	*	*	4.0

* 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

	2023			2014		
<u>Employer</u>	<u>Chicago Employees</u>	<u>Rank</u>	<u>Percentage of Total County Labor Force</u>	<u>Chicago Employees</u>	<u>Rank</u>	<u>Percentage of Total County Labor Force</u>
U.S. Government	52,315	1	1.95%	45,673	1	1.76%
Chicago Public Schools	43,286	2	1.61%	38,933	2	1.50%
City of Chicago	30,918	3	1.15%	30,345	3	1.17%
Amazon.com Inc.	30,100	4	1.12%	-	-	-
Advocate Health	28,070	5	1.05%	18,556	5	0.71%
Northwestern Memorial Healthcare	25,386	6	0.95%	14,550	9	0.56%
University of Chicago	22,395	7	0.83%	16,025	6	0.62%
Endeavor Health	20,251	8	0.75%	-	-	-
Cook County	19,797	9	0.74%	21,622	4	0.83%
Walmart Inc.	17,400	10	0.65%	-	-	-
JPMorgan Chase & Co.	-	-	-	15,015	7	0.58%
State of Illinois	-	-	-	14,925	8	0.57%
United Continental Holdings, Inc.	-	-	-	14,000	10	0.54%
	<u>289,918</u>		<u>10.81%</u>	<u>229,644</u>		<u>8.85%</u>

Source: Crain's Chicago Business Largest Employers 2023 and 2013

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 2013 Labor Force

Northern Indiana Commuter Transportation District
Statistical Information (Unaudited)
Fare Rate Structure
12/31/2023

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)

Northern Indiana Commuter Transportation District
Statistical Information (Unaudited)
Fare Rate Structure
12/31/2023

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating Statistics:										
Annual System Trips	3,614,252	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
Average Weekday System Trips	12,045	12,056	11,723	11,467	11,352	10,962	3,348	3,116	4,418	4,946
Average Saturday System Trips	5,675	5,538	5,183	5,565	5,264	5,092	1,437	2,306	2,738	2,724
Average Sunday System Trips	4,484	4,343	4,138	4,279	4,075	3,938	1,173	1,898	2,298	2,149
Passenger Miles	104,415,740	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
Assets in Passenger Car Fleet:										
Total Passenger Cars in Fleet	82	82	82	82	82	82	82	82	82	82
Passenger Car Revenue Miles	3,694,590	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
Passenger Car Revenue Hours	103,661	112,543	117,214	115,659	124,044	128,077	112,835	108,239	77,127	63,067

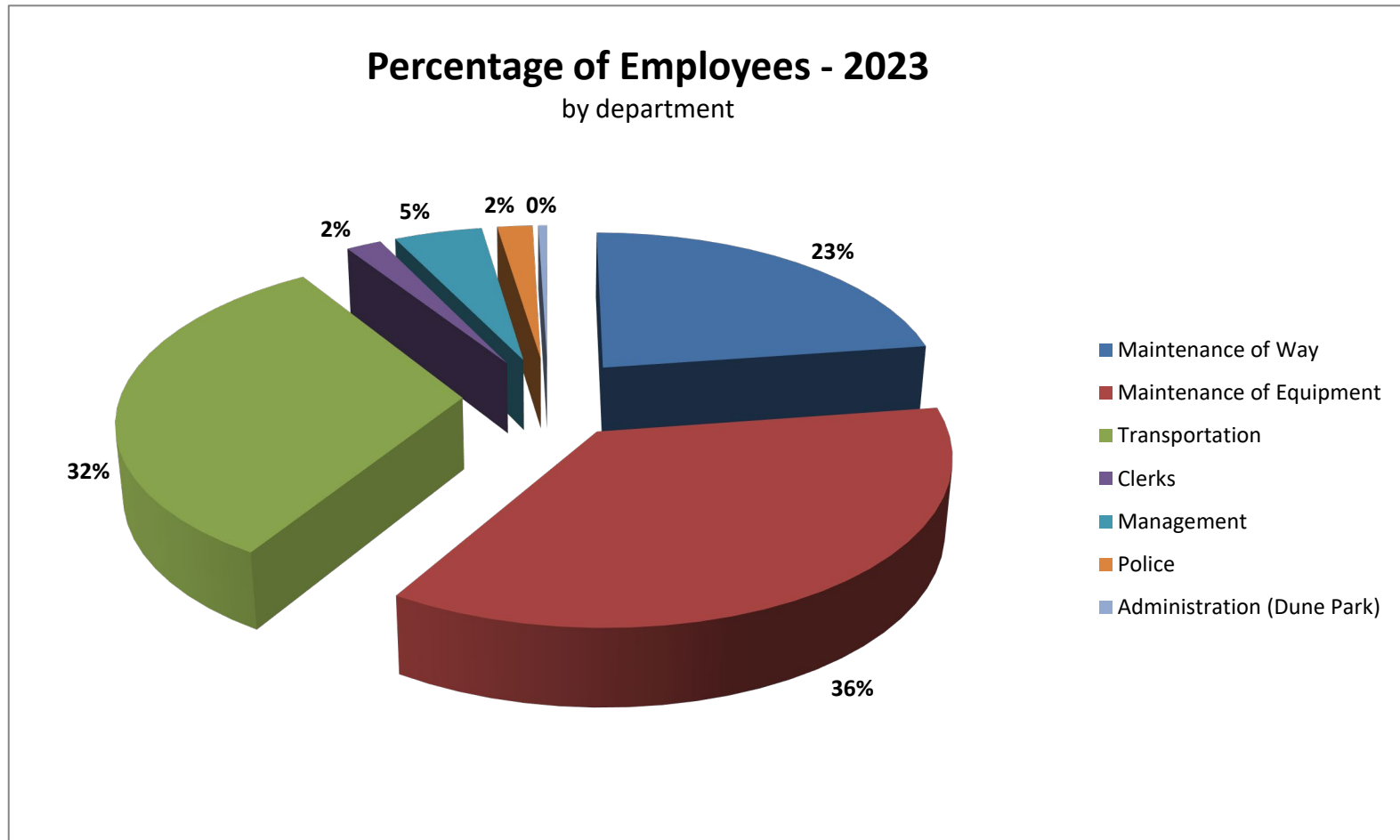
Source: The District's annual *National Transit Database Report*, filed with the Federal Transit Administration

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

	2014		2015		2016		2017		2018	
	<u>Salary</u>	<u>Contract</u>	<u>Salary</u>	<u>Contract</u>	<u>Salary</u>	<u>Contract</u>	<u>Salary</u>	<u>Contract</u>	<u>Salary</u>	<u>Contract</u>
<u>Michigan City Cost Center</u>										
Maintenance of Way	12	52	12	58	18	58	22	59	26	62
Maintenance of Equipment	9	95	10	102	11	92	11	102	11	116
Transportation	6	90	7	106	8	96	9	102	11	105
Clerks	-	8	-	8	-	8	-	8	-	9
Management	11	-	10	-	12	-	13	-	15	-
<u>Dune Park Cost Center</u>										
Police	7	-	8	-	8	-	8	-	9	-
Administration (Dune Park)	<u>9</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>5</u>	<u>-</u>
Subtotal	<u>54</u>	<u>245</u>	<u>55</u>	<u>274</u>	<u>65</u>	<u>254</u>	<u>70</u>	<u>271</u>	<u>77</u>	<u>292</u>
TOTAL LABOR	<u>299</u>		<u>329</u>		<u>319</u>		<u>341</u>		<u>369</u>	
	2019		2020		2021		2022		2023	
	<u>Salary</u>	<u>Contract</u>	<u>Salary</u>	<u>Contract</u>	<u>Salary</u>	<u>Contract</u>	<u>Salary</u>	<u>Contract</u>	<u>Salary</u>	<u>Contract</u>
<u>Michigan City Cost Center</u>										
Maintenance of Way	29	64	29	61	33	60	33	58	32	62
Maintenance of Equipment	13	110	15	143	15	138	16	131	16	133
Transportation	10	102	12	100	12	103	12	102	12	121
Clerks	-	9	-	9	-	9	-	9	-	8
Management	15	-	18	-	18	-	18	-	20	-
<u>Dune Park Cost Center</u>										
Police	9	-	9	-	9	-	9	-	8	-
Administration (Dune Park)	<u>5</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>2</u>	<u>-</u>
Subtotal	<u>81</u>	<u>285</u>	<u>87</u>	<u>313</u>	<u>91</u>	<u>310</u>	<u>91</u>	<u>300</u>	<u>90</u>	<u>324</u>
TOTAL LABOR	<u>366</u>		<u>400</u>		<u>401</u>		<u>391</u>		<u>414</u>	

Source: The District's Payroll Journals

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
Percentage of Employees by Department
For the Year Ended December 31, 2023



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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, 2023, and the related notes to the financial statements, which collectively comprise NICTD's basic financial statements, and have issued our report thereon dated April 30, 2024.

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 30, 2024

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, 2023. 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, 2023.

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.

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 30, 2024

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

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:

\$3,000,000

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.