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April 28, 2021

Board of Directors
Northern Indiana Commuter Transportation District
33 East US Highway 12
Chesterton, IN 46304

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, 2020 to December 31, 2020. 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, 2020 and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

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

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA
State Examiner



Northern Indiana Commuter Transportation District

33 East US Hwy 12
Chesterton, IN 46304



Comprehensive Annual Financial Report

For the years ended
December 31, 2020 and 2019



COMPREHENSIVE ANNUAL FINANCIAL REPORT



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

For the Years Ended December 31, 2020 and 2019

Prepared by
Accounting and Administration

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

December 31, 2020 and 2019

TABLE OF CONTENTS

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal.....	i
Certificate of Achievement for Excellence in Financial Reporting.....	ix
Organization Chart.....	x
Board of Trustees and Administration	xi

FINANCIAL SECTION

Independent Auditor's Report.....	1
Management's Discussion and Analysis	3
Financial Statements	
Statements of Net Position	12
Statements of Revenues, Expenses and Changes in Net Position	14
Statements of Cash Flows	15
Notes to Financial Statements	17
Required Supplementary Information	
Schedule of Changes in NICTD's Total OPEB Liability and Related Ratios	40
Schedule of NICTD's Proportionate Share of the Net Pension Liability -PERF	41
Schedule of NICTD's Contributions -PERF	42
Supplementary Schedules	
Schedules of Expenses.....	43
Schedule of Expenditures of Federal Awards.....	45
Note to Schedule of Expenditures of Federal Awards	46

STATISTICAL SECTION (Unaudited)

Net Position	47
Changes in Net Position	48
Revenues by Source	49
Revenues by Source (Graph Presentation)	50
Revenues and Operating Assistance – Comparison to Industry Trend Data	51
System Recovery Ratio	52
Farebox Revenues vs. Operating Expenses (Graph Presentation)	53
Operating Expenses by Object Class.....	54
Operating Expenses by Function Class – Comparison to Industry Trend Data.....	55
Operating Expenses per Electric Multiple-Unit Hour (Graph Presentation)	56
Pledged Revenue Coverage	57

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
December 31, 2020 and 2019

TABLE OF CONTENTS

STATISTICAL SECTION (Unaudited) (continued)

Ratio of Outstanding Debt by Type	59
Demographic and Economic Indicators.....	60
Principal Employers in Chicago.....	61
Fare Rate Structure	62
Operating Statistics	64
Employees by Labor Classification.....	65
Percentage of Employees by Department (Graph Presentation).....	66

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	67
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Controls Over Compliance	69
Schedule of Findings and Questioned Costs	71

INTRODUCTORY SECTION





April 8, 2021

Board of Trustees
Northern Indiana Commuter
Transportation District
Chesterton, Indiana

The Comprehensive Annual Financial Report of the Northern Indiana Commuter Transportation District (“District” or “NICTD”) for the years ended December 31, 2020 and 2019 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 comprehensive annual 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 fiscal years ending December 31, 2020 and 2019 are free of material misstatement. The independent auditors rendered an unmodified auditor's report on NICTD's financial statements for the years ended December 31, 2020 and 2019.

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 Comprehensive Annual Financial Report. The report for the year ended December 31, 2020 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, 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 over 3 million 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. NICTD remains hopeful that increased safety measures and the widespread availability of vaccines will drive a ridership increase as 2021 progresses.

The South Shore is uniquely positioned in the heart of Chicago's Loop within easy access to approximately 630,000 jobs, more than doubling the job base of Lake and Porter counties, Indiana (225,000 jobs). On average these jobs pay 52% 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 29.6 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 CARES Act funding in 2020. Additional funding is provided through the public mass transportation fund, electric rail service fund and commuter rail service fund in the State of Indiana.

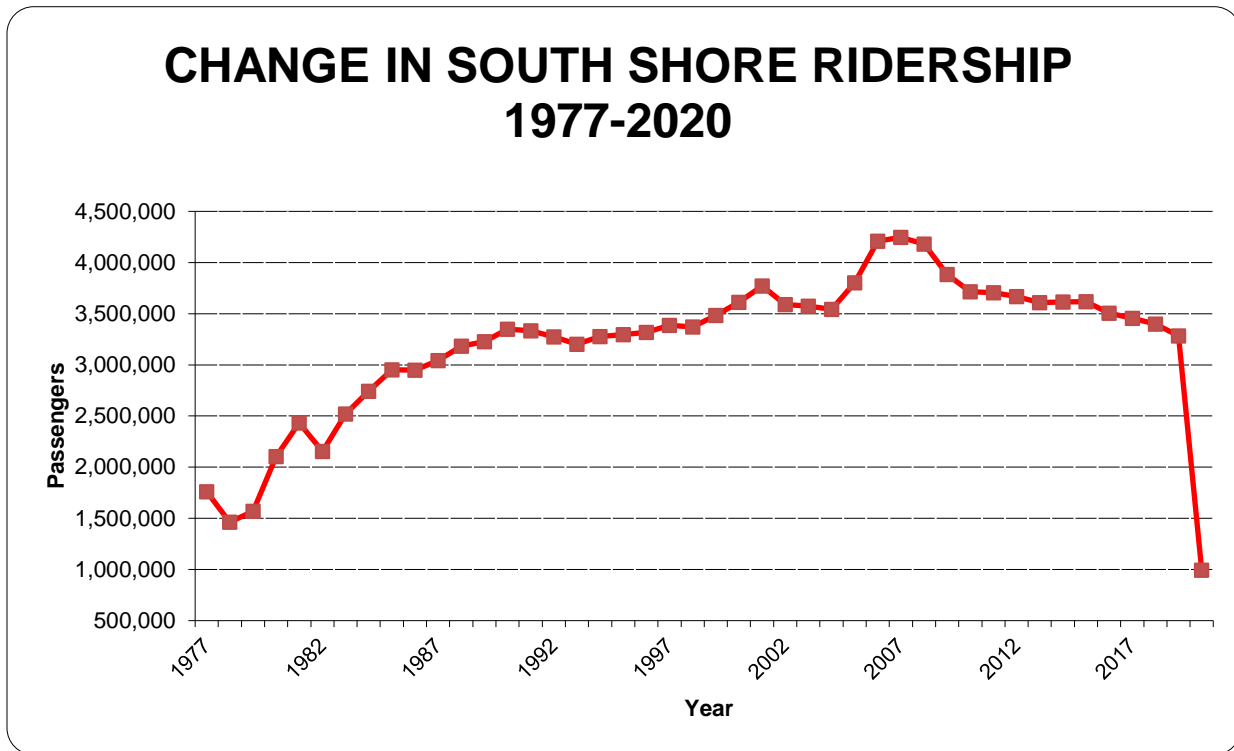
NICTD practices financial planning and cost controls, however it is not legally required to report on a budgetary basis. No comparison of actual and budget data is included.

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. In 2020 however, several businesses in Chicago had employees telecommute due to the pandemic. As of the date of this report, the pandemic is still ongoing and the effects are still being experienced. It is unknown how many businesses will continue with remote working and if any will have a permanent reduction in workforce. NICTD carried just under 1 million passengers in 2020.



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, catenary, bridges, and the New Starts West Lake and Double Track projects have been the focus of the program. While we are making substantial progress, additional investment (realignments, substation rehabilitations, high level platforms, and double track) is required to modernize the entire railroad in order to achieve reduced travel time and effectively compete with auto commuting. This remains a very important objective in order to grow business on our fixed rail corridor.

Positive Train Control (PTC) In December 2020, Federal Railroad Administrator Ron Batory notified NICTD that it had fully implemented a FRA certified and interoperable PTC system and had met its statutory deadline of December 31, 2020. All train operations running on NICTD territory are now running in PTC Revenue Service Operations (RSO). CSS freight is also operating all PTC trains in RSO. NICTD is fully interoperable with Metra, CN and NS for all NICTD and CSS PTC train runs. CSS crews are able to login to the PTC system on CSX and UP locomotives and operate these foreign power trains on NICTD territory in PTC.

LETTER OF TRANSMITTAL

East Chicago Station The East Chicago access improvement project was completed in 2019. This created a secondary entrance to the boarding platform accessible from the eastern side of the parking lot. This project also included improvements to the existing head house. The new entrance was opened to the public in January 2020. Planning and procurement for the second phase of improvements has begun. Modifications to the track and turnouts at the station will significantly improve operational performance. Construction is anticipated for April 2021.

South Bend Realignment Study In 2017, NICTD hired DLZ to perform a South Bend Realignment Study to evaluate new alignments to connect to the airport in South Bend, with the purpose of reducing travel time. In September 2017, South Bend asked NICTD to put the study on hold as they evaluate other possible alignments. In January 2019, St. Joseph County hired DLZ to study a mixed-use passenger/freight alignment using the former concept alignment going into the west end of the South Bend International Airport. St. Joseph County and the airport are studying the concept of an air/rail/truck cargo transfer facility, which would be located west of the airport. A new rail alignment would serve this cargo facility and the South Shore Line passenger service with a new passenger platform being built on the west side of the airport terminal. This new rail alignment would cross one of the airport's runway protection zones (RPZ) and would require approval from the Federal Aviation Administration (FAA). In December 2020, an application to cross the RPZ was filed with the FAA. It may take 3-6 months for FAA to respond to the application. Once a decision has been rendered by the FAA, St. Joseph County, NICTD, and South Bend International Airport will meet to decide next steps.

West Lake Corridor Project and Double Track Northwest Indiana Project The West Lake Corridor project is a proposal to create a southern branch route extension to reach high-growth areas in Lake County, Indiana. The project would expand NICTD's service coverage, improve mobility and accessibility, and stimulate local job creation and economic development opportunities for Lake County. On October 28, 2020, the West Lake project received the Full Funding Grant Agreement (FFGA) from the Federal Transit Administration. The design build team is currently underway with final design and project development. Construction is scheduled to begin in late summer 2021. Substantial completion is scheduled for October 2024, and revenue service is scheduled for May 2025. Visit www.nictdwestlake.com for more information.

The Double Track Northwest Indiana (DT-NWI) New Starts Project expands current service from single track to double track between Gary and Michigan City, Indiana. This will allow for more frequent service, reduced delays, and improved travel times. The Double Track Project received the FFGA on January 7, 2021. Right of way acquisition activities were underway in 2020. At this time, construction is slated to begin in mid-2021 and end in mid-2023, with an anticipated revenue service date in September 2023. For more information visit www.doubletrack-nwi.com.

In 2019, the State of Indiana provided an additional \$205 million towards the West Lake and Double Track projects. This funding is in addition to the existing \$306 million committed during earlier legislative sessions.

Track & Structures and Bridges & Buildings Departments In 2020, NICTD completed mainline production undercutting of 4 miles of track. All mainline and passing siding rails underwent ultrasonic rail testing and geometry testing. The team upgraded two miles of curve rail, re-ballasted Hoffman Bridge Track number two, and managed brush and weeds for over 75 miles along NICTD's right of way. Ionization disinfectant units were added to the HVAC systems in all station and office buildings, in addition to upgrading the HVAC systems at Dune Park and East Chicago. The elevator controller at Gary Metro Station was upgraded. Hand sanitizers for improved passenger safety have been installed at all station buildings. All bridges, culverts and

LETTER OF TRANSMITTAL

buildings have been inspected. In addition, crews rebuilt six highway grade crossing surfaces, upgraded two switches, and installed ties on nine main line track miles. In 2021, the department will upgrade 12 miles of 100RE rail to 115RE, replace 9,000 cross ties, and rebuild eight highway grade crossing surfaces.

Line & Signal Department In 2020, preliminary work on phase two of the East Chicago project, which comprised of the track and signal improvements, was started. The signal design is complete and signal foundations, conduit, cabling and retaining walls have been installed. Remaining materials and pre-wired Central Instruments houses are expected to be delivered in 2021. Special track work has been delivered and awaiting installation. Full project completion is expected in April 2021. Six miles of fixed termination catenary, with design and many remnant components dating back to the 1920's, were replaced with auto tension catenary in St. Joseph counties (MP 13 – MP 8). For the year 2021, NICTD plans to replace another six miles of catenary, 1000mcm feeder cable (MP 8 – MP 2), 75 wood poles and support appurtenances. This will complete the catenary renewal project, with minor work to be done once the South Bend Realignment is determined. The design phase for modernizing and improving the Traction Power Substation System (TPSS) continued in 2020. The Traction Power Load Flow Simulation Report for current and future operations were completed and provides a model for planning and growth. Design plans and specifications were developed for existing and new substations based on that model.

Mechanical Department The Mechanical Department has undertaken the Mid Life and End Life rehabilitation of our existing rail cars. Work is ongoing for these cars but has primarily focused on HVAC rebuild, pantographs, and propulsion systems in 2020. Because of the Covid-19 pandemic, many of the vendors that provided parts for the End Life program experienced some delays. These delays have been resolved, but they did impact the rebuild timeline. Reconditioning the railcars should save NICTD about 50% over the cost of new ones. The End Life program includes 58 rail cars. The first 32 cars rehabbed will be utilized for the West Lake Corridor extension. NICTD intends to procure or lease 26 new railcars to replace these. Options continue to be analyzed.

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 Comprehensive Annual Financial Report for the fiscal year ended December 31, 2019. NICTD has achieved this prestigious award for eight consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

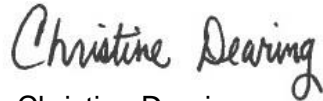
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

LETTER OF TRANSMITTAL

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,

A handwritten signature in cursive script that reads "Christine Dearing".

Christine Dearing
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Northern Indiana
Commuter Transportation District**

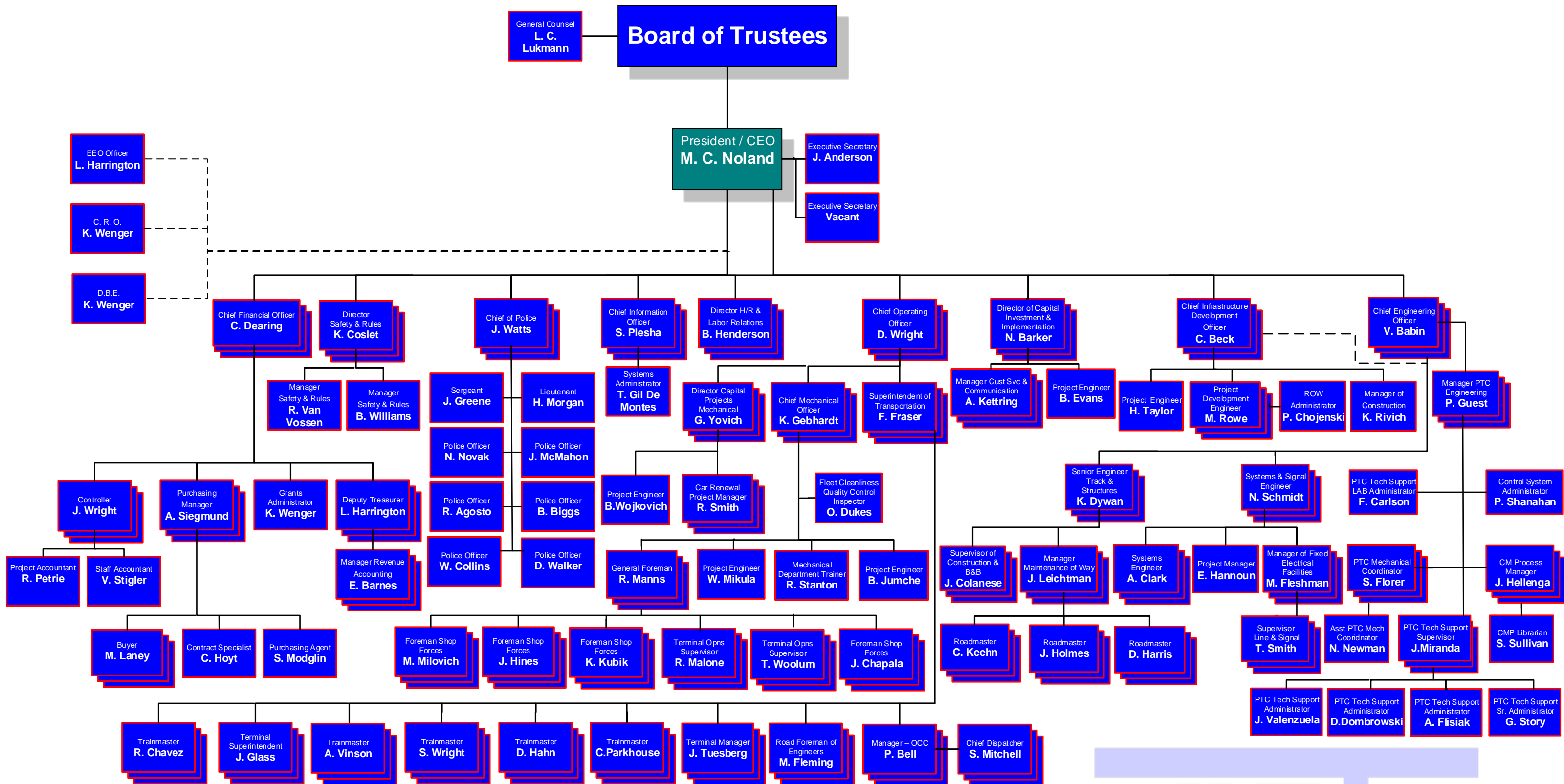
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

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, 2020

Members of the Board of Trustees

Indiana Department of Transportation Commissioner

Joe McGuinness
Chairman

Lake County, Indiana

Jerome Prince
Board Member

Porter County, Indiana

Jeff Good
Vice Chairman

St. Joseph County, Indiana

Andrew Kostielney
Secretary

LaPorte County, Indiana

Jim Arnold
Treasurer

Administration

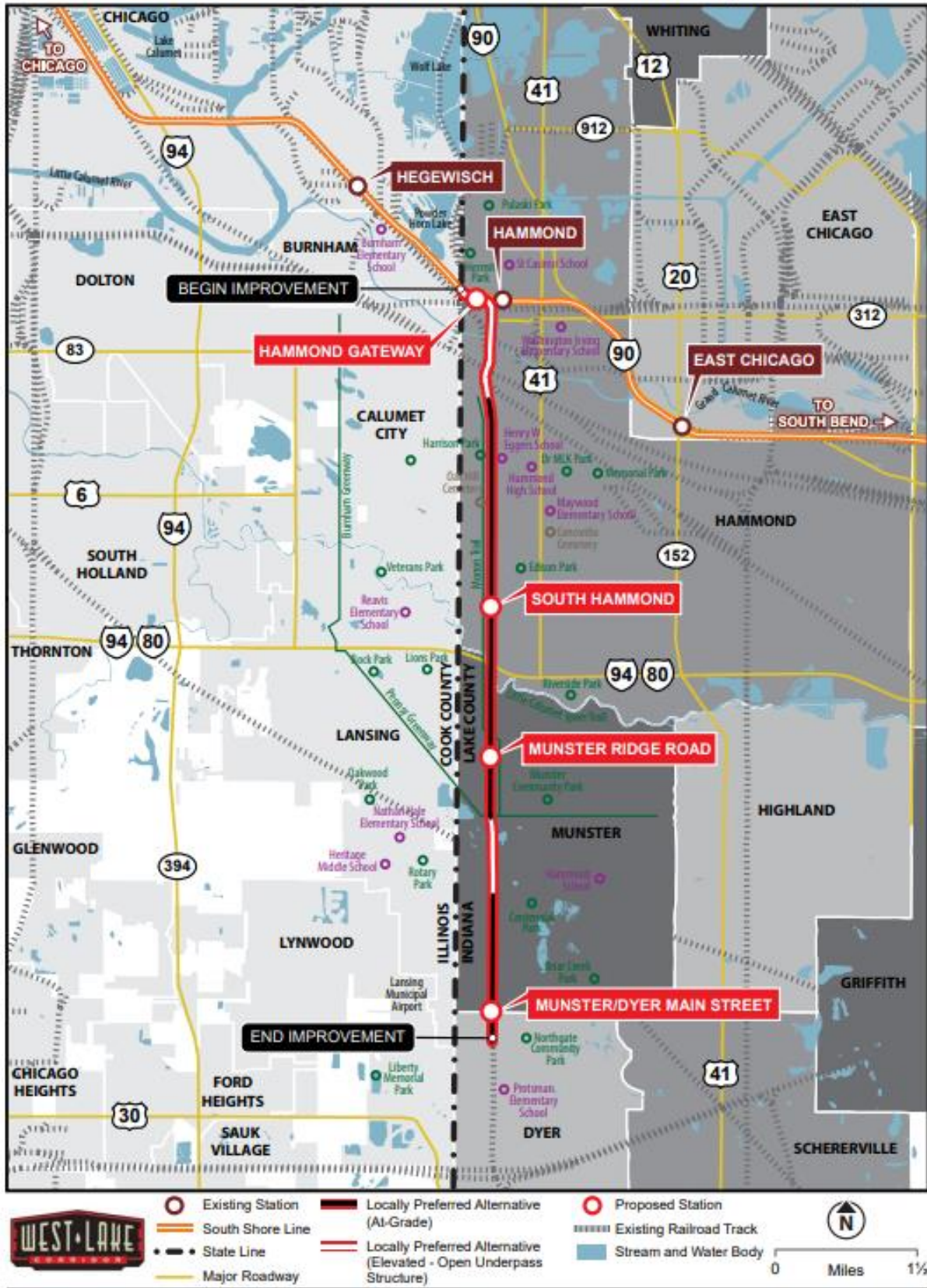
Michael Noland, President
Christine Dearing, Chief Financial Officer
Stephen Plesha, Chief Information Officer
Derrick Wright, Chief Operating Officer
Victor Babin, Chief Engineering Officer
Kevin Gebhardt, Chief Mechanical Officer
Jessie Watts, Jr., Chief of Police
Bjarne Henderson, Director of HR & Labor Relations
Kristen Coslet, Director of Safety & Training

DOUBLE TRACK N·W·I



Double Track Northwest Indiana Project
25-mile second track between Gary and Michigan City

WEST LAKE CORRIDOR PROJECT MAP - HAMMOND, IN TO DYER, IN



West Lake Corridor Project
 Approximate 8 mile extension of the South Shore Line between Hammond and Dyer, Indiana

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Northern Indiana Commuter
Transportation District
Chesterton, Indiana

Report on Financial Statements

We have audited the accompanying financial statements of the Northern Indiana Commuter Transportation District (NICTD) as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise NICTD's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NICTD as of December 31, 2020 and 2019 and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

(Continued)

Other Matters

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, although not a part of the basic financial statements, is required by 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.

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 accompanying supplementary schedules, consisting of the schedules of expenses, schedule of expenditures of federal awards as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2021 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 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 8, 2021

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 December 31, 2020 and 2019
 (In thousands of dollars)

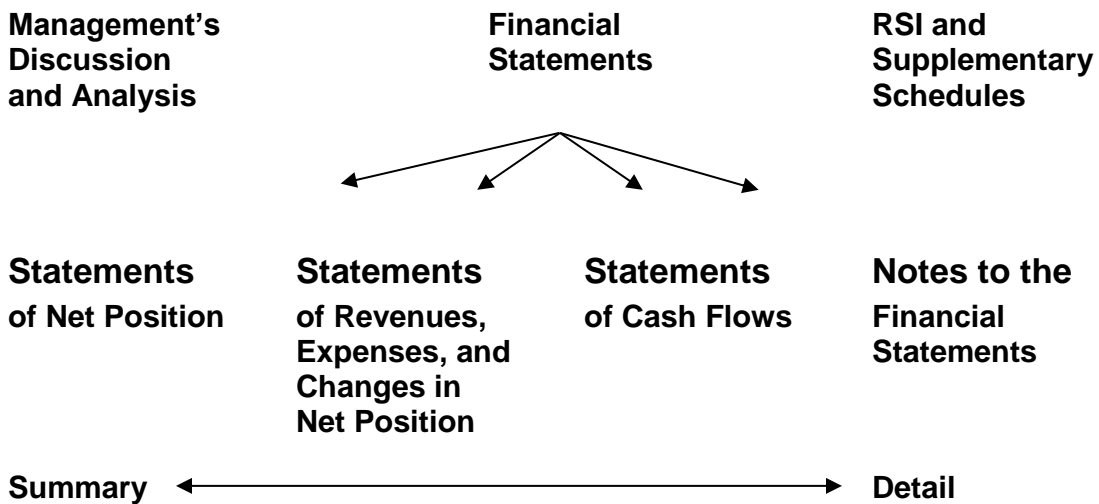
The following discussion and analysis of the Northern Indiana Commuter Transportation District's (NICTD's) financial performance provides an overview of NICTD's financial activities for the years ended December 31, 2020 and 2019.

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 Statements 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 Statements 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, 2020 and 2019
(In thousands of dollars)

Financial Highlights

- NICTD reported a \$113,147 increase to Net Position for 2020, compared to \$33,520 in 2019. This increase is primarily due to additional federal and regional funding for the West Lake project and additional regional funding for the Double Track project.
- Operating revenues decreased by \$16,180 or 71.88%, from \$22,544 in 2019 to \$6,338 in 2020. This drastic decrease was a direct result of the worldwide coronavirus, COVID-19, pandemic.
- Operating expenses increased by \$3,519 or 5.05% in 2020, from \$69,616 to \$73,135 primarily due to increased depreciation costs from the capitalization of the Positive Train Control project.
- Income before capital contributions increased by \$17,668 or 139.7% in 2020, from \$(12,647) to \$5,021 due to the availability of Federal CARES Act funding and an increase in state operating funding.
- 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. A Full Funding Grant Agreement was granted on October 28, 2020.
- NICTD submitted a formal ratings package for the Double Track Northwest Indiana project (DT-NWI) in June 2019 to the FTA's Capital Investment Grant (CIG) program as a New Starts project. A Full Funding Grant Agreement was granted on January 7, 2021.

Statements of Net Position

Total net position increased by \$113,147 in 2020 and increased by \$33,520 in 2019 (see Figures A-2a and A-2b). The largest portion of net position is net investment in capital assets, which increased \$82,025 in 2020 and increased \$24,570 in 2019 through capital improvements, which were funded by bond proceeds and contributions from federal, state, and regional governmental agencies.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020 and 2019
(In thousands of dollars)

Figure A-2a
Condensed Statements of Net Position

	<u>2020</u>	<u>2019</u>	<u>Difference</u>	<u>Percent Change</u>
Current assets	\$ 82,176	\$ 58,929	\$ 23,247	39.45%
Capital assets (net)	489,067	391,972	97,095	24.77
Other noncurrent assets	<u>51,352</u>	<u>48,196</u>	<u>3,156</u>	<u>6.55</u>
Total assets	622,595	499,097	123,498	24.77
Deferred outflows of resources	475	94	381	405.32
Current liabilities	27,382	13,680	13,702	100.16
Long-term liabilities	87,311	90,386	(3,075)	(3.40)
Other liabilities	<u>1,525</u>	<u>1,459</u>	<u>66</u>	<u>4.52</u>
Total liabilities	116,218	105,525	10,693	10.13
Deferred inflows of resources	426	387	39	10.08
Net investment in capital assets	408,169	326,144	82,025	25.15
Restricted for debt service	6,469	2,163	4,306	199.08
Restricted for capital projects	4,957	3,335	1,622	48.64
Unrestricted	<u>86,831</u>	<u>61,637</u>	<u>25,194</u>	<u>40.87</u>
Total net position	<u>\$ 506,426</u>	<u>\$ 393,279</u>	<u>\$ 113,147</u>	<u>28.77%</u>

Figure A-2b
Condensed Statements of Net Position

	<u>2019</u>	<u>2018</u>	<u>Difference</u>	<u>Percent Change</u>
Current assets	\$ 58,929	\$ 40,492	\$ 18,437	45.53%
Capital assets (net)	391,972	366,892	25,080	6.84
Other noncurrent assets	<u>48,196</u>	<u>60,871</u>	<u>(12,675)</u>	<u>(20.82)</u>
Total assets	499,097	468,255	30,842	6.59
Deferred outflows of resources	94	137	(43)	(31.39)
Current liabilities	13,680	13,553	127	0.94
Long-term liabilities	90,386	93,901	(3,515)	(3.74)
Other liabilities	<u>1,459</u>	<u>971</u>	<u>488</u>	<u>50.25</u>
Total liabilities	105,525	108,425	(2,900)	(2.67)
Deferred inflows of resources	387	208	179	0.86
Net investment in capital assets	326,144	301,574	24,750	8.15
Restricted for debt service	2,163	1,230	933	75.85
Restricted for capital projects	3,335	4,713	(1,378)	(29.24)
Unrestricted	<u>61,637</u>	<u>52,242</u>	<u>9,395</u>	<u>17.98</u>
Total net position	<u>\$ 393,279</u>	<u>\$ 359,759</u>	<u>\$ 33,520</u>	<u>9.32%</u>

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020 and 2019
(In thousands of dollars)

Statements of Revenues, Expenses and Changes in Net Position

Operating revenues decreased by \$16,206 in 2020 (see Figure A-3a), due to a significant decrease in ridership due to the coronavirus, COVID-19. Operating revenues increased by \$279 in 2019 due to a midyear fare increase (see Figure A-3b).

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating revenue	\$ 6,338	\$ 22,544	\$ 22,823
Commuter ridership	611	2,045	2,106
Off-peak ridership	<u>384</u>	<u>1,239</u>	<u>1,294</u>
Total ridership	<u>995</u>	<u>3,284</u>	<u>3,400</u>

Operating expenses increased by \$3,519 in 2020, driven primarily by an increase in insurance costs and depreciation expenses. The capitalization and subsequent depreciation of Positive Train Control in 2020 was the main cause of the depreciation expense increase. Total non-operating revenues/expenses increased by \$37,393 or 108.62% in 2020 due mostly to Federal CARES Act funding.

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

	<u>2020</u>	<u>2019</u>	<u>Difference</u>	<u>Percent Change</u>
Operating revenue	\$ 6,338	\$ 22,544	\$ (16,206)	(71.89)%
Operating expenses	<u>(73,135)</u>	<u>(69,616)</u>	<u>3,519</u>	<u>5.05</u>
Operating loss	(66,797)	(47,072)	(19,725)	41.90
Non-operating revenues/expenses	<u>71,818</u>	<u>34,425</u>	<u>37,393</u>	<u>108.62</u>
Income (loss) before contributions	5,021	(12,647)	17,668	139.70
Capital contributions	<u>108,126</u>	<u>46,167</u>	<u>61,959</u>	<u>134.21</u>
Increase in net position	113,147	33,520	79,627	237.55
Net position, beginning of year	<u>393,279</u>	<u>359,759</u>	<u>33,520</u>	<u>9.32</u>
Net position, end of year	<u>\$ 506,426</u>	<u>\$ 393,279</u>	<u>\$ 113,147</u>	<u>28.77%</u>

Operating expenses increased by \$902 in 2019. The key components of operating expenses are: transportation, maintenance, and depreciation. Transportation expenses increased by \$719 in 2019. Maintenance and depreciation expenses also increased in 2019 by \$565 and \$234, respectively. Total non-operating revenues/expenses decreased by \$3,093 or 8.2% in 2019 due primarily to a decrease in State operating assistance funding and an increase in interest expense.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020 and 2019
(In thousands of dollars)

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

	<u>2019</u>	<u>2018</u>	<u>Difference</u>	<u>Percent Change</u>
Operating revenue	\$ 22,544	\$ 22,823	\$ (279)	(1.22)%
Operating expenses	<u>(69,616)</u>	<u>(68,714)</u>	<u>902</u>	<u>1.31</u>
Operating loss	(47,072)	(45,891)	(1,181)	2.57
Non-operating revenues/expenses	<u>34,425</u>	<u>37,518</u>	<u>(3,093)</u>	<u>(8.24)</u>
Loss before contributions	(12,647)	(8,373)	(4,274)	51.05
Capital contributions	<u>46,167</u>	<u>18,920</u>	<u>27,247</u>	<u>144.01</u>
Increase in net position	33,520	10,547	22,973	217.82
Net position, beginning of year	<u>359,759</u>	<u>349,212</u>	<u>10,547</u>	<u>3.02</u>
Net position, end of year	<u>\$ 393,279</u>	<u>\$ 359,759</u>	<u>\$ 33,520</u>	<u>9.32%</u>

Figure A-3c, 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 three years of financial data.

Figure A-3c
Schedule of Revenues and Expenses

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating revenues			
Passenger fares (net of refunds)	\$ 6,329	\$ 22,509	\$ 22,788
Parking lot collections	<u>9</u>	<u>35</u>	<u>35</u>
Total operating revenues	<u>\$ 6,338</u>	<u>\$ 22,544</u>	<u>\$ 22,823</u>
Operating expenses			
Transportation	\$ 19,570	\$ 19,755	\$ 19,036
Maintenance of way	6,166	8,825	6,951
Maintenance of equipment	14,806	12,397	13,706
Claims and insurance	3,491	1,851	1,495
General and administrative	<u>8,568</u>	<u>9,165</u>	<u>10,137</u>
Depreciation	52,601	51,993	51,325
Total operating expenses	<u>\$ 73,135</u>	<u>\$ 69,616</u>	<u>\$ 68,714</u>
Nonoperating revenues (expenses)			
Federal maintenance grant	\$ -	\$ 5,421	\$ 5,589
Federal CARES Act funding	40,653	-	-
State operating assistance	13,704	10,537	12,681
Other local funds	5,171	5,151	4,945
Other revenue	1,111	1,620	1,167
Interest expense	(3,145)	(1,631)	(120)
Indefinite Situs tax	<u>14,324</u>	<u>13,327</u>	<u>13,256</u>
Total nonoperating revenues (expenses)	<u>\$ 71,818</u>	<u>\$ 34,425</u>	<u>\$ 37,518</u>

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020 and 2019
(In thousands of dollars)

Statements of Cash Flows

Cash flow used in operating activities in 2020 increased by \$18,780 (see Figure A-4a). Cash flow used for capital and related financing activities decreased by \$8,877 due to an increase in Capital grants received. Cash from investing activities increased by \$3,249 due to a increase in investment sales.

Figure A-4a
Condensed Statements of Cash Flows

	<u>2020</u>	<u>2019</u>	<u>Difference</u>	<u>Percent Change</u>
Net cash flows used in operating activities	\$ (48,162)	\$ (29,382)	\$ (18,780)	(63.92)%
Net cash flows provided by noncapital financing activities	49,960	20,024	29,936	149.50
Net cash flows provided by (used) in Capital and related financing activities	8,620	(257)	8,877	34.54
Net cash flows provided by investing activities	<u>10,589</u>	<u>7,340</u>	<u>3,249</u>	<u>44.26</u>
Net increase/(decrease) in cash and cash equivalents	21,007	(2,275)	23,282	1,023.38
Cash and equivalents, beginning of year	<u>40,756</u>	<u>43,031</u>	<u>(2,275)</u>	<u>5.29</u>
Cash and equivalents, end of year	<u>\$ 61,763</u>	<u>\$ 40,756</u>	<u>\$ 21,007</u>	<u>51.54%</u>

Cash flow used in operating activities in 2019 increased by \$583 (see Figure A-4b). Cash flow used for capital and related financing activities decreased by \$24,039 due to an increase in Capital grants received. Cash from investing activities decreased by \$22,836 due to a decrease in investment sales.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020 and 2019
(In thousands of dollars)

Figure A-4b
Condensed Statements of Cash Flows

	<u>2019</u>	<u>2018</u>	<u>Difference</u>	<u>Percent Change</u>
Net cash flows used in operating activities	\$ (29,382)	\$ (28,799)	\$ (583)	(0.02)%
Net cash flows provided by noncapital financing activities	20,024	22,171	(2,147)	(0.10)
Net cash flows used in capital and related financing activities	(257)	(24,296)	24,039	(0.98)
Net cash flows provided by investing activities	<u>7,340</u>	<u>30,176</u>	<u>(22,836)</u>	<u>(0.75)</u>
Net increase/(decrease) in cash and cash equivalents	(2,275)	(748)	(1527)	(2.04)
Cash and equivalents, beginning of year	<u>43,031</u>	<u>43,779</u>	<u>(748)</u>	<u>(1.71)</u>
Cash and equivalents, end of year	<u>\$ 40,756</u>	<u>\$ 43,031</u>	<u>\$ (2,275)</u>	<u>(5.29)%</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 2021 through 2026. NICTD expects to invest \$172,464 in capital improvements during 2021 - 2026. 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 and acquisition, 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 2021-2026. See table below for funding sources. 2020 spending amounted to \$64,871 for West Lake and \$18,413 for Double Track.

West Lake*	State/RDA/Local funding	Federal funding	Total funding
Project Costs	\$485,899	\$254,573	\$740,472
Double Track*	State/RDA/Local funding	Federal funding	Total funding
Project Costs	\$265,093	\$122,364	\$387,457

* Amounts subject to change based on actual activity.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020 and 2019
(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 \$489,067, \$391,972, and \$366,892 for 2020, 2019 and 2018. For detailed information related to Capital Asset activity, see Note 3 to the financial statements.

Debt Administration

At December 31, 2020 and 2019, NICTD had \$80,785 and \$83,025 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, 2020 and 2019 was \$8,867 and \$9,575. The original bond premium was \$11,844.

In April 2018, NICTD issued \$7.5 million in Series 2018 Bonds to replenish capital fare reserves depleted in recent years from capital improvement projects. The Series 2018 Bonds were intended to be short-term and were called in December 2018.

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

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

	<u>2020</u>	<u>2019</u>	<u>Difference</u>	<u>Percent Change</u>
Situs Tax Restricted for Debt Service	\$ 13,623	\$ 12,936	\$ 687	5.31%
Debt Payments - Series 2016 Bonds	6,147	6,150	(3)	(0.05)
	<u>2019</u>	<u>2018</u>	<u>Difference</u>	<u>Percent Change</u>
Situs Tax Restricted for Debt Service	\$ 12,936	\$ 12,615	\$ 321	2.54%
Debt Payments - Series 2016 Bonds	6,150	6,148	2	0.03
Debt Payments - Series 2018 Bonds	-	7,617	(7,617)	(100.00)

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 just under 1 million passengers in 2020; a reduction of 69.7% from 2019. Annual ridership has experienced a decline since 2016, but the 2020 COVID-19 (coronavirus) pandemic has caused a severe decline in overall ridership for 2020. The timeframe that level will be sustained is extremely challenging to forecast at this point in time. NICTD remains hopeful that as the developed vaccines become more available to the public, that ridership will rebound as 2021 progresses. NICTD continues to disinfect railcars, passenger stations, and other public common areas. Additional safety measures including social

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2020 and 2019
(In thousands of dollars)

distancing markers, sanitization stations, and added cleaning and disinfecting staff have all been put in place to further aid in protecting staff and our valued commuters.

Currently, NICTD plans to respond to COVID-19 in the following manner to address actual year to date, and potential, financial operating concerns:

- 1) Adjust service levels and staffing levels as demand dictates
- 2) Analyze and monitor operating costs and reduce appropriately and as needed
- 3) Utilize Federal CARES Act funding and current unrestricted cash reserves to cover shortfalls in operating revenue to meet ongoing operating expenses. Roughly \$30.5 million in CARES Act funding remains at 12/31/2020.
- 4) Analyze potential impacts on all revenue sources including state revenue sources, such as sales tax receipts

Operating revenue decreased by 71.88% in 2020. Operating and maintenance expenses for 2021 are expected to rise slightly from 2020's expense levels due to added maintenance staff.

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
 STATEMENTS OF NET POSITION
 December 31, 2020 and 2019
 (In thousands of dollars)

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets		
Cash and cash equivalents, unrestricted (Note 2)	\$ 3,689	\$ 2,394
Cash and cash equivalents, restricted (Note 2)	16,115	9,972
Investments, restricted (Note 2)	3,394	3,335
Receivables:		
Federal capital and planning assistance	8,722	3,555
Federal operating assistance	8,710	-
State assistance	18,971	18,113
Metra portion of operating costs	925	925
RDA/IFA receivables	11,092	12,517
Other	<u>258</u>	<u>347</u>
Total receivables	48,678	35,457
Materials and supplies inventory	7,210	5,919
Prepaid expenses	<u>3,090</u>	<u>1,852</u>
Total current assets	82,176	58,929
Noncurrent assets		
Cash and cash equivalents, unrestricted (Note 2)	33,927	26,228
Cash and cash equivalents, restricted (Note 2)	8,032	2,162
Investments, unrestricted (Note 2)	162	116
Investments, restricted (Note 2)	9,231	19,690
Capital assets not being depreciated	194,600	193,180
Capital assets being depreciated	665,557	549,750
Less accumulated depreciation	<u>(371,090)</u>	<u>(350,958)</u>
Capital assets being depreciated, net	<u>294,467</u>	<u>198,792</u>
Total capital assets, net (Note 3)	<u>489,067</u>	<u>391,972</u>
Total noncurrent assets	<u>540,419</u>	<u>440,168</u>
Total assets	622,595	499,097
DEFERRED OUTFLOWS OF RESOURCES		
OPEB (Note 5)	226	-
Pension (Note 6)	<u>249</u>	<u>94</u>
Total deferred outflows of resources	<u>475</u>	<u>94</u>
Total assets and deferred outflows of resources	<u>\$ 623,070</u>	<u>\$ 499,191</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 STATEMENTS OF NET POSITION
 December 31, 2020 and 2019
 (In thousands of dollars)

	<u>2020</u>	<u>2019</u>
LIABILITIES		
Current liabilities		
Accounts payable		
Trade	\$ 897	\$ 882
Capital projects	16,591	2,889
Payroll taxes and withholdings	523	800
Accrued interest	1,912	1,968
Unredeemed fares	53	337
Accrued injuries and damages (Note 1)	1,050	831
Other accrued expenses	4,001	3,733
Current portion - bonds payable (Note 4) (payable from restricted assets)	<u>2,355</u>	<u>2,240</u>
Total current liabilities	<u>27,382</u>	<u>13,680</u>
Long-term liabilities		
Long-term debt - bonds payable (Note 4)	87,297	90,360
Long-term lease payable (Note 4)	<u>14</u>	<u>26</u>
Total long-term liabilities	87,311	90,386
Other liabilities		
Total OPEB liability (Note 5)	811	815
Net pension liability (Note 6)	<u>714</u>	<u>644</u>
Total other liabilities	<u>1,525</u>	<u>1,459</u>
Total noncurrent liabilities	<u>88,836</u>	<u>91,845</u>
Total liabilities	116,218	105,525
DEFERRED INFLOWS OF RESOURCES		
OPEB (Note 5)	86	-
Pension (Note 6)	<u>340</u>	<u>387</u>
Total deferred inflows of resources	<u>426</u>	<u>387</u>
NET POSITION (Note 1)		
Net investment in capital assets	408,169	326,144
Restricted for debt service	6,469	2,163
Restricted for capital projects	4,957	3,335
Unrestricted	<u>86,831</u>	<u>61,637</u>
Total net position	<u>506,426</u>	<u>393,279</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 623,070</u>	<u>\$ 499,191</u>

See accompanying notes to financial statements.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 Years ended December 31, 2020 and 2019
 (In thousands of dollars)

	<u>2020</u>	<u>2019</u>
Operating revenue		
Passenger fares (net of refunds)	\$ 6,329	\$ 22,509
Parking lot collections	<u>9</u>	<u>35</u>
	<u>6,338</u>	<u>22,544</u>
 Operating expenses		
Transportation	19,570	19,755
Maintenance of way	6,166	8,825
Maintenance of equipment	14,806	12,397
Claims and insurance	3,491	1,851
General and administrative	<u>8,568</u>	<u>9,165</u>
	52,601	51,993
Depreciation	<u>20,534</u>	<u>17,623</u>
	<u>73,135</u>	<u>69,616</u>
 Operating loss	 <u>(66,797)</u>	 <u>(47,072)</u>
 Nonoperating revenues (expenses)		
Federal maintenance grant	-	5,421
Federal CARES Act funding	40,653	-
State operating assistance	13,704	10,537
Other local funds (Note 7)	5,171	5,151
Other revenue (Note 7)	1,111	1,620
Interest expense	(3,145)	(1,631)
Indefinite Situs tax	<u>14,324</u>	<u>13,327</u>
	<u>71,818</u>	<u>34,425</u>
 Gain (Loss) before capital contributions	 <u>5,021</u>	 <u>(12,647)</u>
 Capital contributions		
Federal	51,806	19,779
State	2,398	5,175
Regional governments	<u>53,922</u>	<u>21,213</u>
	<u>108,126</u>	<u>46,167</u>
 Change in net position	 113,147	 33,520
Net position at beginning of year	<u>393,279</u>	<u>359,759</u>
Net position at end of year	<u>\$ 506,426</u>	<u>\$ 393,279</u>

See accompanying notes to financial statements.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 STATEMENTS OF CASH FLOWS
 Years ended December 31, 2020 and 2019
 (In thousands of dollars)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Cash receipts from customers	\$ 7,019	\$ 23,256
Cash payments for salaries and benefits	(35,385)	(33,683)
Cash payments for insurance	(4,533)	(2,758)
Cash paid for goods and services	<u>(15,263)</u>	<u>(16,197)</u>
Net cash flows used in operating activities	<u>(48,162)</u>	<u>(29,382)</u>
Cash flows from noncapital financing activities		
State operating assistance	12,846	10,069
Federal maintenance grant	-	5,421
Federal CARES Act funding	31,943	-
Other local assistance	50	22
Metra operating subsidy	3,700	3,083
Trackage rights subsidy	<u>1,421</u>	<u>1,429</u>
Net cash flows provided by noncapital financing	<u>49,960</u>	<u>20,024</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(103,928)	(40,966)
Capital contributions	104,384	33,198
Interest paid	(3,909)	(3,678)
Indefinite Situs tax	14,324	13,327
Proceeds from asset disposition	1	-
Payment on lease liability	(12)	(3)
Payment on bonds	<u>(2,240)</u>	<u>(2,135)</u>
Net cash flows provided by (used in) capital and related financing activities	<u>8,620</u>	<u>(257)</u>
Cash flows from investing activities		
Sale (purchase) of investments	10,354	6,530
Interest received on cash equivalents and investments	<u>235</u>	<u>810</u>
Net cash flows provided by investing activities	<u>10,589</u>	<u>7,340</u>
Net increase (decrease) in cash and cash equivalents	21,007	(2,275)
Cash and cash equivalents at beginning of year	<u>40,756</u>	<u>43,031</u>
Cash and cash equivalents at end of year	<u>\$ 61,763</u>	<u>\$ 40,756</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 STATEMENTS OF CASH FLOWS
 Years ended December 31, 2020 and 2019
 (In thousands of dollars)

	<u>2020</u>	<u>2019</u>
Reconciliation of operating loss to net cash flows used in operating activities		
Operating loss	\$ (66,797)	\$ (47,072)
Adjustments to reconcile operating loss to net cash flows used in operating activities:		
Depreciation expense	20,534	17,623
Change in assets and liabilities		
Receivables	966	695
Materials and supplies inventories	(1,291)	1
Prepaid expenses	(1,238)	(766)
Deferred outflows	(381)	43
Accounts payable - trade	15	(173)
Unredeemed fares	(284)	17
Net OPEB liability	(4)	246
Accrued injuries and damages	219	(128)
Accrued and withheld items	(9)	280
Net pension liability	70	(327)
Deferred inflows	<u>39</u>	<u>179</u>
Net cash flows used in operating activities	<u>\$ (48,162)</u>	<u>\$ (29,382)</u>
Noncash capital and related financing activities		
Capital assets included in accounts payable		
End of year	\$ 16,591	\$ 2,889
Beginning of year	2,889	2,824
Capital assets included in lease payable		
End of year	\$ 14	\$ 43
Beginning of year	43	-
Capital contributions included in accounts receivable		
End of year	\$ 19,814	\$ 16,072
Beginning of year	16,072	3,105

See accompanying notes to financial statements.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

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.

Reclassifications: Certain amounts from the prior year have been reclassified to conform to the current year presentation. The reclassifications had no effect on net position or change in net position.

Recent Events: In December 2019, a novel strain of coronavirus (COVID-19) spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. In March 2020, the State of Indiana and Illinois issued statewide shelter-in-place orders that continue to have a significant impact on the operations and business results of NICTD. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the COVID-19 and the actions required to contain the COVID-19. Management has not included any contingencies in the financial statements specific to this recent event.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

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

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

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

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

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

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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.

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.

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: Deferred outflows of resources represent a consumption of net position that applies to a future period(s). Deferred inflows of resources represent an acquisition of net position 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 and net OPEB liability that will be amortized in future periods.

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

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

Restricted for Debt Service: This represents amounts of 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.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 \$292 million. The coverage from \$3 million to \$292 million is with several insurance carriers. During 2020, 2019, and 2018, 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 2020 and there were no settlements that exceeded insurance coverage during 2020, 2019, or 2018 for those risks that NICTD purchased insurance.

Accrued injuries and damages claims activity for the year ended December 31, 2020, 2019, and 2018 was as follows in thousands of dollars:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Unpaid claims, beginning of year	\$ 831	\$ 959	\$ 1,471
Incurred claims and changes in claim estimates	460	83	(240)
Claim payments	<u>(241)</u>	<u>(211)</u>	<u>(272)</u>
Unpaid claims, end of year	<u>\$ 1,050</u>	<u>\$ 831</u>	<u>\$ 959</u>

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

	<u>2020</u>	<u>2019</u>
Unrestricted		
General fund	\$ 3,689	\$ 2,394
Accident claims reserve	6,814	6,790
Capital asset reserve	<u>27,113</u>	<u>19,438</u>
Total unrestricted	37,616	28,622
Restricted		
Bond proceeds/local grants restricted for acquisition of capital assets	17,678	9,972
Indefinite Situs tax restricted for debt repayment	<u>6,469</u>	<u>2,162</u>
Total restricted	<u>24,147</u>	<u>12,134</u>
	<u>\$ 61,763</u>	<u>\$ 40,756</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

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

Investments at December 31, 2020 and 2019 are as follows in thousands of dollars:

<u>Description</u>	<u>2020</u> <u>Amount</u>	<u>2019</u> <u>Amount</u>
Government agency securities, unrestricted	\$ 162	\$ 116
Taxable Money Market Funds, restricted	3,550	19,912
U.S. Treasury securities, restricted	5,999	-
Government agency securities, restricted	<u>3,076</u>	<u>3,113</u>
	<u>\$ 12,787</u>	<u>\$ 23,141</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, 2020 and 2019, all investment maturities are less than one year. Interest rate ranges for 2020 and 2019, respectively, are 0.03% to 0.09% and 1.52% to 1.67%.

Investments are allocated as follows in thousands of dollars:

	<u>2020</u>	<u>2019</u>
Unrestricted		
Deferred benefit plan reserve	\$ 162	\$ 116
Total unrestricted	162	116
Restricted		
Bond proceeds/local grants restricted for acquisition of capital assets	9,231	19,690
Indefinite Situs tax restricted for debt repayment	<u>3,394</u>	<u>3,335</u>
Total restricted	<u>12,625</u>	<u>23,025</u>
	<u>\$ 12,787</u>	<u>\$ 23,141</u>

Cash and Investment Deposits: NICTD maintains deposits with seven area financial institutions. A summary of these deposits as of December 31, 2020 and 2019 is as follows in thousands of dollars:

	<u>2020</u>		<u>2019</u>	
	<u>Carrying</u> <u>Amount</u>	<u>Balance</u> <u>Per Bank</u>	<u>Carrying</u> <u>Amount</u>	<u>Balance</u> <u>Per Bank</u>
On hand	\$ 1	\$ -	\$ 1	\$ -
On deposit				
Insured by FDIC	1,000	1,000	1,000	1,000
Insured by IPDIF	60,762	61,581	39,755	40,170
Held in US Treasury/Gov't Agency	<u>12,787</u>	<u>12,787</u>	<u>23,141</u>	<u>23,141</u>
	<u>\$ 74,550</u>	<u>\$ 75,368</u>	<u>\$ 63,897</u>	<u>\$ 64,311</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.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

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

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 - CAPITAL ASSETS

Construction in progress includes activities for the development and placement of capital assets into service. During 2020, reductions to CIP of \$116,262 thousand were comprised of \$116,208 thousand transfers to capital assets and \$54 thousand of expensed CIP projects. A summary of changes in capital assets is as follows in thousands of dollars:

	Balance January 1, <u>2020</u>	<u>Changes During Year</u>		Balance December 31, <u>2020</u>
		<u>Additions</u>	<u>Reductions</u>	
Capital assets not being depreciated:				
Land	\$ 8,555	\$ -	\$ -	\$ 8,555
Construction in progress	<u>184,625</u>	<u>117,682</u>	<u>(116,262)</u>	<u>186,045</u>
Total capital assets not being depreciated	<u>193,180</u>	<u>117,682</u>	<u>(116,262)</u>	<u>194,600</u>
Capital assets being depreciated:				
Rolling stock (including capital spare parts)	207,233	931	-	208,164
Buildings and improvements	208,759	7,344	-	216,103
Track work and substations	58,912	417	-	59,329
Positive train control	-	105,713	-	105,713
Bridges and crossings	57,129	-	-	57,129
Machinery and equipment	11,857	796	(223)	12,430
Information system and office equipment	1,080	561	(29)	1,612
Autos and trucks	<u>4,780</u>	<u>447</u>	<u>(150)</u>	<u>5,077</u>
Total capital assets being depreciated	549,750	116,209	(402)	665,557
Less accumulated depreciation:				
Rolling stock (including capital spare parts)	148,565	3,739	-	152,304
Buildings and improvements	159,588	10,894	-	170,482
Track work and substations	1,292	7	-	1,299
Positive train control	58,912	2,643	-	2,643
Bridges and crossings	29,977	1,784	-	31,761
Machinery and equipment	8,037	605	(223)	8,419
Information system and office equipment	702	87	(29)	760
Autos and trucks	<u>2,797</u>	<u>775</u>	<u>(150)</u>	<u>3,422</u>
Total accumulated depreciation	<u>350,958</u>	<u>20,534</u>	<u>(402)</u>	<u>371,090</u>
Total capital assets being depreciated, net	<u>198,792</u>	<u>95,675</u>	<u>-</u>	<u>294,467</u>
Total capital assets, net	<u>\$ 391,972</u>	<u>\$ 213,357</u>	<u>\$ (116,262)</u>	<u>\$ 489,067</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 3 - CAPITAL ASSETS (Continued)

During 2019, reductions to CIP of \$7,042 thousand were comprised of \$6,505 thousand transfers to capital assets, \$331 thousand to land, and \$206 thousand of expensed CIP projects. A summary of changes in capital assets is as follows in thousands of dollars:

	Balance January 1, <u>2019</u>	<u>Changes During Year</u>		Balance December 31, <u>2019</u>
		<u>Additions</u>	<u>Reductions</u>	
Capital assets not being depreciated:				
Land	\$ 8,224	\$ 331	\$ -	\$ 8,555
Construction in progress	<u>148,758</u>	<u>42,909</u>	<u>(7,042)</u>	<u>184,625</u>
Total capital assets not being depreciated	<u>156,982</u>	<u>43,240</u>	<u>(7,042)</u>	<u>193,180</u>
Capital assets being depreciated:				
Rolling stock (including capital spare parts)	207,233	-	-	207,233
Buildings and improvements	207,500	1,259	-	208,759
Track work and substations	57,150	1,762	-	58,912
Bridges and crossings	55,101	2,028	-	57,129
Machinery and equipment	11,315	594	(52)	11,857
Information system and office equipment	964	117	(1)	1,080
Autos and trucks	<u>4,682</u>	<u>745</u>	<u>(647)</u>	<u>4,780</u>
Total capital assets being depreciated	543,945	6,505	(700)	549,750
Less accumulated depreciation:				
Rolling stock (including capital spare parts)	144,840	3,725	-	148,565
Buildings and improvements	148,825	10,763	-	159,588
Track work and substations	1,285	7	-	1,292
Bridges and crossings	28,137	1,840	-	29,977
Machinery and equipment	7,506	583	(52)	8,037
Information system and office equipment	645	58	(1)	702
Autos and trucks	<u>2,797</u>	<u>647</u>	<u>(647)</u>	<u>2,797</u>
Total accumulated depreciation	<u>334,035</u>	<u>17,623</u>	<u>(700)</u>	<u>350,958</u>
Total capital assets being depreciated, net	<u>209,910</u>	<u>(11,118)</u>	<u>-</u>	<u>198,792</u>
Total capital assets, net	<u>\$ 366,892</u>	<u>\$ 32,122</u>	<u>\$ (7,042)</u>	<u>\$ 391,972</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 4 - LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2020 and 2019 is as follows (in thousands of dollars):

	January 1, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	December 31, <u>2020</u>	Due Within <u>One Year</u>	Long-Term <u>Portion</u>
Bonds payable:						
Bonds payable – 2016	\$ 83,025	\$ -	\$ 2,240	\$ 80,785	\$ 2,355	\$ 78,430
Premium on bonds payable	<u>9,575</u>	<u>-</u>	<u>708</u>	<u>8,867</u>	<u>-</u>	<u>8,867</u>
Total bonds payable	92,600	-	2,948	89,652	2,355	87,297
Capital lease payable	<u>40</u>	<u>3</u>	<u>14</u>	<u>28</u>	<u>14</u>	<u>14</u>
Total	<u>\$ 92,640</u>	<u>\$ 3</u>	<u>\$ 2,962</u>	<u>\$ 89,680</u>	<u>\$ 2,369</u>	<u>\$ 87,311</u>
	January 1, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	December 31, <u>2019</u>	Due Within <u>One Year</u>	Long-Term <u>Portion</u>
Bonds payable:						
Bonds payable – 2016	\$ 85,160	\$ -	\$ 2,135	\$ 83,025	\$ 2,240	\$ 80,785
Premium on bonds payable	<u>10,307</u>	<u>-</u>	<u>732</u>	<u>9,575</u>	<u>-</u>	<u>9,575</u>
Total bonds payable	95,467	-	2,867	92,600	2,240	90,360
Capital lease payable	<u>-</u>	<u>43</u>	<u>3</u>	<u>40</u>	<u>14</u>	<u>26</u>
Total	<u>\$ 95,467</u>	<u>\$ 288</u>	<u>\$ 2,869</u>	<u>\$ 92,640</u>	<u>\$ 2,254</u>	<u>\$ 90,386</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.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 4 - LONG-TERM LIABILITIES (Continued)

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

<u>Year Ending</u> <u>December 31</u>	<u>2016 Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 2,355	\$ 3,794	\$ 6,149
2022	2,475	3,675	6,150
2023	2,600	3,549	6,149
2024	2,695	3,452	6,147
2025	2,830	3,317	6,147
2026-2030	16,430	14,314	30,744
2031-2035	20,190	10,550	30,740
2036-2040	25,355	5,389	30,744
2041	<u>5,855</u>	<u>293</u>	<u>6,148</u>
	<u>\$ 80,785</u>	<u>\$ 48,333</u>	<u>\$ 129,118</u>

Interest expense was \$3,145 thousand and \$1,631 thousand at December 31, 2020 and 2019 respectively. Total interest paid was \$3,145 thousand and \$3,625 thousand for 2020 and 2019, respectively.

The cumulative amount of interest and amortization expense capitalized in non-depreciable assets (CIP) was \$13,632 thousand in 2019. Interest was capitalized in 2020 upon completion of the Positive train control project.

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, 2020 and 2019, NICTD has \$36.8 million and \$35.2 million 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>2020</u>	<u>2019</u>
CRSF – Indefinite Situs Tax Funds Received	\$ 13,623	\$ 12,936
CRSF – Sales Tax Funds Received	10,281	10,006
Electric Rail Service Funds Received	208	173

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

	<u>2020</u>	<u>2019</u>
Debt Service Payments – 2016 Bonds	\$ 6,147	\$ 6,150

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2020 and 2019

NOTE 4 - LONG-TERM LIABILITIES (Continued)

Capital Lease: On October 28, 2019, NICTD entered into a capital lease agreement for \$43 thousand with Canon Solutions America, Inc., for the purpose of leasing eight copy machines. The lease term is 36 months and has an end of term purchase option for \$1. NICTD intends to exercise this option at the lease end. The interest rate is 3%. An addition of \$3 thousand has been recorded for 2020 due to a change in the calculation of present value of the copier lease.

NOTE 5 - 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 \$578 thousand of NICTD's cash and cash equivalents is designated for this health plan. Approximately 80 retired and active employees are covered under this plan. Vision insurance was added to the plan effective January 1, 2020. The plan does not issue separate audited financial statements.

Total OPEB Liability: NICTD recognized a change of \$4 thousand and \$246 thousand in postretirement health plan obligations for 2020 and 2019, respectively. The accumulated OPEB liability was \$811 thousand and \$815 thousand as of December 31, 2020 and 2019, respectively.

Actuarial assumptions: The total OPEB liability in the December 31, 2020 and 2019 actuarial valuation was determined using the following actuarial assumptions:

- Measurement Date – December 31, 2020 and December 31, 2019
- Actuarial Valuation Date – January 1, 2020 with results actuarially projected on a “no gain/no loss” basis to get to the December 31, 2020 measurement date. Liabilities as of January 1, 2020 are based on an actuarial valuation date of January 1, 2020 with no adjustments.
- Discount Rate – 2.12% as of December 31, 2020 and 3.26% as of December 31, 2019
- Payroll Growth – 2.00%
- Inflation – 3.00%
- 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	FYE	Medical / RX
2020	8.0%	2023	6.5%	2026	5.0%
2021	7.5%	2024	6.0%	2027+	4.5%
2022	7.0%	2025	5.5%		

Dental and vision premiums are expected to increase at a constant rate of 4% 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, 2020. 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.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 5 - EMPLOYEES' POSTRETIREMENT HEALTH PLANS (OPEB) (Continued)

Total OPEB Liability (in thousands)	2020	2019
Balance at beginning of year	\$ 815	\$ 569
Service cost	47	32
Interest	27	24
Change of benefit terms	2	-
Changes in assumptions	56	67
Differences between expected and actual experience	(86)	166
Benefit payments	<u>(50)</u>	<u>(43)</u>
Net changes	<u>(4)</u>	<u>246</u>
Balance at end of year	<u>\$ 811</u>	<u>\$ 815</u>

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</u>	<u>Current Rate</u>	<u>1% Increase</u>
	1.12%	2.12%	3.12%
2020	\$ 864	\$ 811	\$ 762
	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
	2.26%	3.26%	4.26%
2019	\$ 866	\$ 815	\$ 768

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</u>	<u>Current Rate</u>	<u>1% Increase</u>
	(6.5%	(7.5%	(8.5%
	decreasing	decreasing	decreasing
	to 3.5%)	to 4.5%)	to 5.5%)
2020	\$ 737	\$ 811	\$ 899
2019	\$ 754	\$ 815	\$ 885

OPEB expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB: For the years ended December 31, NICTD recognized OPEB expense of \$(144) thousand for 2020 and \$245 thousand for 2019. At December 31, 2020, 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	\$ 124	\$ 77
Changes in assumptions	<u>102</u>	<u>9</u>
Total	<u>\$ 226</u>	<u>\$ 86</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2020 and 2019

NOTE 5 - EMPLOYEES' POSTRETIREMENT HEALTH PLANS (OPEB) (Continued)

Amounts reported as deferred outflows / (inflows) of resources will be recognized in OPEB expense as follows (in thousands):

Year ended December 31:		
2021	\$	23
2022		21
2023		26
2024		26
2025		25
Thereafter		19
	<u>\$</u>	<u>140</u>

NOTE 6 - 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.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2020 and 2019

NOTE 6 - EMPLOYEES' RETIREMENT PLANS (Continued)

Early Retirement Benefit - Age 50 and minimum of 15 years of creditable service (44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59).

Disability Benefit - An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of \$180 per month).

Survivor Benefit - If a member dies after June 30, 2018, a spouse or dependent beneficiary of a member with a minimum of 10 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member's death. If a member dies while receiving a benefit, a beneficiary receives the benefit associated with the member's selected form of payment Five Year Certain & Life, Joint with 100 percent Survivor Benefits, Joints with Two-Thirds Benefits, or Joint with One-Half Survivor Benefits.

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. Historically, eligible members receive a one-time check (13th check) with the dollar amount tied to years of service. For the year ended June 30, 2020, postretirement benefits of \$30.6 million were issued to members as a 13th check.

Contributions: Contributions are determined by the INPRS Board of Trustees based on an actuarial valuation. During fiscal year 2020, all participating employers were required to contribute 11.2 percent of covered payroll for Hybrid members, with 0.44 percent 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 8.0 percent of covered payroll for the State and 7.3 percent for political subdivisions. No member contributions are required.

During fiscal year 2019, all participating employers were required to contribute 11.2 percent of covered payroll for Hybrid members. For PERF MC DC plan members, the political subdivisions were required to contribute a supplemental cost of 7.4 percent of covered payroll as of July 1, 2019, which decreased from 7.8 percent as of July 1, 2018. No member contributions are required.

NICTD made payments equal to their annual required contribution of 11.2% for the last three years as follows (in thousands of dollars):

<u>Year Ended December 31</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2020	\$ 128	100%
2019	142	100%
2018	135	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, 2020 and 2019

NOTE 6 - 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, 2020
- Asset valuation date – June 30, 2020
- Liability valuation date – June 30, 2019 – Member census data as of June 30, 2019 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2019 and June 30, 2020. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2019 to the June 30, 2020 measurement date.
- 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 – 6.75%, includes inflation and net of investment expenses
- COLA – In lieu of a 1% COLA occurring beginning on January 1, 2020, the COLA was replaced by a 13th check for 2020 and 2021. The COLA assumption thereafter will be 0.4% beginning on January 1, 2022, 0.5% beginning on January 1, 2034, and 0.6% beginning on January 1, 2039.
- Future salary increases, including inflation – 2.75% - 8.75%
- Inflation – 2.25%
- Mortality assumptions – Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

Mortality rates for healthy members were based on the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Table, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report. Mortality rates for disabled members were based on the RP-2014 (with MP-2014 improvement removed) Disability Mortality Table, with future mortality improvement projected generationally using future mortality improvement inherent in the Social Security Administration's 2014 Trustee report.

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 approved by the Board in June 2020 and updated as appropriate based on the results of the study for the June 30, 2020 actuarial valuation.

Changes in Assumptions from the Prior Year:

- The future salary increase assumption changed from an age-based table ranging from 2.50% - 4.25% to a service-based table ranging from 2.75% to 8.75%.
- The mortality assumption changed from RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations
- The retirement assumption was updated based on a recent experience and was updated for an age and service-based table to an age-based table dependent on eligibility for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously 33 percent of actives were assumed to commence benefits with early retirement while 67 percent were assumed to wait for unreduced retirement eligibility.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2020 and 2019

NOTE 6 - EMPLOYEES' RETIREMENT PLANS (Continued)

- The termination assumption was updated based on recent experience. For state members the tables were combined from being split by salary and sex to being one unisex service-based table. For members in political subdivision earning more than \$20,000, the sex-distinct tables were combined to one unisex service-based table. For members in political subdivisions earning less than \$20,000, the sex distinct age-based table was maintained and the rates were updated based on experience.
- The disability assumption was updated based on recent experience.
- The material assumption was updated based on recent experience. 80 percent of male members and 65 percent of female members are assumed to be married or to have a depended beneficiary. Previously, 75 percent of male members and 60 percent of female members were assumed to be married or to have a dependent beneficiary.
- The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

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 6.75% 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 underling inputs, but may change with a fundamental shift in the underlying market factors or significant asset allocation change.

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

	Target		Geometric Basis	
	<u>Asset Allocation</u>		<u>Long-Term Expected</u>	
	<u>2020</u>	<u>2019</u>	<u>Real Rate of Return</u>	<u>2019</u>
Public Equity	22.0%	22.0%	4.4%	4.9%
Private Equity	14.0%	14.0%	7.6%	7.0%
Fixed Income – ExInflation-Linked	20.0%	20.0%	1.9%	2.5%
Fixed Income – Inflation-Linked	7.0%	7.0%	0.5%	1.3%
Commodities	8.0%	8.0%	1.6%	2.0%
Real Estate	7.0%	7.0%	5.8%	6.7%
Absolute Return	10.0%	10.0%	2.9%	2.9%
Risk Parity	12.0%	12.0%	5.5%	5.3%

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2020 and 2019

NOTE 6 - EMPLOYEES' RETIREMENT PLANS (Continued)

Discount rate: Total pension liability for each defined benefit pension plan was calculated using the discount rate of 6.75 percent for both 2020 and 2019. 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 (6.75 percent). 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 6.75 percent, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%), or one percentage point higher (7.75%) than the current rate (in thousands of dollars):

	<u>1% Decrease</u> (5.75%)	<u>Current Rate</u> (6.75%)	<u>1% Increase</u> (7.75%)
2020	\$ 1,164	\$ 714	\$ 337
2019	\$ 1,034	\$ 644	\$ 318

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, 2020 and 2019

NOTE 6 - 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, 2020, NICTD reported a liability of \$714 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, 2020 measurement date was 0.02363%.

At December 31, 2019, NICTD reported a liability of \$644 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, 2019 measurement date was 0.01948%.

For the year ended December 31, 2020, NICTD recognized pension expense of \$(5) thousand, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of \$(62). At December 31, 2020, 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	\$ 10
Net difference between projected and actual earnings on pension plan investments	61	-
Changes in assumptions	-	149
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>116</u>	<u>181</u>
Total that will be recognized in pension expense (income) based on table below	190	340
Pension contributions subsequent to measurement date	<u>59</u>	<u>-</u>
Total	<u>\$ 249</u>	<u>\$ 340</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2020 and 2019

NOTE 6 - EMPLOYEES' RETIREMENT PLANS (Continued)

For the year ended December 31, 2019, NICTD recognized pension expense of \$17 thousand, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of \$(85) thousand. At December 31, 2019, 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	\$ 17	\$ -
Net difference between projected and actual earnings on pension plan investments	-	30
Changes in assumptions	-	70
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>3</u>	<u>287</u>
Total that will be recognized in pension expense (income) based on table below	20	387
Pension contributions subsequent to measurement date	<u>74</u>	<u>-</u>
Total	<u>\$ 94</u>	<u>\$ 387</u>

Deferred outflows of resources resulting from employer contributions subsequent to the June 30, 2020 and 2019 measurement dates are recognized as a reduction of net pension liability in the year ending December 31, 2021 and 2020, respectively. 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:

<u>Year Ending December 31, 2020 (in thousands)</u>	<u>Amount</u>
2021	\$ (135)
2022	(63)
2023	22
2024	<u>26</u>
	<u>\$ (150)</u>

(Continued)

NOTE 6 - EMPLOYEES' RETIREMENT AND POSTRETIREMENT HEALTH PLANS (Continued)

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.

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).

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 6 - EMPLOYEES' RETIREMENT PLANS (Continued)

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 last three years as follows (in thousands of dollars):

<u>Year Ended</u> <u>December 31</u>	<u>Annual Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
2020	\$ 34	100%
2019	38	100%
2018	36	100%

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.

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NOTE 6 - EMPLOYEES' RETIREMENT PLANS (Continued)

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 2020 and 2019 by NICTD amounted to \$267 thousand and \$255 thousand (5% of covered payroll) for Class I employees and \$86 thousand and \$100 thousand (8% of covered payroll) for Class II employees.

Covered payroll for 2020 and 2019 amounted to \$5,347 thousand and \$5,093 thousand for Class I employees and \$1,076 thousand and \$1,252 thousand for Class II employees.

Additional contributions of 1.5% of 2018 taxable wages were made in 2019. This amounted to \$59 thousand for Class I employees and \$17 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 2020 and 2019 by NICTD amounted to \$31 thousand and \$32 thousand for clerks, \$15 thousand and \$16 thousand for dispatchers, \$144 thousand and \$157 thousand for collectors/ conductors and engineers, and \$23 thousand and \$24 thousand for car men, cleaners, and machinists. Qualifying hours for 2020 and 2019 were 31 thousand and 32 thousand for clerks, 15 thousand and 16 thousand for dispatchers, 144 thousand and 157 thousand for collectors/ conductors and engineers, and 152 thousand and 158 thousand for car men, cleaners, and machinists.

Both plans are administered by NICTD. Benefit terms are established or amended by the plans' trustees. There were no securities of, or loans to, NICTD or related parties in the Plan assets.

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 in custodial funds for participants was \$102 thousand at December 31, 2020.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 7 - OTHER NONOPERATING REVENUE (EXPENSE)

Other local funds, other revenue, and other expense at December 31, 2020 and 2019 consist of the following in thousands of dollars:

	<u>2020</u>	<u>2019</u>
Other local funds		
Metra Purchase of Service Fee	\$ 3,700	\$ 3,700
Metra Electric District Study	50	22
Chicago South Shore and South Bend Railroad	<u>1,421</u>	<u>1,429</u>
Total other local funds	<u>\$ 5,171</u>	<u>\$ 5,151</u>
Other revenue		
Interest – unreserved	\$ 235	\$ 810
Rental income	364	344
Sale of maintenance services	3	3
Sale of scrap material	346	212
Advertising activities	153	112
Miscellaneous	<u>10</u>	<u>139</u>
Total other revenue	<u>\$ 1,111</u>	<u>\$ 1,620</u>
Other expense		
Interest expense	<u>\$ 3,145</u>	<u>\$ 1,631</u>
Total other expense	<u>\$ 3,145</u>	<u>\$ 1,631</u>

NOTE 8 - 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 \$2.67 million and \$2.62 million in MOW fees in 2020 and 2019, respectively. 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 2020 and 2019, \$1,421 thousand and \$1,429 thousand, respectively, in ROI fees were recognized and reported as part of “other local funds” in the accompanying statement of revenue and expense and change in net position.

NOTE 9 - 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 CSS line. The existing Purchase of Service expires December 31, 2024. The operating subsidy for 2020 and 2019 amounted to \$3.7 million and \$3.7 million, respectively. This amount is reported in “Other local funds.”

Additionally, NICTD and Metra 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 expires December 31, 2024. NICTD recognized \$7.9 million and \$7.7 million in total trackage rights expense for 2020 and 2019, respectively.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 10 - COMMITMENTS AND CONTINGENCIES

The following summarizes the significant commitments and contingencies at December 31, 2020 and 2019:

- (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.
- (b) NICTD has a self-funded 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 \$103 thousand and \$79 thousand has been recorded by NICTD at December 31, 2020 and 2019 to estimate payment of claims pending on that date. Group insurance expense related to this plan totaled \$1,755 thousand and \$1,463 thousand for the years ended December 31, 2020 and 2019. Approximately 300 union employees are covered under a separate national multi-employer railroad plan. Total health insurance expenses for the years ended December 31, 2020 and 2019 totaled \$7,967 thousand and \$7,535 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, will not be significant.
- (d) NICTD had the following significant contractual capital commitments as of December 31 (in thousands of dollars):

<u>Project</u>	<u>2020</u>	<u>2019</u>
Track Equipment	\$ -	\$ 391
Track Improvements	14	1,359
Station & Facility Improvements	596	2,062
Railcar Rehabilitation	3,537	2,318
Vehicles	498	352
Catenary Phase III	59	1,844
Bridges	-	14
Positive Train Control	2,843	11,007
West Lake Corridor Project	592,456	19,330
Double Track Project	19,093	29,314
Substations	1,739	318
Others	<u>3,249</u>	<u>1,992</u>
Total	<u>\$ 624,084</u>	<u>\$ 70,301</u>

REQUIRED SUPPLEMENTARY INFORMATION

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN NICTD'S TOTAL
 OPEB LIABILITY AND RELATED RATIOS (in thousands)
 December 31, 2020

Total OPEB liability	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Service cost	\$ 47	\$ 32	\$ 30	\$ 29
Interest	27	24	20	20
Changes in benefit terms	2	-	-	-
Changes in assumptions	56	67	(24)	13
Differences between expected and actual experience	(86)	166	-	-
Benefit payments	<u>(50)</u>	<u>(43)</u>	<u>(33)</u>	<u>(28)</u>
Net change in total OPEB liability	(4)	246	(7)	34
Total OPEB liability - beginning	<u>815</u>	<u>569</u>	<u>576</u>	<u>542</u>
Total OPEB liability – ending	<u>\$ 811</u>	<u>\$ 815</u>	<u>\$ 569</u>	<u>\$ 576</u>
Covered employee payroll	6,341	5,755	5,903	5,055
Total OPEB liability as a percentage of covered-employee payroll	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:

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, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
NICTD's proportion of the net pension liability	0.0236%	0.0195%	0.0286%	0.0303%	0.0282%	0.0302%
NICTD's proportionate share of the net pension liability	\$ 714	\$ 644	\$ 971	\$ 1,350	\$ 1,278	\$ 1,230
NICTD's covered payroll	\$ 1,276	\$ 1,015	\$ 1,459	\$ 1,552	\$ 1,299	\$ 1,447
NICTD's proportion of the net pension liability as a percentage of its covered payroll	56.0%	63.4%	66.6%	87.0%	98.4	85.0
Plan fiduciary net position as a percentage of the total pension liability	81.4%	80.1%	78.9%	72.7%	71.2%	73.3%

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, 2020
- Liability valuation date – June 30, 2019 – Member census data as of June 30, 2019 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2019 and June 30, 2020. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2019 and June 30, 2020 measurement date.
- 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 – 6.75%
- COLA – In lieu of a 1% COLA occurring beginning on January 1, 2020, the COLA was replaced by a 13th check for 2020 and 2021. The COLA assumption thereafter will be 0.4% beginning on January 1, 2022, 0.5% beginning on January 1, 2034, and 0.6% beginning on January 1, 2039.
- Future salary increases, including inflation – 2.75% - 8.75%
- Inflation – 2.25%
- 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 CONTRIBUTIONS – PERF (in thousands)
 December 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 128	\$ 142	\$ 135	\$ 173	\$ 159	\$ 147
Contributions in relation to the statutorily required contribution	<u>(128)</u>	<u>(142)</u>	<u>(135)</u>	<u>(173)</u>	<u>(159)</u>	<u>(147)</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NICTD's contributions as a percentage of statutorily required contribution for pension	100%	100%	100%	100%	100%	100%
NICTD's covered payroll	\$ 1,138	\$ 1,266	\$ 1,205	\$ 1,542	\$ 1,416	\$ 1,309
Contributions as a percentage of its covered payroll	11.2%	11.2%	11.2%	11.2%	11.2%	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: 2.25%

Salary increases: 2.50% - 4.25% based on service

Investment rate of return: 6.75%

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 actuarially determined contribution rate for the State for the fiscal year ended 6/30/16 was 9.80%; however, the INPRS Board approved a State employer contribution rate of 11.20%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/17 was 10.11%; however, the INPRS Board approved a State employer contribution rate of 11.2%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/18 was 9.89%; however, the INPRS Board approved a State employer contribution rate of 11.2%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/19 was 10.03%; however, the INPRS Board approved a State employer contribution rate of 11.2%. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/20 was 7.83%. In addition, SEA 373-2018 mandated that the cost of any expected post retirement benefit increases after 6/30/2018 be broken out into separate surcharges. The surcharges used in the fiscal year ended 6/30/20 are 0.43% for 7/1/19-12/31/19 and 0.44% for 1/1/20-6/30/20. However, the INPRS Board approved a State employer contribution rate of 11.2%, which includes both the base benefit and surcharge rates. The actual dollar amount of the State's contributions depends on the actual payroll for the fiscal year.

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.

SUPPLEMENTARY SCHEDULES

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULES OF EXPENSES
Years ended December 31, 2020 and 2019
(In thousands of dollars)

	<u>2020</u>	<u>2019</u>
TRANSPORTATION		
Salaries and wages	\$ 6,432	\$ 6,172
Fringe benefits and payroll taxes	4,621	4,852
Equipment expense	-	7
Repairs and maintenance materials	4	5
Operating costs	8,236	8,128
Utilities	211	201
Professional Services	14	23
Other services	111	253
Office supplies	16	19
Administration	(78)	92
Rents and leases	<u>3</u>	<u>3</u>
	19,570	19,755
MAINTENANCE OF WAY EXPENSES		
Salaries and wages	3,324	3,914
Fringe benefit and payroll taxes	3,140	3,194
Equipment expense	94	97
Repairs and maintenance materials	1,126	1,800
Traction power	1,686	2,199
Operating costs	(2,440)	(2,349)
Utilities	286	304
Professional services	297	347
Other services	638	633
Office supplies	44	31
Administration	(2,052)	(1,418)
Rents and leases	<u>23</u>	<u>73</u>
	6,166	8,825
MAINTENANCE OF EQUIPMENT EXPENSES		
Salaries and wages	6,617	5,437
Fringe benefit and payroll taxes	5,435	4,772
Equipment expense	46	25
Repairs and maintenance materials	2,775	2,307
Operating costs	63	36
Utilities	85	92
Professional services	-	-
Other services	992	775
Office supplies	6	6
Administration	<u>(1,213)</u>	<u>(1,053)</u>
	14,806	12,397
CLAIMS AND INSURANCE	3,491	1,851

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
OTHER SUPPLEMENTARY INFORMATION
SCHEDULES OF EXPENSES
Years ended December 31, 2020 and 2019
(In thousands of dollars)

	<u>2020</u>	<u>2019</u>
GENERAL AND ADMINISTRATIVE EXPENSES		
Salaries and wages	\$ 2,531	\$ 2,734
Fringe benefit and payroll taxes	3,024	3,041
Equipment expense	9	34
Repairs and maintenance materials	47	40
Operating costs	39	46
Utilities	280	244
Professional services	1,367	1,666
Other services	402	419
Office supplies	195	138
Administration	663	743
Rents and leases	<u>11</u>	<u>60</u>
	8,568	9,165
DEPRECIATION		
Depreciation on assets acquired with federal funds	12,322	11,474
Depreciation on assets acquired with state and local funds	<u>8,212</u>	<u>6,149</u>
	<u>20,534</u>	<u>17,623</u>
	<u>\$ 73,135</u>	<u>\$ 69,616</u>

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2020

Federal Grantor/Grant No.	Federal CFDA Number	Qualifying Expenditures in Excess of (Less Than) Reimbursements, Beginning of 2020	Cash Reimbursements			Qualifying Expenditures			Qualifying Expenditures In Excess of (Less Than) Reimbursements, End of 2020
			Federal Share	Local Share	Total	Federal Share	Local Share	Total	
U.S. Department of Transportation Federal Transit Cluster									
Capital Assistance / Maintenance									
IN-2020-040	20.500	\$ -	\$ 33,495,979	\$ 69,468,548	\$ 102,964,527	\$ 41,725,960	\$ 69,468,548	\$ 111,194,508	\$ 8,229,981
IN-2020-012 COVID-19	20.507	-	31,943,999	-	31,943,999	40,653,576	-	40,653,576	8,709,577
IN-2019-026	20.525	238,204	1,720,313	379,892	2,100,205	1,519,566	379,892	1,899,458	37,457
IN-2018-024	20.525	264,431	2,464,340	595,394	3,059,734	2,381,575	595,394	2,976,969	181,666
IN-2017-023	20.525	3,591	2,928,298	758,018	3,686,316	3,032,070	758,018	3,790,088	107,363
IN-2016-020	20.525	110,784	1,769,459	429,137	2,198,596	1,716,549	429,137	2,145,686	57,874
IN-54-0003	20.525	185,886	380,672	48,697	429,369	194,786	48,697	243,483	-
IN-54-0002	20.525	-	132,736	33,184	165,920	132,736	33,184	195,920	-
FTA Subtotal		802,896	74,835,796	71,712,870	146,548,666	91,356,818	71,712,870	163,069,688	17,323,918
Federal Railroad Administration									
FR-SIP-0014-18-01-00	20.301	1,972,488	2,126,002	153,515	2,279,517	153,514	153,515	307,029	-
FR-CRS-0004-19-01-00	20.325	779,140	1,620,276	948,878	2,569,154	948,878	948,878	1,897,756	107,742
FRA Subtotal		2,751,628	3,746,278	1,102,393	4,848,671	1,102,392	1,102,393	2,204,785	107,742
Total		\$ 3,554,524	\$ 78,582,074	\$ 72,815,263	\$ 151,397,337	\$ 92,459,210	\$ 72,815,263	\$ 165,274,473	\$ 17,431,660
Summary by Federal CFDA Number									
	20.500 ³	\$ -	\$ 33,495,979	\$ 69,468,548	\$ 102,964,527	\$ 41,725,960	\$ 69,468,548	\$ 111,194,508	\$ 8,229,981
	20.507 ⁴	-	31,943,999	-	31,943,999	40,653,576	-	40,653,576	8,709,577
	20.525 ⁵	802,896	9,395,818	2,244,322	11,640,140	8,977,282	2,244,322	11,221,604	384,360
Federal Transit Cluster Total		802,896	74,835,796	71,712,870	146,548,666	91,356,818	71,712,870	163,069,688	17,323,918
CFDA Number									
	20.301 ¹	1,972,488	2,126,002	153,515	2,279,517	153,514	153,515	307,029	-
	20.325 ²	779,140	1,620,276	948,878	2,569,154	948,878	948,878	1,897,756	107,742
Federal Railroad Administration Total		2,751,628	3,746,278	1,102,393	4,848,671	1,102,392	1,102,393	2,204,785	107,742
Total		\$ 3,554,524	\$ 78,582,074	\$ 72,815,263	\$ 151,397,337	\$ 92,459,210	\$ 72,815,263	\$ 165,274,473	\$ 17,431,660

¹CFDA 20.301 Federal Railroad Administration – Railroad Safety
²CFDA 20.325 Federal Railroad Administration – Consolidated Rail Infrastructure and Safety Improvements
³CFDA 20.500 Federal Transit – Capital Investment Grants
⁴CFDA 20.507 Federal Transit – Formula Grants (Urbanized Area Formula Program)
⁵CFDA 20.525 Federal Transit – State of Good Repair Grants

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, 2020

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, 2020. 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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. NICTD has not elected to use the 10-percent de-minimis indirect cost rate as allowed under the Uniform Guidance.

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

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

STATISTICAL SECTION



Statistical Section

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

Financial Trends P.47-48

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

Revenue Capacity P.49-56

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

Debt Capacity P.57-59

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

Demographic and Economic Information P.60-61

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.62-66

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 comprehensive annual reports for the relevant year.

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
NET POSITION										
Net investment in capital assets	\$ 245,929	\$ 239,260	\$ 234,580	\$ 233,493	\$ 245,477	\$ 273,034	\$ 291,178	\$ 301,574	\$ 326,144	\$ 408,169
Restricted for debt service	14,576	15,712	17,854	21,892	13,373	19,345	13,459	1,230	2,163	6,469
Restricted for capital projects	6,230	6,233	6,237	6,239	6,241	5,204	3,127	4,713	3,335	4,957
Unrestricted	36,539	39,997	45,092	44,728	46,840	27,255	41,448	52,242	61,637	86,831
TOTAL NET POSITION	<u>\$ 303,274</u>	<u>\$ 301,202</u>	<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>

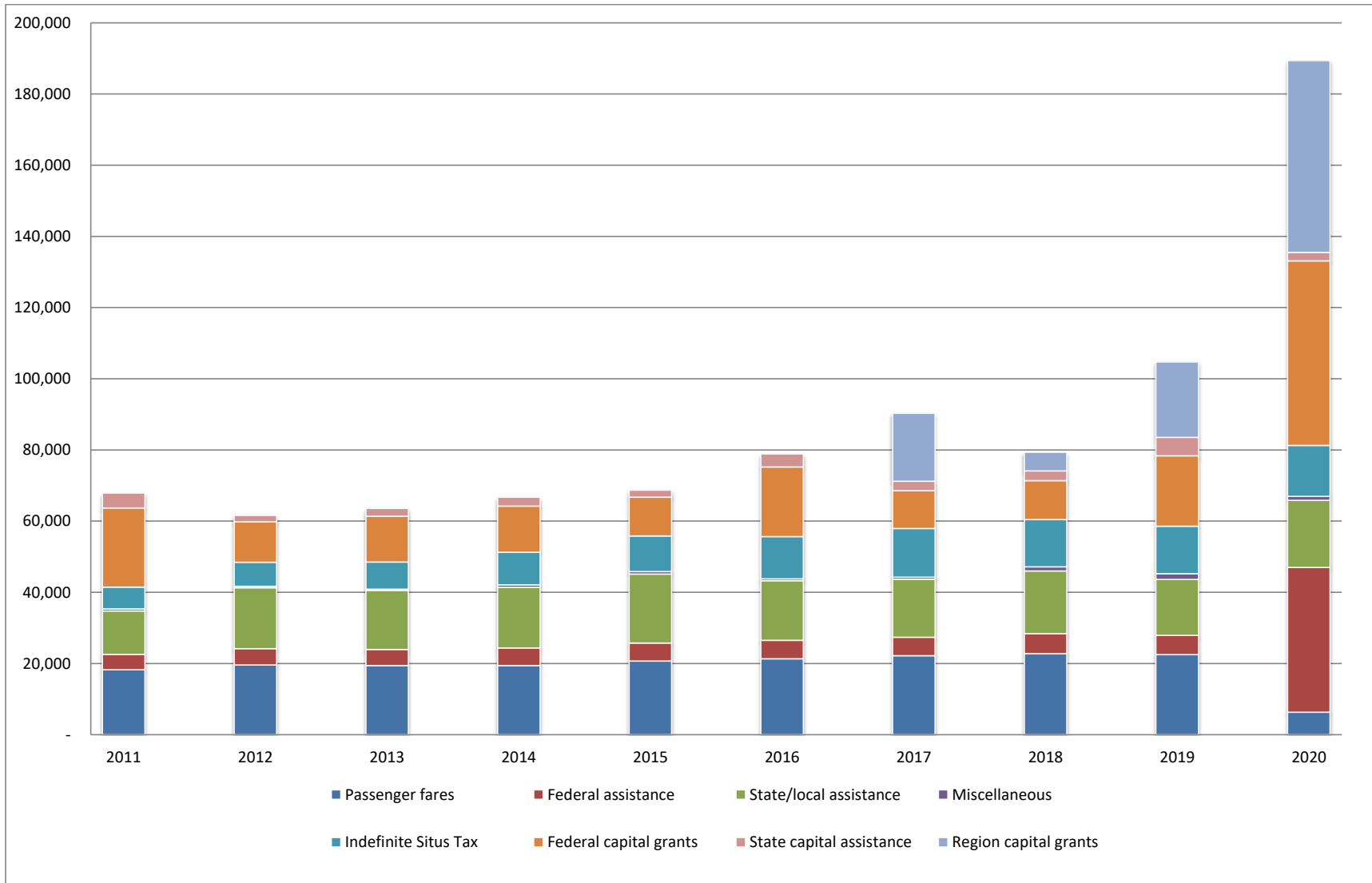
NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
Changes in Net Position
Last Ten Fiscal Years
(In thousands of dollars)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
OPERATING REVENUE										
Passenger fares (net of refunds)	\$ 18,184	\$ 19,556	\$ 19,341	\$ 19,371	\$ 20,698	\$ 21,358	\$ 22,178	\$ 22,788	\$ 22,509	\$ 6,329
Parking lot collections	46	44	41	45	36	35	35	35	35	9
Total operating revenue	<u>18,230</u>	<u>19,600</u>	<u>19,382</u>	<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>
OPERATING EXPENSES										
Transportation	13,130	16,229	15,835	15,937	16,958	17,811	18,518	19,036	19,755	19,570
Maintenance of Way	7,524	5,633	5,611	6,689	6,400	7,237	7,005	6,951	8,825	6,166
Maintenance of Equipment	9,709	9,755	10,077	12,497	12,345	12,759	12,030	13,706	12,397	14,806
Claims and Insurance	1,691	1,682	1,639	1,601	1,352	1,692	1,731	1,495	1,851	3,491
General and administrative	5,920	6,467	6,392	7,716	7,494	7,855	9,342	10,137	9,165	8,568
Depreciation	19,742	21,307	20,078	17,545	17,974	17,712	17,287	17,389	17,623	20,534
Total operating expenses	<u>57,716</u>	<u>61,073</u>	<u>59,632</u>	<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>
NONOPERATING REVENUES (EXPENSES)										
Maintenance grant	4,293	4,586	4,586	4,947	5,064	5,177	5,201	5,589	5,421	-
Federal CARES Act funding	-	-	-	-	-	-	-	-	-	40,653
State operating assistance	8,286	12,331	11,666	11,820	12,951	11,288	11,240	12,681	10,537	13,704
Local subsidies	3,958	4,748	4,891	5,215	6,410	5,452	5,030	4,945	5,151	5,171
Interest - unreserved	65	48	48	40	155	91	90	180	810	235
Interest - reserved for accident claims	9	7	6	6	4	-	-	-	-	-
Rental income	109	199	133	166	196	191	254	390	344	364
Sale of maintenance services	-	4	3	2	7	4	3	3	3	3
Sale of scrap material	268	66	44	326	281	59	108	340	212	346
Advertising activities	145	129	143	135	83	128	103	84	112	153
Miscellaneous	8	2	6	6	9	16	55	170	139	10
Interest and bond issuance expense	(2,130)	(2,108)	(1,409)	(1,292)	(661)	(964)	(29)	(120)	(1,631)	(3,145)
Indefinite Situs tax	6,082	6,721	7,590	9,163	9,989	11,902	13,649	13,256	13,327	14,324
Total nonoperating revenues, net	<u>21,093</u>	<u>26,733</u>	<u>27,707</u>	<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>
CAPITAL CONTRIBUTIONS										
Federal	22,266	11,367	12,886	12,953	10,885	19,551	10,646	10,959	19,779	51,806
State	4,195	1,804	2,218	2,514	1,995	3,685	2,637	2,742	5,175	2,398
Region	-	-	-	-	-	-	19,087	5,219	21,213	53,922
	<u>26,461</u>	<u>13,171</u>	<u>15,104</u>	<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>
Change in net position	<u>8,068</u>	<u>(1,569)</u>	<u>2,561</u>	<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>
Adjustment per GASB 65	-	(503)	-	-	-	-	-	-	-	-
Adjustment per GASB 68	-	-	-	(843)	-	-	-	-	-	-
Net position beginning of year	<u>295,206</u>	<u>303,274</u>	<u>301,202</u>	<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>
Net position end of year	<u>\$ 303,274</u>	<u>\$ 301,202</u>	<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>

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
OPERATING REVENUE										
Passenger fares (net of refunds)	\$ 18,184	\$ 19,556	\$ 19,341	\$ 19,371	\$ 20,698	\$ 21,358	\$ 22,178	\$ 22,788	\$ 22,509	\$ 6,329
Parking lot collections	46	44	41	45	36	35	35	35	35	9
Total operating revenue	<u>18,230</u>	<u>19,600</u>	<u>19,382</u>	<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>
NONOPERATING REVENUES										
Maintenance grant	4,293	4,586	4,586	4,947	5,064	5,177	5,201	5,589	5,421	-
Federal CARES Act funding	-	-	-	-	-	-	-	-	-	40,653
State operating assistance	8,286	12,331	11,666	11,820	12,951	11,288	11,240	12,681	10,537	13,704
Other local funds	3,958	4,748	4,891	5,215	6,410	5,452	5,030	4,945	5,151	5,171
Other revenue	604	455	383	681	735	489	613	1,167	1,620	1,111
Indefinite Situs tax	6,082	6,721	7,590	9,163	9,989	11,902	13,649	13,266	13,327	14,324
Total nonoperating revenues before capital grants	<u>23,223</u>	<u>28,841</u>	<u>29,116</u>	<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>
CAPITAL CONTRIBUTIONS										
Federal capital grants	22,266	11,367	12,886	12,953	10,885	19,551	10,646	10,959	19,779	51,806
State capital grants	4,195	1,804	2,218	2,514	1,995	3,685	2,637	2,742	5,175	2,398
Region capital grants	-	-	-	-	-	-	19,087	5,219	21,213	53,922
Total nonoperating revenues	<u>49,684</u>	<u>42,012</u>	<u>44,220</u>	<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>
TOTAL REVENUES	<u>\$ 67,914</u>	<u>\$ 61,612</u>	<u>\$ 63,602</u>	<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>

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



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

TRANSPORTATION INDUSTRY (1)

Year	<u>Operating and Other Revenue</u>			<u>Operating Assistance</u>			<u>Totals</u>
	Passenger	Other	Total	State & Local	Federal	Total	Total All Revenues
2011	32.8%	11.1%	43.9%	46.3%	9.8%	56.1%	100.0%
2012	32.5%	11.1%	43.6%	47.5%	8.9%	56.4%	100.0%
2013	32.5%	10.2%	42.7%	48.4%	8.9%	57.3%	100.0%
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	*	*	*	*	*	*	*
2020	*	*	*	*	*	*	*

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT (2)

Year	<u>Operating and Other Revenue</u>			<u>Operating Assistance</u>			<u>Totals</u>
	Passenger	(3) Other	Total	State & Local	Federal	Total	Total All Revenues
2011	51.5%	12.9%	64.4%	23.4%	12.2%	35.6%	100.0%
2012	47.0%	12.5%	59.5%	29.6%	10.9%	40.5%	100.0%
2013	47.4%	12.9%	60.3%	28.5%	11.2%	39.7%	100.0%
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%

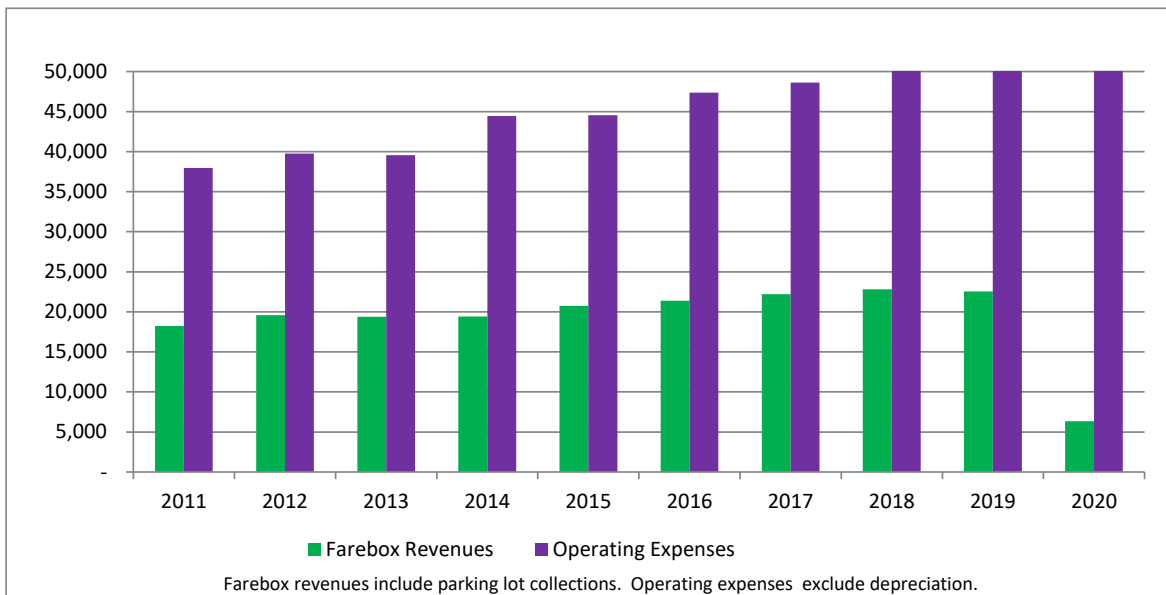
* Information not yet available

- (1) Source: The American Public Transit Association. 2020 APTA Transit Fact Book, Appendix A Table 87 (2019 / 2020 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

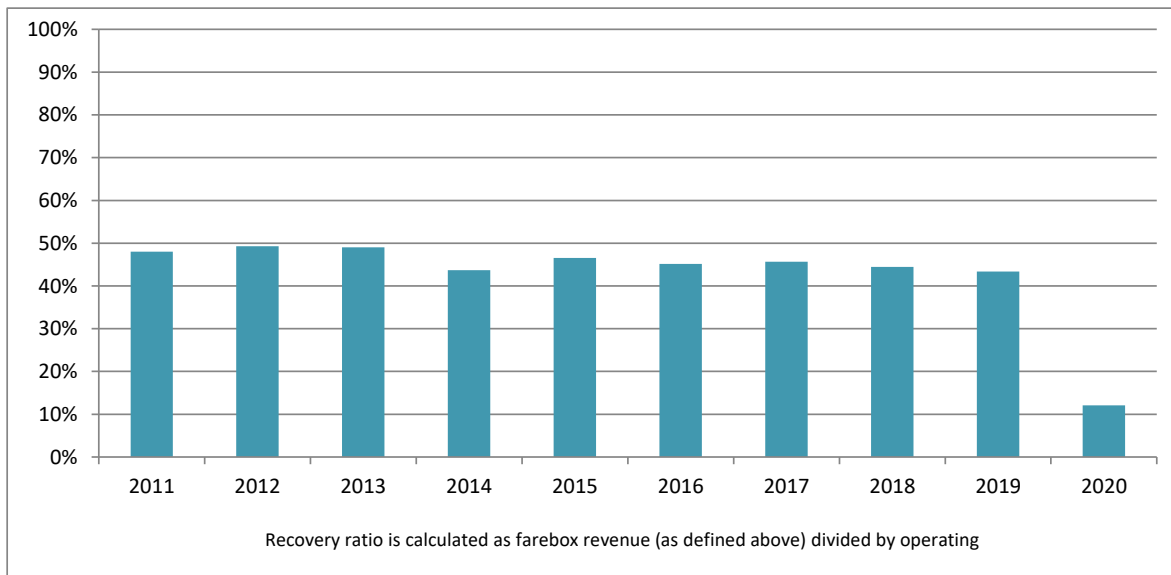
NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
System Recovery Ratio
Last Ten Fiscal Years
(In thousands of dollars)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
OPERATING REVENUE										
Passenger fares (net of refunds)	\$ 18,184	\$ 19,556	\$ 19,341	\$ 19,371	\$ 20,698	\$ 21,358	\$ 22,178	\$ 22,788	\$ 22,509	\$ 6,329
Parking lot collections	46	44	41	45	36	35	35	35	35	9
Total operating revenue for recovery ratio calculation (A)	\$ 18,230	\$ 19,600	\$ 19,382	\$ 19,416	\$ 20,734	\$ 21,393	\$ 22,213	\$ 22,823	\$ 22,544	\$ 6,338
OPERATING EXPENSES										
Transportation	\$ 13,130	\$ 16,229	\$ 15,835	\$ 15,937	\$ 16,958	\$ 17,811	\$ 18,518	\$ 19,036	\$ 19,755	\$ 19,570
Maintenance of Way	7,524	5,633	5,611	6,689	6,400	7,237	7,005	6,951	8,825	6,166
Maintenance of Equipment	9,709	9,755	10,077	12,497	12,345	12,759	12,030	13,706	12,397	14,806
Claims and Insurance	1,691	1,682	1,639	1,601	1,352	1,692	1,731	1,495	1,851	3,491
General and administrative	5,920	6,467	6,392	7,716	7,494	7,855	9,342	10,137	9,165	8,568
Total operating expenses for recovery ratio calculation (B)	\$ 37,974	\$ 39,766	\$ 39,554	\$ 44,440	\$ 44,549	\$ 47,354	\$ 48,626	\$ 51,325	\$ 51,993	\$ 52,601
Recovery ratio (A/B)	48.0%	49.3%	49.0%	43.7%	46.5%	45.2%	45.7%	44.5%	43.4%	12.0%

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



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



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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
OPERATING EXPENSES										
OTHER THAN DEPRECIATION										
Salaries and wages	\$ 13,385	\$ 14,441	\$ 13,802	\$ 14,481	\$ 15,519	\$ 16,404	\$ 16,944	\$ 17,684	\$ 18,257	\$ 18,904
Fringe benefits and payroll taxes	11,475	11,909	11,549	11,997	12,354	12,897	15,645	15,520	15,859	16,220
Equipment expense	24	48	52	57	104	60	181	99	163	149
Repair and maintenance materials	2,804	2,668	3,368	5,123	4,204	4,417	3,507	4,680	4,152	3,952
Operating costs	2,734	5,061	4,893	4,989	5,178	5,686	5,758	5,779	5,861	5,898
Utilities	654	637	681	859	752	761	899	948	841	862
Other services	1,041	926	1,226	1,766	1,520	1,844	1,506	1,627	1,850	2,143
Office supplies	151	204	281	263	367	282	312	190	428	261
Administration	284	(493)	(815)	(429)	(67)	(536)	(1,865)	(1,936)	(1,709)	(2,680)
Rents and leases	27	79	52	79	62	128	167	128	225	37
Traction power	3,083	1,943	2,095	2,092	2,086	2,054	2,245	2,232	2,199	1,686
Claims and insurance	1,691	1,682	1,639	1,601	1,352	1,692	1,731	1,495	1,851	3,491
Professional services	621	661	731	1,562	1,118	1,665	1,596	2,879	2,016	1,678
Total	<u>37,974</u>	<u>39,766</u>	<u>39,554</u>	<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>
DEPRECIATION	<u>19,742</u>	<u>21,307</u>	<u>20,078</u>	<u>17,545</u>	<u>17,974</u>	<u>17,712</u>	<u>17,287</u>	<u>17,389</u>	<u>17,623</u>	<u>20,534</u>
Total operating expenses	<u>57,716</u>	<u>61,073</u>	<u>59,632</u>	<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>
NONOPERATING EXPENSES										
Interest and bond issuance expense	<u>2,130</u>	<u>2,108</u>	<u>1,409</u>	<u>1,292</u>	<u>661</u>	<u>964</u>	<u>29</u>	<u>120</u>	<u>1,631</u>	<u>3,145</u>
TOTAL EXPENSES	<u>\$ 59,846</u>	<u>\$ 63,181</u>	<u>\$ 61,041</u>	<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>

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
2011	45.9%	16.9%	9.2%	14.8%	13.2%	100.0%
2012	45.3%	16.8%	9.5%	14.6%	13.8%	100.0%
2013	44.2%	15.9%	10.5%	15.7%	13.7%	100.0%
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	*	*	*	*	*	*
2020	*	*	*	*	*	*

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT (2)

Year	Vehicle Operations	Vehicle Maintenance	Non-Vehicle Maintenance	General Administration	Purchased Transportation	Total Operating Expenses
2011	34.5%	25.6%	19.8%	20.1%	-	100.0%
2012	40.8%	24.5%	14.2%	20.5%	-	100.0%
2013	40.0%	25.5%	14.2%	20.3%	-	100.0%
2014	35.9%	28.1%	15.0%	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%

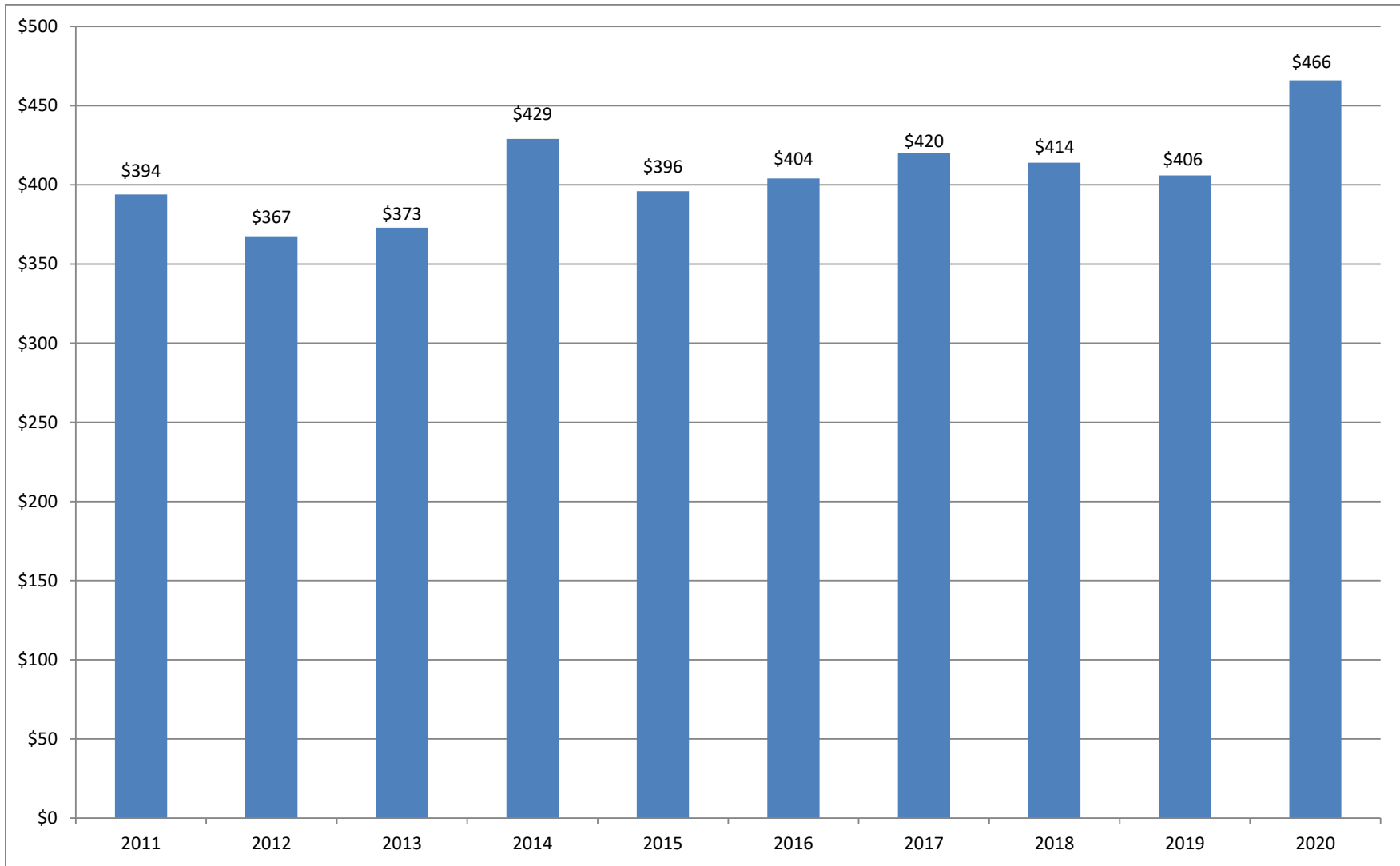
* Information not yet available

(1) Source: The American Public Transit Association. 2020 APTA Transit Fact Book, Appendix A Table 69 (2019/2020 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):

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

* Series 2018 Bonds were fully redeemed in December 2018.

Limited Obligation Revenue Bonds (2016 Bond Issuance):

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

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

Fiscal Year	Commuter Rail Service Fund Indefinite Situs		Capital Grant Receipts	Debt Service		Coverage Ratio
	Tax Receipts			Principal	Interest	
2011	\$ -	\$ 2,871,657	\$ 1,727,000	\$ 1,144,657		1.00
2012	-	2,888,348	1,848,000	1,040,348		1.00
2013	-	2,904,238	2,294,000	610,238		1.00
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):

Fiscal Year	Commuter Rail Service Fund Indefinite Situs		Capital Grant Receipts	Debt Service		Coverage Ratio
	Tax Receipts			Principal	Interest	
2011	\$ 5,189,566	\$ -	\$ 1,575,000	\$ 1,024,428	2.00	
2012	5,947,731	-	1,650,000	945,678	2.29	
2013	6,760,730	-	1,735,000	863,178	2.60	
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**

Fiscal Year	Commuter Rail Service Fund Indefinite Situs		Sales Tax Receipts	Electric Rail Service Fund Receipts	Capital Grant Receipts	Debt Service		Coverage Ratio
	Tax Receipts					Principal	Interest	
2011	\$ 5,189,566	\$ -	\$ -	\$ -	\$ 2,871,657	\$ 3,302,000	\$ 2,169,084	1.47
2012	5,947,731	-	-	-	2,888,348	3,498,000	1,986,025	1.61
2013	6,760,730	-	-	-	2,904,238	4,029,000	1,473,416	1.76
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	

*** 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	Total	Outstanding Debt Per Capita	Outstanding Debt as a Percentage of Per Capita Personal Income
2011	\$ -	\$ 27,118,000	\$ 20,205,000	\$ 550,000	\$ 47,873,000	\$ 38.25	0.10%
2012	-	25,270,000	18,555,000	459,000	44,284,000	35.28	0.09%
2013	-	22,976,000	16,820,000	376,000	40,172,000	31.94	0.08%
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	11,844,000	80.65	0.18%
2017	87,190,000	-	-	11,062,000	98,252,000	93.86	0.20%
2018	85,160,000	-	-	10,307,000	95,467,000	76.90	0.15%
2019	83,025,000	-	-	9,575,000	92,600,000	74.82	0.14%
2020	80,785,000	-	-	8,867,000	89,652,000	*	*

* 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
2011	494,954	\$ 17,716,013	\$ 35,793	9.9
2012	493,390	\$ 18,445,547	\$ 37,385	9.5
2013	491,732	\$ 18,364,789	\$ 37,347	9.2
2014	491,027	\$ 18,922,335	\$ 38,536	8.1
2015	487,908	\$ 19,680,550	\$ 40,337	6.6
2016	486,092	\$ 20,182,669	\$ 41,520	5.9
2017	484,601	\$ 20,883,506	\$ 43,094	4.8
2018	484,440	\$ 21,911,052	\$ 45,230	4.9
2019	485,493	\$ 22,689,989	\$ 46,736	4.9
2020	*	*	*	6.4

LaPorte County, Indiana

Fiscal Year	Population	Personal Income in thousands	Per Capita Personal Income	Unemployment Rate
2011	111,317	\$ 3,790,314	\$ 34,050	10.4
2012	111,304	\$ 4,004,198	\$ 35,975	10.0
2013	111,423	\$ 4,034,373	\$ 36,208	9.4
2014	111,735	\$ 4,139,655	\$ 37,049	7.7
2015	110,835	\$ 4,203,739	\$ 37,928	6.4
2016	110,222	\$ 4,315,852	\$ 39,156	5.7
2017	109,842	\$ 4,473,977	\$ 40,731	4.2
2018	109,981	\$ 4,659,156	\$ 42,363	4.4
2019	109,888	\$ 4,825,145	\$ 43,910	4.2
2020	*	*	*	5.9

Porter County, Indiana

Fiscal Year	Population	Personal Income in thousands	Per Capita Personal Income	Unemployment Rate
2011	165,511	\$ 6,856,090	\$ 41,424	7.8
2012	165,702	\$ 7,270,709	\$ 43,878	7.7
2013	166,478	\$ 7,324,086	\$ 43,994	7.2
2014	167,166	\$ 7,566,649	\$ 45,264	6.3
2015	167,334	\$ 7,821,820	\$ 46,744	5.4
2016	167,475	\$ 8,037,653	\$ 47,993	4.7
2017	168,495	\$ 8,540,678	\$ 50,688	3.7
2018	169,488	\$ 8,973,157	\$ 52,943	3.8
2019	170,389	\$ 9,324,231	\$ 54,723	3.6
2020	*	*	*	4.2

St. Joseph County, Indiana

Fiscal Year	Population	Personal Income in thousands	Per Capita Personal Income	Unemployment Rate
2011	266,680	\$ 9,789,303	\$ 36,708	10.1
2012	266,492	\$ 10,303,852	\$ 38,665	9.7
2013	267,054	\$ 10,462,302	\$ 39,177	8.8
2014	267,848	\$ 11,073,460	\$ 41,342	6.7
2015	268,361	\$ 11,764,093	\$ 43,837	4.6
2016	269,862	\$ 11,809,296	\$ 43,760	4.1
2017	270,057	\$ 12,396,776	\$ 45,904	3.3
2018	270,972	\$ 12,952,845	\$ 47,801	3.6
2019	271,826	\$ 13,193,179	\$ 48,535	3.4
2020	*	*	*	5.0

Cook County, Illinois

Fiscal Year	Population	Personal Income in thousands	Per Capita Personal Income	Unemployment Rate
2011	5,219,780	\$ 239,238,102	\$ 45,833	10.3
2012	5,239,351	\$ 254,025,111	\$ 48,484	9.3
2013	5,252,875	\$ 261,762,525	\$ 49,832	9.6
2014	5,254,675	\$ 281,725,817	\$ 53,614	7.4
2015	5,244,088	\$ 296,518,776	\$ 56,543	5.7
2016	5,224,272	\$ 298,699,521	\$ 57,175	5.7
2017	4,200,821	\$ 309,151,571	\$ 59,443	5.0
2018	5,171,960	\$ 328,088,258	\$ 63,436	4.0
2019	5,150,233	\$ 336,341,911	\$ 65,306	2.9
2020	*	*	*	9.3

* Information not yet available

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

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

<u>Employer</u>	<u>2020</u>			<u>2011</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	52,357	1	2.04%	55,183	1	2.09%
Chicago Public Schools	38,637	2	1.51%	39,667	2	1.50%
City of Chicago	30,928	3	1.21%	31,307	3	1.19%
Advocate Aurora Health	26,335	4	1.03%	18,485	5	0.70%
Cook County	22,074	5	0.86%	21,785	4	0.83%
Northwestern Memorial Healthcare	21,999	6	0.86%	-	-	-
University of Chicago	18,732	7	0.73%	14,584	9	-
Walmart Inc.	16,711	8	0.65%	-	-	-
Amazon.com Inc.	16,610	9	0.65%	-	-	-
Amita Health	14,282	10	0.56%	-	-	-
State of Illinois	-	-	-	15,800	6	0.60%
AT&T Inc.	-	-	-	15,000	7	0.57%
Walgreen Co.	-	-	-	14,688	8	0.56%
JP Morgan Chase	-	-	-	14,223	10	0.54%
	<u>258,665</u>		<u>10.09%</u>	<u>240,722</u>		<u>8.58%</u>

Source: Crain's Chicago Business Largest Employers 2011 and 2020

Percentage of Total County Employment based on Cook County Labor Force figures pulled from LAUS, Bureau of Labor Statistics, US Department of Labor 2011 Labor Force

Northern Indiana Commuter Transportation District
 Statistical Information (Unaudited)
 Fare Rate Structure
 12/31/2020

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 40.50 152.00 144.50 2.00 50.00	4.00 38.00 90.00 132.50 2.00 50.00					
5	Gary Gary/Chicago Airport Metro Center Miller	One-Way 10-Ride 25-Ride Monthly Reduced 1-Ride Reduced 25-Ride	7.50 71.25 168.75 211.75 3.75 93.75	7.25 69.00 163.25 200.50 3.50 87.50	6.00 57.00 135.00 164.75 3.00 75.00	4.50 42.75 101.25 140.25 2.25 56.25	4.00 38.00 90.00 129.25 2.00 50.00				
6	Portage/Ogden Dunes Dune Park	One-Way 10-Ride 25-Ride Monthly Reduced 1-Ride Reduced 25-Ride	9.00 85.50 202.50 251.75 4.50 112.50	8.00 76.00 180.00 227.00 4.00 100.00	7.25 69.00 163.25 203.75 3.50 87.50	6.50 61.75 146.25 179.25 3.25 81.25	6.25 59.50 140.75 167.75 3.00 75.00	4.00 38.00 90.00 131.25 2.00 50.00			
7	Beverly Shores	One-Way 10-Ride 25-Ride Monthly Reduced 1-Ride Reduced 25-Ride	10.00 95.00 225.00 284.75 5.00 125.00	9.25 88.00 208.25 261.75 4.50 112.50	8.00 76.00 180.00 225.25 4.00 100.00	7.50 71.25 168.75 214.50 3.75 93.75	7.25 69.00 163.25 203.00 3.50 87.50	6.25 59.50 140.75 167.00 3.00 75.00			
8	Michigan City 11th St. Carroll Ave.	One-Way 10-Ride 25-Ride Monthly Reduced 1-Ride Reduced 25-Ride	10.25 97.50 230.75 296.75 5.00 125.00	10.00 95.00 225.00 283.00 5.00 125.00	9.00 85.50 202.50 249.50 4.50 112.50	8.00 76.00 180.00 224.75 4.00 100.00	7.50 71.25 168.75 213.50 3.75 93.75	6.50 61.75 146.25 177.50 3.25 81.25	4.50 42.75 101.25 141.75 2.25 56.25	3.75 35.75 84.50 119.25 1.75 43.75	
10	Hudson Lake	One-Way 10-Ride 25-Ride Monthly Reduced 1-Ride Reduced 25-Ride	13.00 123.50 292.50 365.25 6.50 162.50	12.25 116.50 275.75 343.00 6.00 150.00	11.00 104.50 247.50 307.25 5.50 137.50	10.25 97.50 230.75 296.25 5.00 125.00	10.00 95.00 225.00 282.50 5.00 125.00	9.00 85.50 202.50 249.00 4.50 112.50	7.50 71.25 168.75 213.00 3.75 93.75	6.50 61.75 146.25 177.00 3.25 81.25	
11	South Bend	One-Way 10-Ride 25-Ride Monthly Reduced 1-Ride Reduced 25-Ride	14.25 135.50 320.75 402.25 7.00 175.00	13.25 126.00 298.25 377.75 6.50 162.50	12.25 116.50 275.75 343.75 6.00 150.00	11.75 111.75 264.50 332.75 5.75 143.75	11.00 104.50 247.50 308.25 5.50 137.50	10.00 95.00 225.00 283.00 5.00 125.00	9.00 85.50 202.50 249.50 4.50 112.50	7.50 71.25 168.75 213.50 3.75 93.75	6.25 59.50 140.75 166.25 3.00 75.00

(Continued)

FARE INFORMATION

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

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

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

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

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

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Operating Statistics:										
Annual System Trips	3,706,676	3,668,098	3,606,926	3,614,252	3,616,660	3,504,080	3,455,842	3,400,197	3,283,603	995,049
Average Weekday System Trips	12,363	12,205	12,049	12,045	12,056	11,723	11,467	11,352	10,962	3,348
Average Saturday System Trips	5,620	5,799	5,630	5,675	5,538	5,183	5,565	5,264	5,092	1,437
Average Sunday System Trips	4,328	4,301	4,244	4,484	4,343	4,138	4,279	4,075	3,938	1,173
Passenger Miles	107,122,936	106,008,032	104,204,092	104,415,740	104,159,808	113,035,111	112,953,766	110,846,662	108,385,897	32,750,046
Assets in Passenger Car Fleet:										
Total Passenger Cars in Fleet	82	82	82	82	82	82	82	82	82	82
Passenger Car Revenue Miles	3,450,855	3,679,324	3,736,383	3,694,590	4,026,813	4,233,598	4,184,136	4,211,197	4,393,966	3,923,145
Passenger Car Revenue Hours	96,470	108,482	105,928	103,661	112,543	117,214	115,659	124,044	128,077	112,835

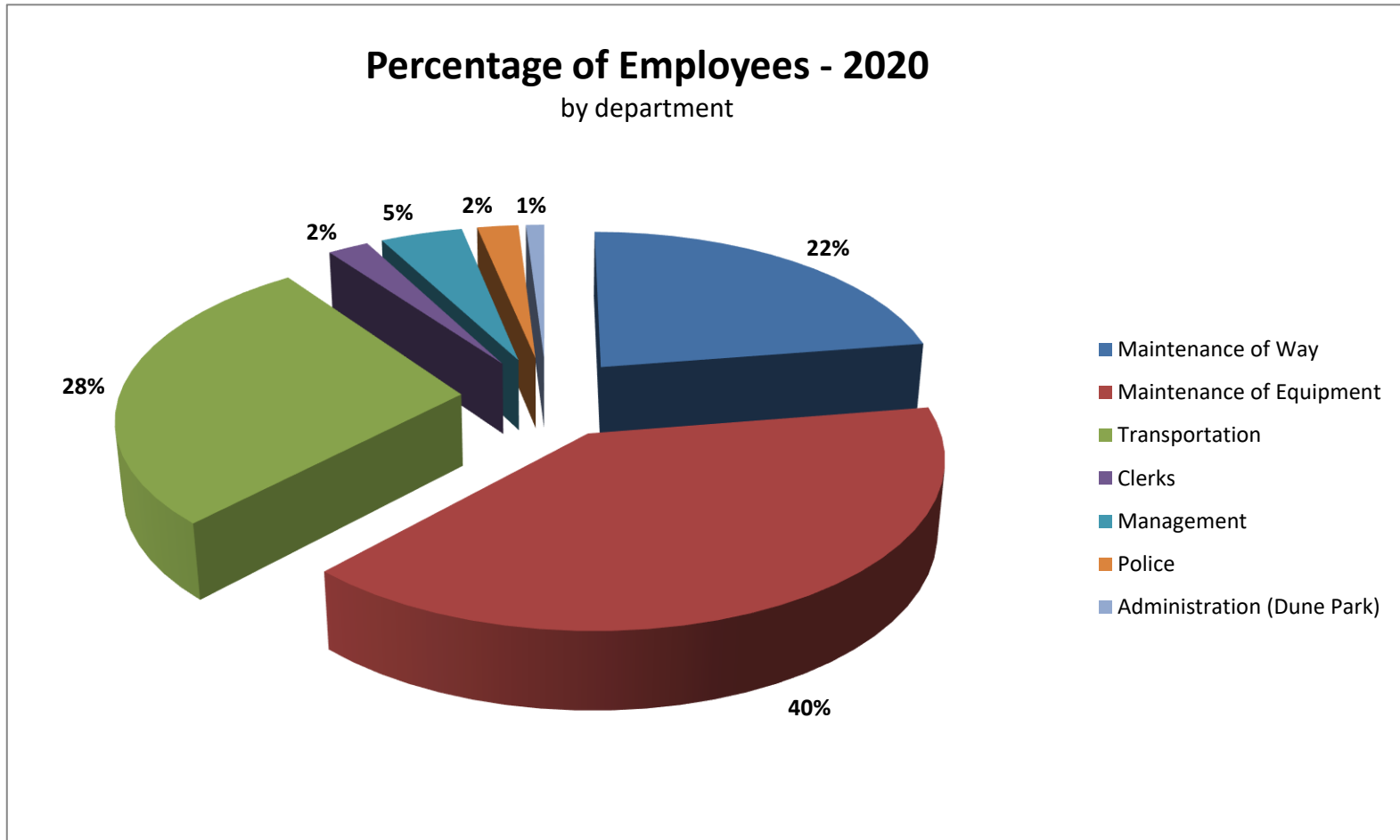
Source: The District's annual *National Transit Database Report*, filed with the Federal Transit Administration

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

	<u>2011</u>		<u>2012</u>		<u>2013</u>		<u>2014</u>		<u>2015</u>	
	Salary	Contract	Salary	Contract	Salary	Contract	Salary	Contract	Salary	Contract
<u>Michigan City Cost Center</u>										
Maintenance of Way	10	56	12	49	13	53	12	52	12	58
Maintenance of Equipment	10	92	8	93	7	92	9	95	10	102
Transportation	6	93	7	90	6	93	6	90	7	106
Clerks	-	10	-	8	-	8	-	8	-	8
Management	6	-	7	-	8	-	11	-	10	-
<u>Dune Park Cost Center</u>										
Police	7	-	7	-	7	-	7	-	8	-
Administration (Dune Park)	<u>12</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>8</u>	<u>-</u>
Subtotal	<u>51</u>	<u>251</u>	<u>53</u>	<u>240</u>	<u>52</u>	<u>246</u>	<u>54</u>	<u>245</u>	<u>55</u>	<u>274</u>
TOTAL LABOR	<u>302</u>		<u>293</u>		<u>298</u>		<u>299</u>		<u>329</u>	
<u>2016</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>Salary</u>	<u>Contract</u>
<u>Michigan City Cost Center</u>										
Maintenance of Way	18	58	22	59	26	62	29	64	29	61
Maintenance of Equipment	11	92	11	102	11	116	13	110	15	143
Transportation	8	96	9	102	11	105	10	102	12	100
Clerks	-	8	-	8	-	9	-	9	-	9
Management	12	-	13	-	15	-	15	-	18	-
<u>Dune Park Cost Center</u>										
Police	8	-	8	-	9	-	9	-	9	-
Administration (Dune Park)	<u>8</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>4</u>	<u>-</u>
Subtotal	<u>65</u>	<u>254</u>	<u>70</u>	<u>271</u>	<u>77</u>	<u>292</u>	<u>81</u>	<u>285</u>	<u>87</u>	<u>313</u>
TOTAL LABOR	<u>319</u>		<u>341</u>		<u>369</u>		<u>366</u>		<u>400</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, 2020



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 as of and for the year ended December 31, 2020, and the related notes to the financial statements, and have issued our report thereon dated April 8, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northern Indiana Commuter Transportation District'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 Northern Indiana Commuter Transportation District's internal control. Accordingly, we do not express an opinion on the effectiveness of Northern Indiana Commuter Transportation District'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 may exist that have not been identified.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northern Indiana Commuter Transportation District'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*.

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 8, 2021

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

Board of Trustees
Northern Indiana Commuter
Transportation District
Chesterton, Indiana

Report on Compliance for Each Major Federal Program

We have audited Northern Indiana Commuter Transportation District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended December 31, 2020. NICTD's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of NICTD's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about NICTD's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, NICTD complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

NICTD's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of NICTD's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal controls 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 8, 2021

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 December 31, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

<i>Financial Statements</i>		
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
<i>Federal Awards</i>		
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:	Name of Federal Program or Cluster: Federal Transit Cluster: 20.500- Capital Investments Grant 20.507- Formula Grants 20.525 – State of Good Repair Grants Program	
Dollar threshold used to distinguish between type A and type B programs:	\$2,773,776	
Auditee qualified as low-risk auditee?	___ X ___ yes	_____ no

SECTION II - FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

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