



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B59176

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

May 19, 2022

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, 2021 to December 31, 2021. 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, 2021, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Crowe LLP prepared the audit report in accordance with 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 black ink that reads "Tammy R. White".

Tammy R. White, CPA  
Deputy State Examiner

# Northern Indiana Commuter Transportation District

33 East US Hwy 12  
Chesterton, IN 46304



## Annual Comprehensive Financial Report

For the years ended December 31, 2021 and 2020



# ANNUAL COMPREHENSIVE FINANCIAL REPORT



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

For the Years Ended December 31, 2021 and 2020

Prepared by  
Accounting and Administration

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

December 31, 2021 and 2020

TABLE OF CONTENTS

INTRODUCTORY SECTION (Unaudited)

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

FINANCIAL SECTION

Independent Auditor's Report.....	1
Management's Discussion and Analysis .....	4
Financial Statements	
Statements of Net Position .....	13
Statements of Revenues, Expenses and Changes in Net Position .....	15
Statements of Cash Flows .....	16
Notes to Financial Statements .....	18
Required Supplementary Information	
Schedule of Changes in NICTD's Total OPEB Liability and Related Ratios .....	42
Schedule of NICTD's Proportionate Share of the Net Pension Liability -PERF .....	43
Schedule of NICTD's Contributions -PERF .....	44
Supplementary Schedules	
Schedules of Expenses.....	45
Schedule of Expenditures of Federal Awards.....	47
Note to Schedule of Expenditures of Federal Awards .....	48

STATISTICAL SECTION (Unaudited)

Net Position .....	49
Changes in Net Position .....	50
Revenues by Source .....	51
Revenues by Source (Graph Presentation) .....	52
Revenues and Operating Assistance – Comparison to Industry Trend Data .....	53
System Recovery Ratio .....	54
Farebox Revenues vs. Operating Expenses (Graph Presentation) .....	55
Operating Expenses by Object Class.....	56
Operating Expenses by Function Class – Comparison to Industry Trend Data.....	57
Operating Expenses per Electric Multiple-Unit Hour (Graph Presentation) .....	58
Pledged Revenue Coverage .....	59

---

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

December 31, 2021 and 2020

TABLE OF CONTENTS

STATISTICAL SECTION (Unaudited) (continued)

Ratio of Outstanding Debt by Type .....	61
Demographic and Economic Indicators.....	62
Principal Employers in Chicago.....	63
Fare Rate Structure .....	64
Operating Statistics .....	66
Employees by Labor Classification.....	67
Percentage of Employees by Department (Graph Presentation).....	68

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 .....	69
Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Controls Over Compliance .....	71
Schedule of Findings and Questioned Costs .....	74

---

# INTRODUCTORY SECTION



---

April 1, 2022

Board of Trustees  
Northern Indiana Commuter  
Transportation District  
Chesterton, Indiana

The Annual Comprehensive Financial Report of the Northern Indiana Commuter Transportation District (“District” or “NICTD”) for the years ended December 31, 2021 and 2020 is hereby respectfully submitted. This report has been prepared according to the guidelines recommended by the Government Finance Officers Association (GFOA).

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

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

### ***History***

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

## LETTER OF TRANSMITTAL

---

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

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

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

### ***Reporting Entity***

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

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

NICTD is required by Indiana Code 8-5-15-19 to have an annual audit performed by independent certified public accountants. Crowe LLP, a firm of licensed certified public accountants, has audited NICTD's financial statements. The goal of the independent audit is to provide reasonable assurance NICTD's financial statements for the 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 Annual Comprehensive Financial Report. The report for the year ended December 31, 2021 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

## LETTER OF TRANSMITTAL

---

likely to be derived; and that the evaluation of cost and benefits requires estimates and judgments by management.

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

### ***Service Provided by the District***

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

The Northern Indiana Commuter Transportation District (NICTD) is an electric railroad providing daily commuter rail passenger service along a 90-mile route between South Bend, Indiana and Chicago, Illinois. Known to locals as the South Shore Line, NICTD's commuter service is a major contributor to the economic engine of northern Indiana and southeast Chicago, operating about 13,000 trains in a typical year carrying 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. In the wake of the pandemic, staff responded promptly implementing advanced cleaning and safety protocols to enhance the safety of passengers and staff, and these enhancements continue to this day. In 2021, ridership levels remained low but showed a slow return of passengers to the service. NICTD remains hopeful that ridership will continue to rebound as 2022 progresses.

The South Shore is uniquely positioned in the heart of Chicago's Loop within easy access to approximately 565,000 jobs, more than doubling the job base of Lake and Porter counties, Indiana (238,000 jobs). On average these jobs pay 47% 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 30.6 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 and 2021. Additional funding is provided through the public mass transportation fund, electric rail service fund and commuter rail service fund in the State of Indiana.

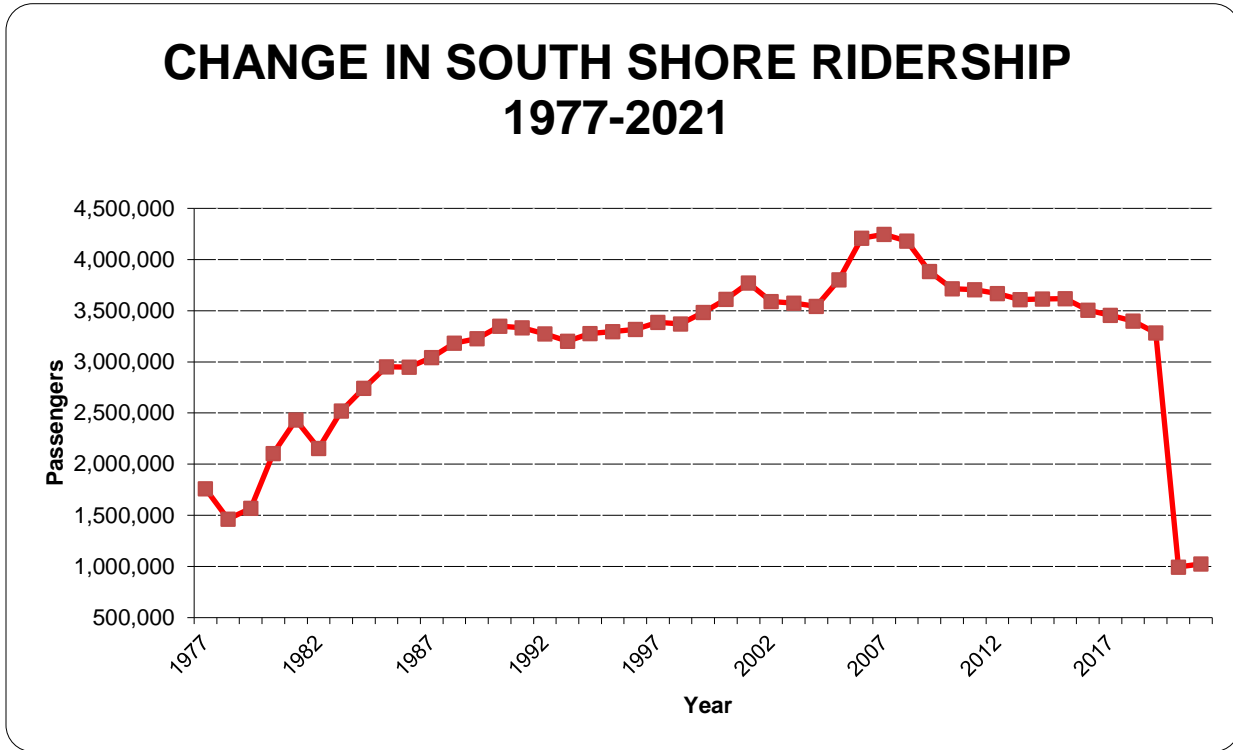
NICTD practices financial planning and cost controls, however it is not legally required to report on a budgetary basis. No comparison of actual and budget data is included.

### **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 over 1.02 million passengers in 2021.



**Major Initiatives**

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

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

**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

---

**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. 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** 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 developing final design, and construction is scheduled to begin in the spring of 2022. Substantial completion is scheduled for October 2024, and revenue service is scheduled for May 2025. Visit [www.nictdwestlake.com](http://www.nictdwestlake.com) for more information.

**Double Track Northwest Indiana Project** 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 2021 with demolition completion expected in early 2022. Construction is slated to begin in the spring of 2022 and end in late 2023, with an anticipated revenue service date in May 2024. For more information visit [www.doubletrack-nwi.com](http://www.doubletrack-nwi.com).

**Line & Signal Department** In 2021, work on phase two of the East Chicago project, which comprised of track and signal improvements, was completed. In addition, the automatic highway crossing warning project, which added gates to the flashing light warning systems at 20 highway crossings in Porter, LaPorte, and St. Joseph counties was completed. Five miles of fixed termination catenary was replaced with auto tension catenary in St. Joseph County. For the year 2022, NICTD plans to replace the final two miles of the catenary renewal project. The design phase for modernizing and improving the Traction Power Substation System (TPSS) continued in 2021. Design plans and specifications were developed for existing substations based on that model. Two substation rectifier transformers will be replaced in 2022 followed by construction and installation of three new substations in years 2022 through 2024.

**Track & Structures and Bridges & Buildings Departments** In 2021, NICTD completed mainline upgrades of 11 miles of track dating back to 1927. The team inspected all bridges, culverts, and buildings. In addition, crews rebuilt five highway grade crossing surfaces, upgraded two switches, and installed ties on seven main line track miles. In 2022, additional crossovers and diamonds will be upgraded, 9,000 cross ties will be replaced, and six highway grade crossing surfaces will be rebuilt.

## LETTER OF TRANSMITTAL

---

**Mechanical Department** The End Life rebuild program includes 58 railcars, with the first 32 rehabbed cars being utilized for the West Lake Corridor extension. Six railcars were completed during 2021, with a goal of completing all 32 cars by the end of 2024. Reconditioning the railcars should save NICTD about 50% over the cost of new ones. Updates include HVAC, propulsion inverter units, pantograph-rebuilds, as well as other improvements. Replacement of NICTD's passenger car DVR and camera systems is also underway. 26 additional railcars will be needed to backfill the existing 32 rehabilitated railcars that will be used to operate the new West Lake service in 2025. NICTD and Metra have agreed to a 15-year lease arrangement beginning January 1, 2023. NICTD will lease 26 of Metra's HL1 cars. These railcars are nearly identical to NICTD's 300 series bi-level cars. Metra will perform a full Mid Life rehabilitation on these cars and perform modifications to make them as close to NICTD's existing cars as possible to keep spare parts as interchangeable as possible between the two groups of cars.

**Metra Electric District Project** NICTD is working with Metra on track and station improvements to the Van Buren and Millennium service areas. Results of the project will allow NICTD additional capacity into the city of Chicago.

**East Chicago Station** The second phase of improved safety and operational enhancement features at the East Chicago Station was finalized in 2021, with the modifications to the track and turnouts at the station significantly improving operational performance.

### ***Award***

The Government of Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Northern Indiana Commuter Transportation District for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. NICTD has achieved this prestigious award for nine consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### ***Acknowledgement***

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

Respectfully submitted,



Christine Dearing  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Northern Indiana  
Commuter Transportation District**

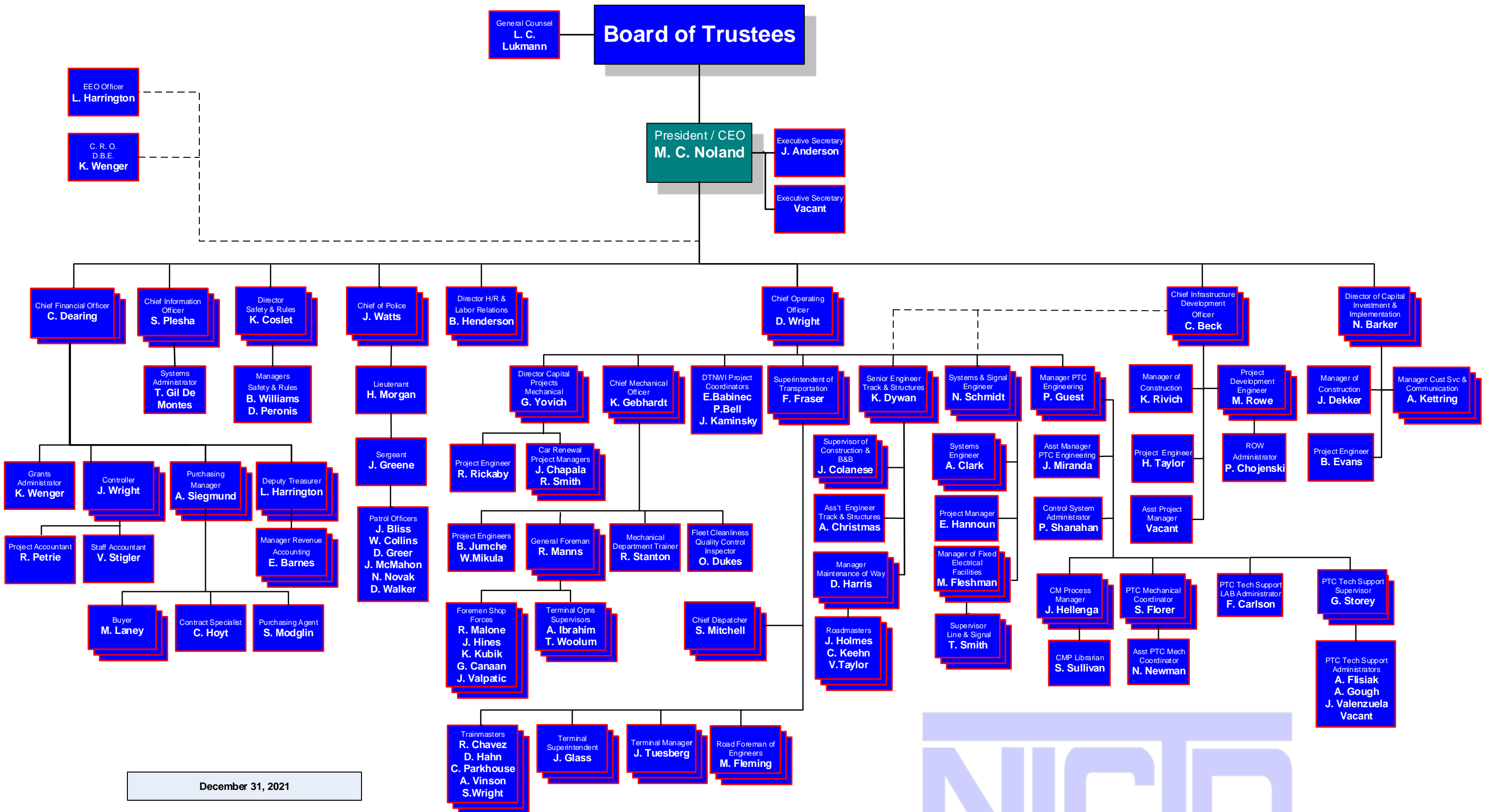
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO

# Northern Indiana Commuter Transportation District Organization Chart



December 31, 2021



# Northern Indiana Commuter Transportation District

Board of Trustees and Administration  
as of December 31, 2021

## **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

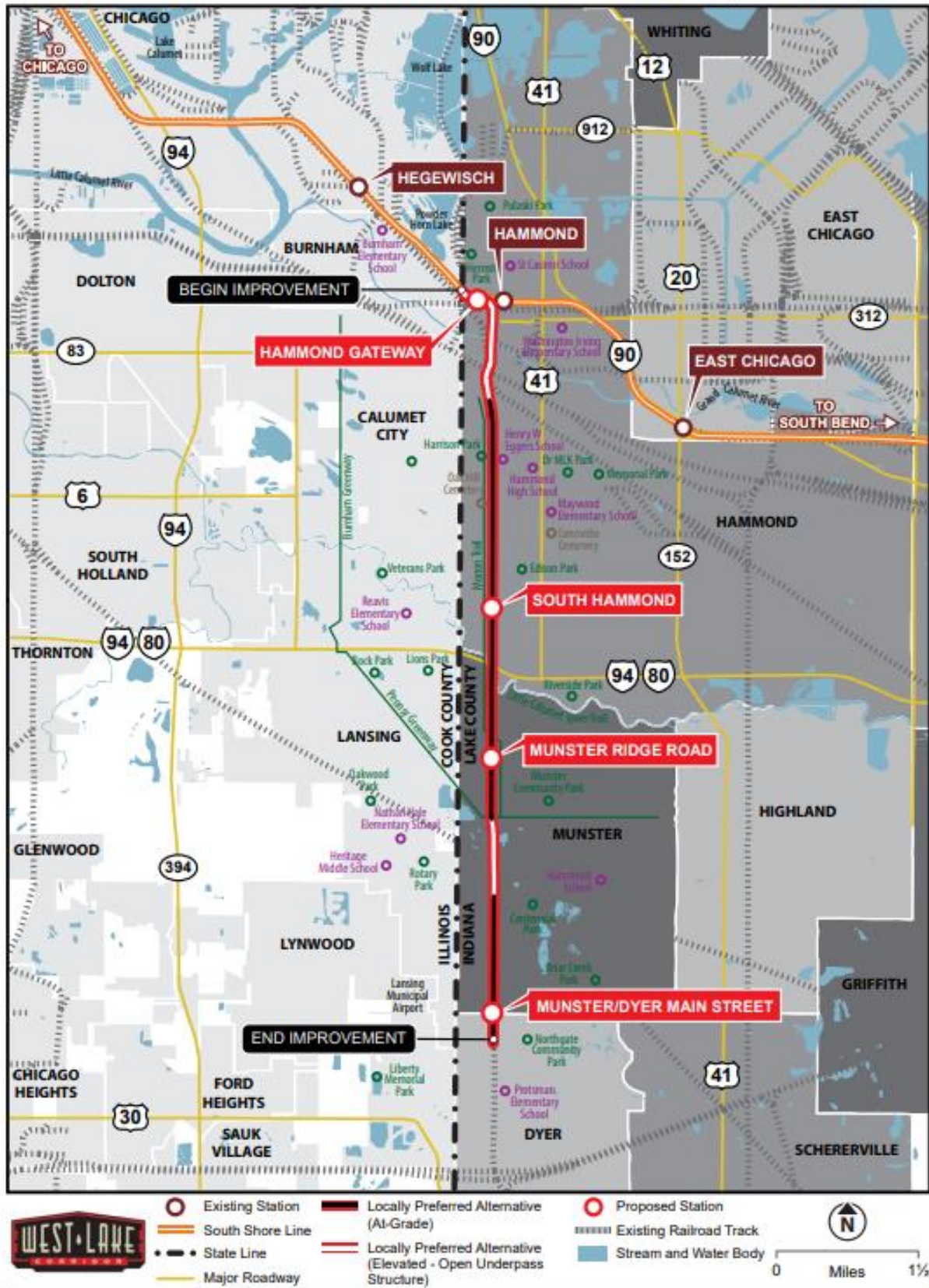
### **LaPorte County, Indiana**

Jim Arnold  
Treasurer

## **Administration**

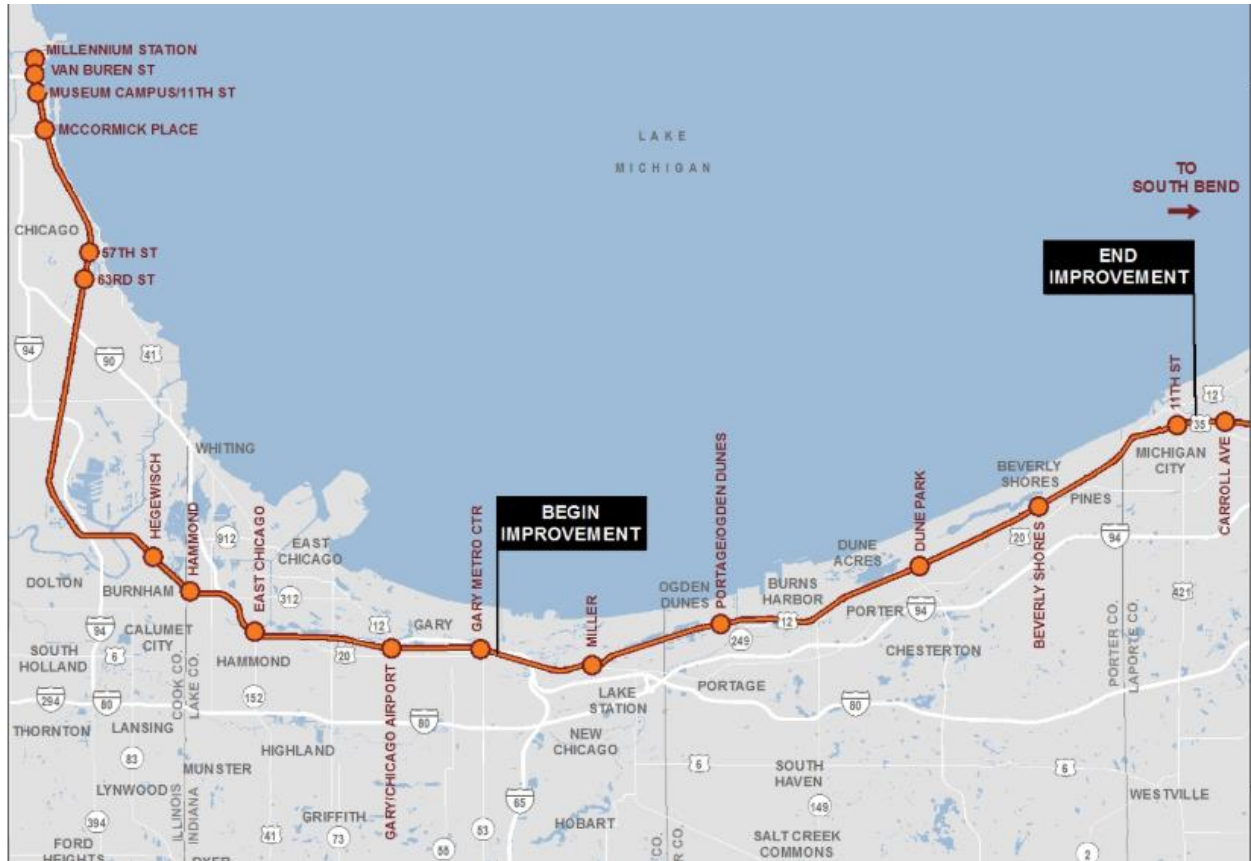
Michael Noland, President  
Christine Dearing, Chief Financial Officer  
Stephen Plesha, Chief Information Officer  
Derrick Wright, Chief Operating Officer  
Kevin Gebhardt, Chief Mechanical Officer  
Jessie Watts, Jr., Chief of Police  
Bjarne Henderson, Director of HR & Labor Relations  
Kristen Coslet,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

# 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

# DOUBLE TRACK N.W.I.



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



Historic Final Street Level Stop at South Shore Line's 11<sup>th</sup> Street Michigan City Station.  
Photos by GREATNEWS.LIFE

Michigan City's 11<sup>th</sup> Street Station was closed in preparation for construction of the new 11<sup>th</sup> Street Station as part of the Double Track Northwest Indiana Project.

# FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Northern Indiana Commuter  
Transportation District  
Chesterton, Indiana

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

We have audited the financial statements of the Northern Indiana Commuter Transportation District (NICTD), as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise NICTD's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of NICTD as of December 31, 2021 and 2020, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NICTD and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NICTD's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

---

(Continued)

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NICT's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NICTD's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of NICTD's proportionate share of the net pension liability – PERF, schedule of NICTD's contributions – PERF, and schedule of changes in NICTD's total OPEB liability and related ratios as shown on the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

---

(Continued)

### **Supplementary Information**

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

### **Other Information**

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

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2022 on our consideration of NICTD's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NICTD's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NICTD's internal control over financial reporting and compliance.

  
Crowe LLP

Indianapolis, Indiana  
April 5, 2022

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 December 31, 2021 and 2020  
 (In thousands of dollars)

---

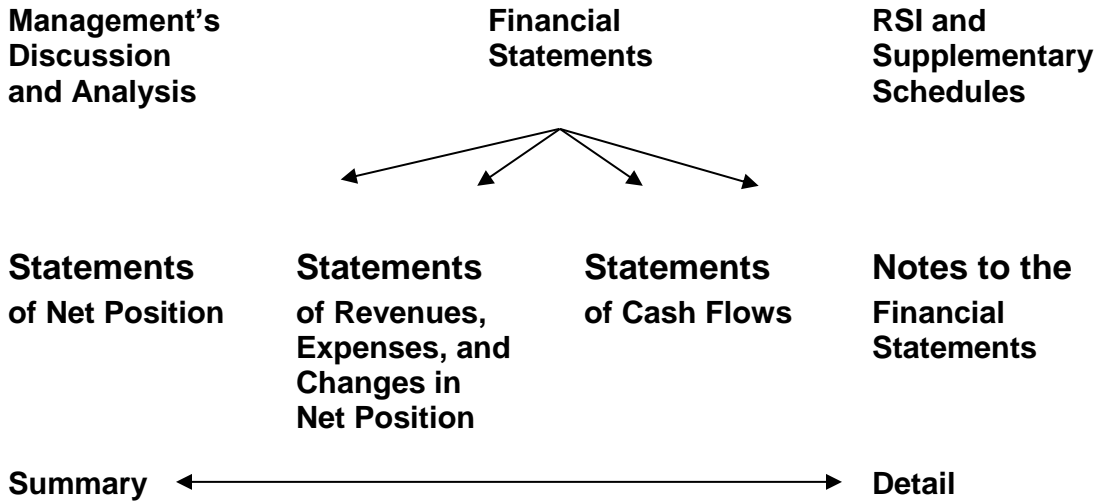
The following discussion and analysis of the Northern Indiana Commuter Transportation District's (NICTD's) financial performance provides an overview of NICTD's financial activities for the years ended December 31, 2021 and 2020.

**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, 2021 and 2020  
(In thousands of dollars)

---

**Financial Highlights**

- NICTD reported a \$135,135 increase to Net Position for 2021, compared to \$113,147 in 2020. This increase is primarily due to additional federal and regional funding for the West Lake and Double Track projects.
- Operating revenues held steady with a slight increase of \$2 or 0.03%, from \$6,338 in 2020 to \$6,340 in 2021.
- Operating expenses increased by \$7,719 or 10.55% in 2021, from \$73,135 to \$80,854 primarily due to increased insurance and maintenance costs.
- Loss before capital contributions increased by \$18,425 or 366.96% in 2021, from \$5,021 to \$(13,404) due primarily to the depletion of Federal CARES Act 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 \$135,135 in 2021 and increased by \$113,147 in 2020 (see Figures A-2a and A-2b). The largest portion of net position is net investment in capital assets, which increased \$133,758 in 2021 and increased \$82,025 in 2020 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, 2021 and 2020  
(In thousands of dollars)

**Figure A-2a**  
**Condensed Statements of Net Position**

	<u>2021</u>	<u>2020</u>	<u>Difference</u>	<u>Percent Change</u>
Current assets	\$ 75,877	\$ 82,176	\$ (6,299)	(7.67)%
Capital assets (net)	632,481	489,067	143,414	29.32
Other noncurrent assets	<u>56,576</u>	<u>51,352</u>	<u>5,224</u>	<u>10.17</u>
Total assets	764,934	622,595	142,339	22.86
Deferred outflows of resources	637	475	162	34.11
Current liabilities	38,053	27,382	10,671	38.97
Long-term liabilities	84,140	87,311	(3,171)	(3.63)
Other liabilities	<u>1,171</u>	<u>1,525</u>	<u>(354)</u>	<u>(23.21)</u>
Total liabilities	123,364	116,218	7,146	6.15
Deferred inflows of resources	646	426	220	51.64
Net investment in capital assets	541,927	408,169	133,758	32.77
Restricted for debt service	12,036	6,469	5,567	86.06
Restricted for capital projects	3,396	4,957	(1,561)	(31.49)
Unrestricted	<u>84,202</u>	<u>86,831</u>	<u>(2,629)</u>	<u>(3.03)</u>
Total net position	<u>\$ 641,561</u>	<u>\$ 506,426</u>	<u>\$ 135,135</u>	<u>26.68%</u>

**Figure A-2b**  
**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>

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2021 and 2020  
(In thousands of dollars)

Statements of Revenues, Expenses and Changes in Net Position

Operating revenues increased slightly in 2021, by \$2 (see Figure A-3a). Operating revenues decreased by \$16,206 in 2020 (see Figure A-3a). Ridership experienced a significant decrease in 2020 due to the coronavirus, COVID-19. Ridership is climbing slightly but continues to see these effects.

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenue	\$ 6,340	\$ 6,338	\$ 22,544
Commuter ridership	473	611	2,045
Off-peak ridership	<u>552</u>	<u>384</u>	<u>1,239</u>
Total ridership	<u>1,025</u>	<u>995</u>	<u>3,284</u>

Operating expenses increased by \$7,719 in 2021, due to an increase in insurance costs and maintenance expenses. Total non-operating revenues/expenses decreased by \$(10,708) or (14.91)% in 2021 due primarily to a reduction in Federal CARES Act Revenue.

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

	<u>2021</u>	<u>2020</u>	<u>Difference</u>	<u>Percent Change</u>
Operating revenue	\$ 6,340	\$ 6,338	\$ 2	0.03%
Operating expenses	<u>(80,854)</u>	<u>(73,135)</u>	<u>7,719</u>	<u>10.55</u>
Operating loss	(74,514)	(66,797)	(7,717)	11.55
Non-operating revenues/expenses	<u>61,110</u>	<u>71,818</u>	<u>(10,708)</u>	<u>(14.91)</u>
Income (loss) before contributions	(13,404)	5,021	(18,425)	(366.96)
Capital contributions	<u>148,539</u>	<u>108,126</u>	<u>40,413</u>	<u>37.38</u>
Increase in net position	135,135	113,147	21,988	19.43
Net position, beginning of year	<u>506,426</u>	<u>393,279</u>	<u>113,147</u>	<u>28.77</u>
Net position, end of year	<u>\$ 641,561</u>	<u>\$ 506,426</u>	<u>\$ 135,135</u>	<u>26.68%</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.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2021 and 2020  
(In thousands of dollars)

**Figure A-3b**  
**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>

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>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenues			
Passenger fares (net of refunds)	\$ 6,340	\$ 6,329	\$ 22,509
Parking lot collections	-	9	35
Total operating revenues	<u>\$ 6,340</u>	<u>\$ 6,338</u>	<u>\$ 22,544</u>
Operating expenses			
Transportation	\$ 20,028	\$ 19,570	\$ 19,755
Maintenance of way	7,947	6,166	8,825
Maintenance of equipment	15,758	14,806	12,397
Claims and insurance	4,920	3,491	1,851
General and administrative	<u>9,112</u>	<u>8,568</u>	<u>9,165</u>
Depreciation	57,765	52,601	51,993
Total operating expenses	<u>\$ 80,854</u>	<u>\$ 73,135</u>	<u>\$ 69,616</u>
Nonoperating revenues (expenses)			
Federal maintenance grant	\$ -	\$ -	\$ 5,421
Federal CARES Act funding	30,669	40,653	-
State operating assistance	13,833	13,704	10,537
Other local funds	5,241	5,171	5,151
Other revenue	931	1,111	1,620
Interest expense	(3,054)	(3,145)	(1,631)
Indefinite Situs tax	<u>13,490</u>	<u>14,324</u>	<u>13,327</u>
Total nonoperating revenues (expenses)	<u>\$ 61,110</u>	<u>\$ 71,818</u>	<u>\$ 34,425</u>

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2021 and 2020  
(In thousands of dollars)

---

Statements of Cash Flows

Cash flow used in operating activities in 2021 decreased by \$3,000 (see Figure A-4a). Cash flow used for capital and related financing activities increased by \$11,861 due to an increase in capital asset construction. Cash from investing activities decreased by \$4,425 due to a decrease in investment sales.

**Figure A-4a**  
**Condensed Statements of Cash Flows**

	<u>2021</u>	<u>2020</u>	<u>Difference</u>	<u>Percent Change</u>
Net cash flows used in operating activities	\$ (45,162)	\$ (48,162)	\$ 3,000	6.23%
Net cash flows provided by noncapital financing activities	53,299	49,960	3,339	6.68
Net cash flows provided by (used) in Capital and related financing activities	(3,241)	8,620	(11,861)	(137.60)
Net cash flows provided by investing activities	<u>6,164</u>	<u>10,589</u>	<u>4,425</u>	<u>(41.79)</u>
Net increase/(decrease) in cash and cash equivalents	11,060	21,007	(9,947)	(47.35)
Cash and equivalents, beginning of year	<u>61,763</u>	<u>40,756</u>	<u>21,007</u>	<u>51.54</u>
Cash and equivalents, end of year	<u>\$ 72,823</u>	<u>\$ 61,763</u>	<u>\$ 11,060</u>	<u>17.91%</u>

---

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 an increase in investment sales.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2021 and 2020  
(In thousands of dollars)

**Figure A-4b**  
**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 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>

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 2022 through 2027. NICTD expects to invest \$160,413 in capital improvements during 2022 - 2027. NICTD will utilize grants and non-operating revenues to fund these improvements. Work will include upgrades along the right of way, new equipment, railcar improvements, bridge improvements, and substation improvements.

NICTD is also proposing to fund the West Lake Corridor (WLC) expansion project and Double Track Northwest Indiana (DT-NWI) project during 2022-2026. See table below for funding sources. 2021 spending amounted to \$101,419 for West Lake and \$40,569 for Double Track.

Planned Funding Sources for 2022 – 2026:

<b>West Lake*</b>	State/RDA/Local funding	Federal funding	Total funding
Project Costs	\$366,326	\$154,573	\$520,899
<b>Double Track*</b>	State/RDA/Local funding	Federal funding	Total funding
Project Costs	\$199,542	\$72,364	\$271,906

\* Amounts subject to change based on actual activity.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 December 31, 2021 and 2020  
 (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 \$632,481, \$489,067 and \$391,972 for 2021, 2020 and 2019. For detailed information related to Capital Asset activity, see Note 3 to the financial statements.

Debt Administration

At December 31, 2021 and 2020, NICTD had \$78,430 and \$80,785 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, 2021 and 2020 was \$8,185 and \$8,867. The original bond premium was \$11,844.

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>2021</u>	<u>2020</u>	<u>Difference</u>	<u>Percent Change</u>
Situs Tax Restricted for Debt Service	\$ 13,551	\$ 13,623	\$ (72)	(0.53)%
Debt Payments - Series 2016 Bonds	6,149	6,147	2	0.03
	<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)

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

**Economic Factors and Next Year's Business Plans and Fares**

NICTD carried over 1.02 million passengers in 2021; an increase of 3.0% from 2020. Annual ridership has experienced a decline since 2016, but the ongoing COVID-19 (coronavirus) pandemic caused a severe decline in overall ridership for 2020 and continues to affect it. NICTD remains hopeful that ridership begins to normalize in the last part of 2022 and into 2023, as employers start to bring employees back into the office. We do anticipate some employers will follow a hybrid approach which allows employees to continue working from home part of the time while being physically present in the office as well. NICTD will continue to closely monitor ridership as compared to the pre-pandemic ridership of 2019.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2021 and 2020  
(In thousands of dollars)

---

NICTD continues to disinfect railcars, passenger stations, and other public common areas to further aid in protecting staff as well as ensuring the safety of our valued commuters. NICTD maintains its response 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. Federal CARES Act funding was fully expended in 2021.
- 4) Analyze potential impacts on all revenue sources including state revenue sources, such as sales tax receipts

Operating revenue increased by 0.03% in 2021. Operating and maintenance expenses for 2022 are expected to remain consistent with 2021 levels.

**Contacting NICTD's Financial Management**

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

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
 STATEMENTS OF NET POSITION  
 December 31, 2021 and 2020  
 (In thousands of dollars)

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents, unrestricted (Note 2)	\$ 5,591	\$ 3,689
Cash and cash equivalents, restricted (Note 2)	13,943	16,115
Investments, restricted (Note 2)	3,396	3,394
Receivables:		
Federal capital and planning assistance	10,909	8,722
Federal operating assistance	2,368	8,710
State assistance	21,449	18,971
Metra portion of operating costs	1,233	925
RDA/IFA receivables	5,874	11,092
Other	<u>981</u>	<u>258</u>
Total receivables	42,814	48,678
Materials and supplies inventory	6,804	7,210
Prepaid expenses	<u>3,329</u>	<u>3,090</u>
Total current assets	75,877	82,176
Noncurrent assets		
Cash and cash equivalents, unrestricted (Note 2)	41,253	33,927
Cash and cash equivalents, restricted (Note 2)	12,036	8,032
Investments, unrestricted (Note 2)	211	162
Investments, restricted (Note 2)	3,076	9,231
Capital assets not being depreciated	352,318	194,600
Capital assets being depreciated	673,608	665,557
Less accumulated depreciation	<u>(393,445)</u>	<u>(371,090)</u>
Capital assets being depreciated, net	<u>280,163</u>	<u>294,467</u>
Total capital assets, net (Note 3)	<u>632,481</u>	<u>489,067</u>
Total noncurrent assets	<u>689,057</u>	<u>540,419</u>
Total assets	764,934	622,595
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
OPEB (Note 5)	355	226
Pension (Note 6)	<u>282</u>	<u>249</u>
Total deferred outflows of resources	<u>637</u>	<u>475</u>
<b>Total assets and deferred outflows of resources</b>	<b><u>\$ 765,571</u></b>	<b><u>\$ 623,070</u></b>

See accompanying notes to financial statements.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
 STATEMENTS OF NET POSITION  
 December 31, 2021 and 2020  
 (In thousands of dollars)

	<u>2021</u>	<u>2020</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable		
Trade	\$ 6,595	\$ 897
Capital projects	20,958	16,591
Payroll taxes and withholdings	569	523
Accrued interest	1,853	1,912
Unredeemed fares	90	53
Accrued injuries and damages (Note 1)	1,061	1,050
Other accrued expenses	4,452	4,001
Current portion - bonds payable (Note 4) (payable from restricted assets)	<u>2,475</u>	<u>2,355</u>
Total current liabilities	<u>38,053</u>	<u>27,382</u>
Long-term liabilities		
Long-term debt - bonds payable (Note 4)	84,140	87,297
Long-term lease payable (Note 4)	<u>-</u>	<u>14</u>
Total long-term liabilities	84,140	87,311
Other liabilities		
Total OPEB liability (Note 5)	904	811
Net pension liability (Note 6)	<u>267</u>	<u>714</u>
Total other liabilities	<u>1,171</u>	<u>1,525</u>
Total noncurrent liabilities	<u>85,311</u>	<u>88,836</u>
Total liabilities	123,364	116,218
<b>DEFERRED INFLOWS OF RESOURCES</b>		
OPEB (Note 5)	71	86
Pension (Note 6)	<u>575</u>	<u>340</u>
Total deferred inflows of resources	<u>646</u>	<u>426</u>
<b>NET POSITION (Note 1)</b>		
Net investment in capital assets	541,927	408,169
Restricted for debt service	12,036	6,469
Restricted for capital projects	3,396	4,957
Unrestricted	<u>84,202</u>	<u>86,831</u>
Total net position	<u>641,561</u>	<u>506,426</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u>\$ 765,571</u>	<u>\$ 623,070</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, 2021 and 2020  
 (In thousands of dollars)

	<u>2021</u>	<u>2020</u>
<b>Operating revenue</b>		
Passenger fares (net of refunds)	\$ 6,340	\$ 6,329
Parking lot collections	<u>-</u>	<u>9</u>
	<u>6,340</u>	<u>6,338</u>
<b>Operating expenses</b>		
Transportation	20,028	19,570
Maintenance of way	7,947	6,166
Maintenance of equipment	15,758	14,806
Claims and insurance	4,920	3,491
General and administrative	<u>9,112</u>	<u>8,568</u>
	57,765	52,601
Depreciation	<u>23,089</u>	<u>20,534</u>
	<u>80,854</u>	<u>73,135</u>
<b>Operating loss</b>	<u>(74,514)</u>	<u>(66,797)</u>
<b>Nonoperating revenues (expenses)</b>		
Federal CARES Act funding	30,669	40,653
State operating assistance	13,833	13,704
Other local funds (Note 7)	5,241	5,171
Other revenue (Note 7)	931	1,111
Interest expense	(3,054)	(3,145)
Indefinite Situs tax	<u>13,490</u>	<u>14,324</u>
	<u>61,110</u>	<u>71,818</u>
<b>Gain (Loss) before capital contributions</b>	<u>(13,404)</u>	<u>5,021</u>
<b>Capital contributions</b>		
Federal	69,910	51,806
State	3,633	2,398
Regional governments	<u>74,996</u>	<u>53,922</u>
	<u>148,539</u>	<u>108,126</u>
Change in net position	135,135	113,147
Net position at beginning of year	<u>506,426</u>	<u>393,279</u>
Net position at end of year	<u>\$ 641,561</u>	<u>\$ 506,426</u>

See accompanying notes to financial statements.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
 STATEMENTS OF CASH FLOWS  
 Years ended December 31, 2021 and 2020  
 (In thousands of dollars)

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	\$ 6,526	\$ 7,019
Cash payments for salaries and benefits	(38,074)	(35,385)
Cash payments for insurance	(5,146)	(4,533)
Cash paid for goods and services	<u>(8,468)</u>	<u>(15,263)</u>
Net cash flows used in operating activities	<u>(45,162)</u>	<u>(48,162)</u>
<b>Cash flows from noncapital financing activities</b>		
State operating assistance	11,355	12,846
Federal CARES Act funding	37,011	31,943
Other local assistance	-	50
Metra operating subsidy	3,392	3,700
Trackage rights subsidy	<u>1,541</u>	<u>1,421</u>
Net cash flows provided by noncapital financing	<u>53,299</u>	<u>49,960</u>
<b>Cash flows from capital and related financing activities</b>		
Acquisition and construction of capital assets	(162,136)	(103,928)
Capital contributions	151,570	104,384
Interest paid	(3,795)	(3,909)
Indefinite Situs tax	13,490	14,324
Proceeds from asset disposition	-	1
Payment on lease liability	(15)	(12)
Payment on bonds	<u>(2,355)</u>	<u>(2,240)</u>
Net cash flows provided by (used in) capital and related financing activities	<u>(3,241)</u>	<u>8,620</u>
<b>Cash flows from investing activities</b>		
Sale (purchase) of investments	6,104	10,354
Interest received on cash equivalents and investments	<u>60</u>	<u>235</u>
Net cash flows provided by investing activities	<u>6,164</u>	<u>10,589</u>
Net increase in cash and cash equivalents	11,060	21,007
Cash and cash equivalents at beginning of year	<u>61,763</u>	<u>40,756</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 72,823</u>	<u>\$ 61,763</u>

See accompanying notes to financial statements.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
 STATEMENTS OF CASH FLOWS  
 Years ended December 31, 2021 and 2020  
 (In thousands of dollars)

	<u>2021</u>	<u>2020</u>
<b>Reconciliation of operating loss to net cash flows used in operating activities</b>		
Operating loss	\$ (74,514)	\$ (66,797)
Adjustments to reconcile operating loss to net cash flows used in operating activities:		
Depreciation expense	23,089	20,534
Change in assets and liabilities		
Receivables	149	966
Materials and supplies inventories	406	(1,291)
Prepaid expenses	(239)	(1,238)
Deferred outflows	(162)	(381)
Accounts payable - trade	5,698	15
Unredeemed fares	37	(284)
Net OPEB liability	93	(4)
Accrued injuries and damages	11	219
Accrued and withheld items	497	(9)
Net pension liability	(447)	70
Deferred inflows	<u>220</u>	<u>39</u>
Net cash flows used in operating activities	<u>\$ (45,162)</u>	<u>\$ (48,162)</u>
<b>Noncash capital and related financing activities</b>		
Capital assets included in accounts payable		
End of year	\$ 20,958	\$ 16,591
Beginning of year	16,591	2,889
Capital assets included in lease payable		
End of year	\$ -	\$ 14
Beginning of year	14	43
Capital contributions included in accounts receivable		
End of year	\$ 16,783	\$ 19,814
Beginning of year	19,814	16,072

See accompanying notes to financial statements.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

---

**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, 2021 and 2020

---

**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, 2021 and 2020

---

**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.

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources: 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 capital 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.

---

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2021 and 2020

---

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

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

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

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

NICTD is responsible for catastrophic liability claims up to \$3 million. Claims in excess of \$3 million are covered by commercial insurance carriers up to a maximum of \$320 million. The coverage from \$3 million to \$320 million is with several insurance carriers. During 2021, 2020, and 2019, 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 2021 and there were no settlements that exceeded insurance coverage during 2021, 2020, or 2019 for those risks that NICTD purchased insurance.

Accrued injuries and damages claims activity for the year ended December 31, 2021, 2020, and 2019 was as follows in thousands of dollars:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Unpaid claims, beginning of year	\$ 1,050	\$ 831	\$ 959
Incurred claims and changes in claim estimates	500	460	83
Claim payments	<u>(489)</u>	<u>(241)</u>	<u>(211)</u>
Unpaid claims, end of year	<u>\$ 1,061</u>	<u>\$ 1,050</u>	<u>\$ 831</u>

Adoption of New Accounting Pronouncements: For the year ended December 31, 2021, NICTD adopted the following accounting pronouncements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* establishes accounting requirements for interest costs incurred before the end of a construction period. The Statement requires interest costs incurred before construction's end be recognized as expense in the period in which the cost is incurred. This Statement's requirements are effective for fiscal years ending after December 15, 2021 and applied on a prospectively basis. NICTD implemented this statement with no impact on 2021.

GASB Statement No. 98, *The Annual Comprehensive Financial Report* addresses references in addresses references in authoritative literature to the term *comprehensive annual financial report*. The statement replaces the term *comprehensive annual financial report* in all GASB pronouncements with *annual comprehensive financial report*. The requirements of this statement are effective for fiscal years ending after December 15, 2021. NICTD implemented this standard and incorporated any required changes to their financial reporting beginning with fiscal year ending December 31, 2021.

---

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

---

**NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS**

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

	<u>2021</u>	<u>2020</u>
Unrestricted		
General fund	\$ 5,591	\$ 3,689
Accident claims reserve	6,820	6,814
Capital asset reserve	<u>34,433</u>	<u>27,113</u>
Total unrestricted	46,844	37,616
Restricted		
Bond proceeds/local grants restricted for acquisition of capital assets	13,944	17,678
Indefinite Situs tax restricted for debt repayment	<u>12,035</u>	<u>6,469</u>
Total restricted	<u>25,979</u>	<u>24,147</u>
	<u>\$ 72,823</u>	<u>\$ 61,763</u>

Investments at December 31, 2021 and 2020 are as follows in thousands of dollars:

<u>Description</u>	<u>2021</u> <u>Amount</u>	<u>2020</u> <u>Amount</u>
Government agency securities, unrestricted	\$ 211	\$ 162
Taxable Money Market Funds, restricted	3,396	3,550
U.S. Treasury securities, restricted	-	5,999
Government agency securities, restricted	<u>3,076</u>	<u>3,076</u>
	<u>\$ 6,683</u>	<u>\$ 12,787</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, 2021 and 2020, all investment maturities are less than one year. Interest rate ranges for 2021 and 2020, respectively, are 0.03% to 0.07% and 0.03% to 0.09%.

Investments are allocated as follows in thousands of dollars:

	<u>2021</u>	<u>2020</u>
Unrestricted		
Deferred benefit plan reserve	\$ 211	\$ 162
Total unrestricted	211	162
Restricted		
Bond proceeds/local grants restricted for acquisition of capital assets	3,076	9,231
Indefinite Situs tax restricted for debt repayment	<u>3,396</u>	<u>3,394</u>
Total restricted	<u>6,472</u>	<u>12,625</u>
	<u>\$ 6,683</u>	<u>\$ 12,787</u>

---

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

---

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

Cash and Investment Deposits: NICTD maintains deposits with seven area financial institutions. A summary of these deposits as of December 31, 2021 and 2020 is as follows in thousands of dollars:

	2021		2020	
	Carrying Amount	Balance Per Bank	Carrying Amount	Balance Per Bank
On hand	\$ 11	\$ -	\$ 1	\$ -
On deposit				
Insured by FDIC	1,000	1,000	1,000	1,000
Insured by IPDIF	71,812	72,286	60,762	61,581
Held in US Treasury/Gov't Agency	6,683	6,683	12,787	12,787
	\$ 79,506	\$ 79,969	\$ 74,550	\$ 75,368

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

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

---

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

**NOTE 3 - CAPITAL ASSETS**

Construction in progress includes activities for the development and placement of capital assets into service. During 2021, reductions to CIP of \$8,847 thousand were comprised of \$8,784 thousand transfers to capital assets, \$62 thousand to land, and \$1 thousand of expensed CIP projects. A summary of changes in capital assets is as follows in thousands of dollars:

	Balance January 1, <u>2021</u>	<u>Changes During Year</u>		Balance December 31, <u>2021</u>
		<u>Additions</u>	<u>Reductions</u>	
<b>Capital assets not being depreciated:</b>				
Land	\$ 8,555	\$ 62	\$ -	\$ 8,617
Construction in progress	<u>186,045</u>	<u>166,503</u>	<u>(8,847)</u>	<u>343,701</u>
Total capital assets not being depreciated	<u>194,600</u>	<u>166,565</u>	<u>(8,847)</u>	<u>352,318</u>
<b>Capital assets being depreciated:</b>				
Rolling stock (including capital spare parts)	208,164	-	-	208,164
Buildings and improvements	216,103	6,866	-	222,969
Track work and substations	59,329	534	-	59,863
Positive train control	105,713	-	-	105,713
Bridges and crossings	57,129	-	-	57,129
Machinery and equipment	12,430	347	(63)	12,714
Information system and office equipment	1,612	374	(75)	1,911
Autos and trucks	<u>5,077</u>	<u>663</u>	<u>(595)</u>	<u>5,145</u>
Total capital assets being depreciated	665,557	8,784	(733)	673,608
<b>Less accumulated depreciation:</b>				
Rolling stock (including capital spare parts)	152,304	3,754	-	156,058
Buildings and improvements	170,482	4,773	-	175,255
Track work and substations	1,299	6,266	-	7,565
Positive train control	2,643	5,292	-	7,935
Bridges and crossings	31,761	1,688	-	33,449
Machinery and equipment	8,419	646	(63)	9,002
Information system and office equipment	760	140	(75)	825
Autos and trucks	<u>3,422</u>	<u>529</u>	<u>(595)</u>	<u>3,356</u>
Total accumulated depreciation	<u>371,090</u>	<u>23,088</u>	<u>(733)</u>	<u>393,445</u>
Total capital assets being depreciated, net	<u>294,467</u>	<u>(14,304)</u>	<u>-</u>	<u>280,163</u>
Total capital assets, net	<u>\$ 489,067</u>	<u>\$ 152,261</u>	<u>\$ (8,847)</u>	<u>\$ 632,481</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

**NOTE 3 - CAPITAL ASSETS** (Continued)

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, 2021 and 2020

**NOTE 4 - LONG-TERM LIABILITIES**

Long-term liability activity for the year ended December 31, 2021 and 2020 is as follows (in thousands of dollars):

	January 1, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	December 31, <u>2021</u>	Due Within <u>One Year</u>	Long-Term <u>Portion</u>
Bonds payable:						
Bonds payable – 2016	\$ 80,785	\$ -	\$ (2,355)	\$ 78,430	\$ 2,475	\$ 75,955
Premium on bonds payable	<u>8,867</u>	<u>-</u>	<u>(682)</u>	<u>8,185</u>	<u>-</u>	<u>8,185</u>
Total bonds payable	89,652	-	(3,037)	86,615	2,475	84,140
Capital lease payable	<u>28</u>	<u>-</u>	<u>(15)</u>	<u>13</u>	<u>13</u>	<u>-</u>
Total	<u>\$ 89,680</u>	<u>\$ -</u>	<u>\$ (3,052)</u>	<u>\$ 86,628</u>	<u>\$ 2,488</u>	<u>\$ 84,140</u>
	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>

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, 2021 and 2020

**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>
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	2,975	3,175	6,150
2027-2031	17,175	13,565	30,740
2032-2036	21,060	9,684	30,744
2037-2041	<u>26,620</u>	<u>4,122</u>	<u>30,742</u>
	<u>\$ 78,430</u>	<u>\$ 44,539</u>	<u>\$ 122,969</u>

Interest expense was \$3,054 thousand and \$3,145 thousand at December 31, 2021 and 2020, respectively. Total interest paid was \$3,054 thousand and \$3,145 thousand for 2021 and 2020, respectively.

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, 2021 and 2020, NICTD has \$32.5 million and \$36.8 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>2021</u>	<u>2020</u>
CRSF – Indefinite Situs Tax Funds Received	\$ 13,551	\$ 13,623
CRSF – Sales Tax Funds Received	11,689	10,281
Electric Rail Service Funds Received	280	208

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

	<u>2021</u>	<u>2020</u>
Debt Service Payments – 2016 Bonds	\$ 6,149	\$ 6,147

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 was recorded in 2020 due to a change in the calculation of present value of the copier lease.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2021 and 2020

---

**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 \$579 thousand of NICTD's cash and cash equivalents is designated for this health plan. Approximately 90 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 \$93 thousand and \$4 thousand in postretirement health plan obligations for 2021 and 2020, respectively. The accumulated OPEB liability was \$904 thousand and \$811 thousand as of December 31, 2021 and 2020, respectively.

Actuarial assumptions: The total OPEB liability in the December 31, 2021 and 2020 actuarial valuation was determined using the following actuarial assumptions:

- Measurement Date – January 1, 2021 and December 31, 2020
- Actuarial Valuation Date – January 1, 2021 and 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 January 1, 2021 and 2.12% as of December 31, 2020
- 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
2022	8.0%	2025	6.5%	2028	5.0%
2023	7.5%	2026	6.0%	2029+	4.5%
2024	7.0%	2027	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 January 1, 2021. 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, 2021 and 2020

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

<b>Total OPEB Liability (in thousands)</b>	<b>2021</b>	<b>2020</b>
Balance at beginning of year	\$ 811	\$ 815
Service cost	-	47
Interest	-	27
Change of benefit terms	-	2
Changes in assumptions	19	56
Differences between expected and actual experience	74	(86)
Benefit payments	-	(50)
Net changes	<u>93</u>	<u>(4)</u>
Balance at end of year	<u>\$ 904</u>	<u>\$ 811</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>
2021	1.12% \$ 961	2.12% \$ 904	3.12% \$ 852
	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
2020	1.12% \$ 864	2.12% \$ 811	3.12% \$ 762

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>
	(7.0% decreasing to 3.5%)	(8.0% decreasing to 4.5%)	(9.0% decreasing to 5.5%)
2021	\$ 834	\$ 904	\$ 987
2020	\$ 737	\$ 811	\$ 899

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 \$(50) thousand for 2021 and \$(144) thousand for 2020.

At December 31, 2021, 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	\$ 169	\$ 67
Changes in assumptions	103	4
Contributions subsequent to the measurement date	<u>83</u>	<u>-</u>
Total	<u>\$ 355</u>	<u>\$ 71</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2021 and 2020

---

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

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>

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

Year ended December 31:		
2022	\$	32
2023		36
2024		36
2025		36
2026		36
Thereafter		<u>25</u>
		<u>\$ 201</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.

---

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

---

**NOTE 6 - EMPLOYEES' RETIREMENT PLANS** (Continued)

Retirement benefits provided:

**Full Retirement Benefit -**

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

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

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

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

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 (13<sup>th</sup> check) with the dollar amount tied to years of service. For the year ended June 30, 2021, postretirement benefits of \$31.2 million were issued to members as a 13<sup>th</sup> check.

Contributions: Contributions are determined by the INPRS Board of Trustees based on an actuarial valuation. During fiscal year 2021, 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 7.2 percent for political subdivisions. No member contributions are required.

During fiscal year 2020, all participating employers were required to contribute 11.2 percent of covered payroll for Hybrid members. 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.

---

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2021 and 2020

---

**NOTE 6 - EMPLOYEES' RETIREMENT PLANS** (Continued)

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</u> <u>December 31</u>	<u>Annual Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
2021	\$ 127	100%
2020	128	100%
2019	142	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](mailto:questions@inprs.in.gov), or by visiting [www.in.gov/inprs](http://www.in.gov/inprs).

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

- Measurement Date – June 30, 2021
- Asset valuation date – June 30, 2021
- Liability valuation date – June 30, 2020 – The TPL as of June 30, 2021 was determined based on an actuarial valuation prepared as of June 30, 2020 rolled forward one year to June 30, 2021, using the following key assumptions and other inputs, such as benefit accruals and actual benefits payments during that time period.
- Actuarial cost method (accounting) – Entry age normal (level percent of payroll)
- Experience study date – Period of 5 years ended June 30, 2019
- Investment rate of return – 6.25%, includes inflation and net of investment expenses
- COLA – Members in pay were granted a 1.0% COLA on January 1, 2022 and no COLA on January 1, 2023. Therefore, the COLA assumption will be 0.4% beginning on January 1, 2024, 0.5% beginning on January 1, 2034, and 0.6% beginning on January 1, 2039.
- Future salary increases, including inflation – 2.65% - 8.65% based on service
- Inflation – 2.00%
- Mortality assumptions – Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

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 were used beginning with the June 30, 2020 actuarial valuation. Economic assumptions were updated and approved by the Board in May 2021 following the completion of an Asset-Liability study and first used in the June 30, 2021 actuarial valuation.

Changes in Assumptions from the Prior Year:

The following economic assumptions were adopted for the June 30, 2021 actuarial valuation:

- The investment return assumption was lowered from 6.75% (as of June 30, 2020) to 6.25%.
- Price inflation was lowered from 2.25% (as of June 30, 2020) to 2.00%.
- General wage inflation was lowered from 2.75% (as of June 30, 2020) to 2.65%.

---

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

**NOTE 6 - EMPLOYEES' RETIREMENT PLANS** (Continued)

Legislation granted a 1.00% cost-of-living adjustment effective January 1, 2022 to paid from the Supplemental Reserve Account. No supplement benefits were granted for fiscal year 2023. This replaces the COLA assumption of 0.4% for Fiscal Years 2022 and 2023 but does not change the assumption for future years.

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

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

	<u>Target</u>		<u>Geometric Basis</u>	
	<u>Asset Allocation</u>		<u>Long-Term Expected</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Public Equity	20.0%	22.0%	3.6%	4.4%
Private Equity	15.0%	14.0%	7.3%	7.6%
Fixed Income – ExInflation-Linked	20.0%	20.0%	1.5%	1.9%
Fixed Income – Inflation-Linked	15.0%	7.0%	(0.3)%	0.5%
Commodities	10.0%	8.0%	0.8%	1.6%
Real Estate	10.0%	7.0%	4.2%	5.8%
Absolute Return	5.0%	10.0%	2.5%	2.9%
Risk Parity	20.0%	12.0%	4.4%	5.5%
Leverage Offset	(15.0%)	N/A	(1.4%)	N/A

Discount rate: Total pension liability for each defined benefit pension plan was calculated using the discount rate of 6.25 percent for 2021 and 6.75 percent for 2020. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State (the non-employer contributing entity) would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.25 percent for 2021 and 6.75 percent for 2020). Based on these assumptions, the PERF defined benefit pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the plan.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2021 and 2020

---

**NOTE 6 - EMPLOYEES' RETIREMENT PLANS** (Continued)

Sensitivity of NICTD's proportionate share of the net pension liability to changes in the discount rate: Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability of the defined benefit pension plan calculated using the discount rate of 6.25 percent for 2021 and 6.75 percent for 2020, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate (in thousands of dollars):

	<u>1% Decrease</u> (5.25%)	<u>Current Rate</u> (6.25%)	<u>1% Increase</u> (7.25%)
2021	\$ 697	\$ 267	\$ (93)
	<u>1% Decrease</u> (5.75%)	<u>Current Rate</u> (6.75%)	<u>1% Increase</u> (7.75%)
2020	\$ 1,164	\$ 714	\$ 337

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](mailto:questions@inprs.in.gov), or by visiting [www.in.gov/inprs](http://www.in.gov/inprs).

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (in thousands of dollars): At December 31, 2021, NICTD reported a liability of \$267 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, 2021 measurement date was 0.02026%.

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%.

---

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2021 and 2020

---

**NOTE 6 - EMPLOYEES' RETIREMENT PLANS** (Continued)

For the year ended December 31, 2021, NICTD recognized pension expense of \$(117) thousand, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of \$(94). At December 31, 2021, 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	\$ 9	\$ 5
Net difference between projected and actual earnings on pension plan investments	-	346
Changes in assumptions	134	60
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>75</u>	<u>164</u>
Total that will be recognized in pension expense (income) based on table below	218	575
Pension contributions subsequent to measurement date	<u>64</u>	<u>-</u>
Total	<u>\$ 282</u>	<u>\$ 575</u>

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, 2021 and 2020

---

**NOTE 6 - EMPLOYEES' RETIREMENT PLANS** (Continued)

Deferred outflows of resources resulting from employer contributions subsequent to the June 30, 2021 and 2020 measurement dates are recognized as a reduction of net pension liability in the year ending December 31, 2022 and 2021, 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, 2021 (in thousands)</u>	<u>Amount</u>
2022	\$ (140)
2023	(56)
2024	(62)
2025	<u>(99)</u>
	<u>\$ (357)</u>

Public Employees' Retirement Fund - Defined Contribution Plan

PERF DC is a multiple-employer defined contribution plan providing retirement benefits to full-time employees of the State of Indiana not covered by another plan and those political subdivisions (counties, cities, townships, and other governmental units) that elect to participate in the retirement fund. Administration of the account is in accordance with IC 5-10.2, IC 5-10.3, 35 IAC 1.2 and other Indiana pension law.

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

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

PERF DC consists of two tiers:

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

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

---

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2021 and 2020

---

**NOTE 6 - EMPLOYEES' RETIREMENT PLANS** (Continued)

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

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

*My Choice*

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

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

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

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

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

<u>Year Ended December 31</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2021	\$ 36	100%
2020	34	100%
2019	38	100%

(Continued)

**NOTE 6 - EMPLOYEES' RETIREMENT PLANS (Continued)**

**Federal Railroad Retirement Act:**

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

**NICTD Supplemental Pension Plans and Trusts:**

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

The Plan requires contributions by NICTD to be made at the rate of 5% of Class I employees' compensation and 8% of Class II employees' compensation. Contributions for 2021 and 2020 by NICTD amounted to \$293 thousand and \$267 thousand (5% of covered payroll) for Class I employees and \$90 thousand and \$86 thousand (8% of covered payroll) for Class II employees.

Covered payroll for 2021 and 2020 amounted to \$5,866 thousand and \$5,347 thousand for Class I employees and \$1,130 thousand and \$1,076 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 2021 and 2020 by NICTD amounted to \$34 thousand and \$31 thousand for clerks, \$17 thousand and \$15 thousand for dispatchers, \$142 thousand and \$144 thousand for collectors/conductors and engineers, and \$27 thousand and \$23 thousand for car men, cleaners, and machinists. Qualifying hours for 2021 and 2020 were 34 thousand and 31 thousand for clerks, 17 thousand and 15 thousand for dispatchers, 142 thousand and 144 thousand for collectors/conductors and engineers, and 179 thousand and 152 thousand for car men, cleaners, and machinists.

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

---

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2021 and 2020

**NOTE 6 - EMPLOYEES' RETIREMENT PLANS (Continued)**

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

In 2020, NICTD offered a deferred compensation plan to all full-time employees under a plan administered by the State of Indiana, public employee deferred compensation plan (Hoosier S.T.A.R.T.). The plan is established in accordance with Internal Revenue Code 457. Employees are permitted to defer a portion of their salary until future years. Only upon terminations, retirements, deaths, or an unforeseen emergency is the deferred compensation available to the employee. Federal House Bill 3448 mandates all Internal Revenue Code Section 457 plan assets must be held in a qualified trust for the benefit of participants and their beneficiaries. Because these assets are held by a custodian for the specific benefit of participants and their beneficiaries, they are not reflected in the financial statements and are free from claims of NICTD's creditors. The fair market value of Hoosier S.T.A.R.T. investments held by the State of Indiana for participants was \$264 thousand at December 31, 2021, and \$102 thousand at December 31, 2020.

**NOTE 7 - OTHER NONOPERATING REVENUE (EXPENSE)**

Other local funds, other revenue, and other expense at December 31, 2021 and 2020 consist of the following in thousands of dollars:

	<u>2021</u>	<u>2020</u>
Other local funds		
Metra Purchase of Service Fee	\$ 3,700	\$ 3,700
Metra Electric District Study	-	50
Chicago South Shore and South Bend Railroad	<u>1,541</u>	<u>1,421</u>
Total other local funds	<u>\$ 5,241</u>	<u>\$ 5,171</u>
Other revenue		
Interest – unreserved	\$ 60	\$ 235
Rental income	337	364
Sale of maintenance services	4	3
Sale of scrap material	421	346
Advertising activities	109	153
Miscellaneous	<u>-</u>	<u>10</u>
Total other revenue	<u>\$ 931</u>	<u>\$ 1,111</u>
Other expense		
Interest expense	<u>\$ 3,054</u>	<u>\$ 3,145</u>
Total other expense	<u>\$ 3,054</u>	<u>\$ 3,145</u>

(Continued)

**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 \$2.92 million and \$2.67 million in MOW fees in 2021 and 2020, 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 2021 and 2020, \$1,541 thousand and \$1,421 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 Chicago South Shore (CSS) line. The existing Purchase of Service expires December 31, 2024. The operating subsidy for 2021 and 2020 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 \$8.1 million and \$7.9 million in total trackage rights expense for 2021 and 2020, respectively.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 December 31, 2021 and 2020

---

**NOTE 10 - COMMITMENTS AND CONTINGENCIES**

The following summarizes the significant commitments and contingencies at December 31, 2021 and 2020:

- (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 health insurance plan for its management employees. Benefits Administrative Systems, LLC provides certain administrative services for the plan. An insurance company provides specific and aggregate stop loss coverage. NICTD is responsible for the funding of all claims up to \$90 thousand (aggregate specific deductible) per individual per policy year and up to approximately \$1,713 thousand (attachment point/minimum aggregate deductible) per year for the group as a whole. A liability of \$145 thousand and \$103 thousand has been recorded by NICTD at December 31, 2021 and 2020 to estimate payment of claims pending on that date. Group insurance expense related to this plan totaled \$2,303 thousand and \$1,755 thousand for the years ended December 31, 2021 and 2020. Approximately 300 union employees are covered under a separate national multi-employer railroad plan. Total health insurance expenses for the years ended December 31, 2021 and 2020 totaled \$9,169 thousand and \$7,967 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>2021</u>	<u>2020</u>
Track Equipment	\$ 131	\$ -
Track Improvements	6,250	14
Station & Facility Improvements	2	596
Railcar Rehabilitation	1,839	3,537
Vehicles	119	498
Catenary Phase III	-	59
Bridges	229	-
Positive Train Control	-	2,843
West Lake Corridor Project	506,698	592,456
Double Track Project	66,648	19,093
Substations	2,674	1,739
Others	<u>3,456</u>	<u>3,249</u>
 Total	 <u>\$ 588,046</u>	 <u>\$ 624,084</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, 2021

<b>Total OPEB liability</b>	<u>2021</u>	<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	19	56	67	(24)	13
Differences between expected and actual experience	74	(86)	166	-	-
Benefit payments	<u>-</u>	<u>(50)</u>	<u>(43)</u>	<u>(33)</u>	<u>(28)</u>
<b>Net change in total OPEB liability</b>	93	(4)	246	(7)	34
<b>Total OPEB liability - beginning</b>	<u>811</u>	<u>815</u>	<u>569</u>	<u>576</u>	<u>542</u>
<b>Total OPEB liability – ending</b>	<u>\$ 904</u>	<u>\$ 811</u>	<u>\$ 815</u>	<u>\$ 569</u>	<u>\$ 576</u>
Covered employee payroll	6,908	6,341	5,755	5,903	5,055
Total OPEB liability as a percentage of covered-employee payroll	13.1%	12.8%	14.2%	9.6%	11.4%

Notes:

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

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

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

2021	2.12%
2020	2.12%
2019	3.26%
2018	4.10%
2017	3.44%

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

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF NICTD'S PROPORTIONATE SHARE OF THE  
 NET PENSION LIABILITY (in thousands)  
 December 31, 2021

	<u>2021</u>	<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	0.0203%	0.0236%	0.0195%	0.0286%	0.0303%	0.0282%	0.0302%
NICTD's proportionate share of the net pension liability	\$ 267	\$ 714	\$ 644	\$ 971	\$ 1,350	\$ 1,278	\$ 1,230
NICTD's covered payroll	\$ 1,117	\$ 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	23.90%	56.0%	63.4%	66.6%	87.0%	98.4%	85.0%
Plan fiduciary net position as a percentage of the total pension liability	92.5%	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, 2021
- Liability valuation date – June 30, 2020 – The TPL as of June 30, 2021 was determined based on an actuarial valuation prepared as of June 30, 2020 rolled forward one year to June 30, 2021, using the following key assumptions and other inputs, such as benefit accruals and actual benefits payments during that time period.
- Actuarial cost method (accounting) – Entry age normal (level percent of payroll)
- Experience study date – Period of 5 years ended June 30, 2019
- Investment rate of return – 6.25%
- COLA – Members in pay were granted a 1.0% COLA on January 1, 2022 and no COLA on January 1, 23. Therefore, the COLA assumption will be 0.4% beginning on January 1, 2024, 0.5% beginning on January 1, 2034, and 0.6% beginning on January 1, 2039.
- Future salary increases, including inflation – 2.65% - 8.65% based on service
- Inflation – 2.00%
- Mortality assumptions – Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with a fully generational projection of mortality improvements using SOA Scale MP-2019.

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

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

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF NICTD'S CONTRIBUTIONS – PERF (in thousands)  
 December 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 127	\$ 128	\$ 142	\$ 135	\$ 173	\$ 159	\$ 147
Contributions in relation to the statutorily required contribution	<u>(127)</u>	<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>	<u>\$ -</u>
NICTD's contributions as a percentage of statutorily required contribution for pension	100%	100%	100%	100%	100%	100%	100%
NICTD's covered payroll	\$ 1,136	\$ 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%	11.2%

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

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

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

*Amortization method:* Level dollar

*Remaining amortization period:* 20 years, closed

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

*Inflation:* 2.0%

*Salary increases:* 2.65% - 8.65% based on service

*Investment rate of return:* 6.25%

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

*Other information:*

The INPRS Board sets, at its discretion, the State's employer contribution rate upon considering the results of the actuarial valuation and other analysis as appropriate. The 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, 2021 and 2020  
(In thousands of dollars)

	<u>2021</u>	<u>2020</u>
<b>TRANSPORTATION</b>		
Salaries and wages	\$ 6,247	\$ 6,432
Fringe benefits and payroll taxes	4,994	4,621
Equipment expense	1	-
Repairs and maintenance materials	5	4
Operating costs	8,316	8,236
Utilities	222	211
Professional Services	-	14
Other services	344	111
Office supplies	18	16
Administration	(122)	(78)
Rents and leases	3	3
	<u>20,028</u>	<u>19,570</u>
<b>MAINTENANCE OF WAY EXPENSES</b>		
Salaries and wages	3,676	3,324
Fringe benefit and payroll taxes	3,674	3,140
Equipment expense	91	94
Repairs and maintenance materials	1,636	1,126
Traction power	1,927	1,686
Operating costs	(2,660)	(2,440)
Utilities	308	286
Professional services	356	297
Other services	548	638
Office supplies	28	44
Administration	(1,659)	(2,052)
Rents and leases	22	23
	<u>7,947</u>	<u>6,166</u>
<b>MAINTENANCE OF EQUIPMENT EXPENSES</b>		
Salaries and wages	6,859	6,617
Fringe benefit and payroll taxes	6,440	5,435
Equipment expense	38	46
Repairs and maintenance materials	2,967	2,775
Operating costs	49	63
Utilities	108	85
Other services	986	992
Office supplies	11	6
Administration	(1,702)	(1,213)
Rents and leases	2	-
	<u>15,758</u>	<u>14,806</u>
<b>CLAIMS AND INSURANCE</b>	4,920	3,491

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
OTHER SUPPLEMENTARY INFORMATION  
SCHEDULES OF EXPENSES  
Years ended December 31, 2021 and 2020  
(In thousands of dollars)

---

	<u>2021</u>	<u>2020</u>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Salaries and wages	\$ 2,624	\$ 2,531
Fringe benefit and payroll taxes	3,759	3,024
Equipment expense	16	9
Repairs and maintenance materials	37	47
Operating costs	57	39
Utilities	293	280
Professional services	1,367	1,367
Other services	311	402
Office supplies	88	195
Administration	550	663
Rents and leases	<u>10</u>	<u>11</u>
	9,112	8,568
<b>DEPRECIATION</b>		
Depreciation on assets acquired with federal funds	12,876	12,322
Depreciation on assets acquired with state and local funds	<u>10,213</u>	<u>8,212</u>
	<u>23,089</u>	<u>20,534</u>
	<u>\$ 80,854</u>	<u>\$ 73,135</u>

**NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended December 31, 2021**

Federal Grantor/Grant No.	Assistance Listing Number	Grants Receivable, Beginning of 2021	-----Cash Reimbursements-----			-----Qualifying Expenditures-----			Grants Receivable, End of 2021
			Federal Share	Local Share	Total	Federal Share	Local Share	Total	
U.S. Department of Transportation Federal Transit Cluster									
Capital Assistance / Maintenance									
IN-2021-020	20.500	\$ -	\$ 38,449	\$ 35,864	\$ 74,313	\$ 143,457	\$ 35,864	\$ 179,321	\$ 105,008
IN-2021-002	20.500	-	19,781,737	44,827,258	64,608,995	24,370,071	44,827,258	69,197,329	4,588,334
IN-2020-040	20.500	8,229,981	37,966,765	57,037,904	95,004,669	34,259,553	57,037,904	91,297,457	4,522,769
IN-2020-012 CARES Act	20.507	8,709,577	38,023,683	-	38,023,683	31,682,282	-	31,682,282	2,368,176
IN-2016-020	20.507	-	24,406	6,102	30,508	24,406	6,102	30,508	-
IN-2019-026	20.525	37,457	4,138,900	1,063,015	5,201,915	4,252,061	1,063,015	5,315,076	150,618
IN-2018-024	20.525	181,666	2,211,295	510,268	2,721,563	2,041,072	510,268	2,551,340	11,443
IN-2017-023	20.525	107,363	1,018,915	227,989	1,246,904	911,957	227,989	1,139,946	405
IN-2016-020	20.525	57,874	1,529,586	368,198	1,897,784	1,472,791	368,198	1,840,989	1,079
FTA Subtotal		17,323,918	104,733,736	104,076,598	208,810,334	99,157,650	104,076,598	203,234,248	11,747,832
Federal Railroad Administration									
FR-CRS-0004-19-01-00	20.325	107,742	-	1,421,562	1,421,562	1,421,562	1,421,562	2,843,124	1,529,304
FRA Subtotal		107,742	-	1,421,562	1,421,562	1,421,562	1,421,562	2,843,124	1,529,304
<b>Total</b>		<b>\$ 17,431,660</b>	<b>\$ 104,733,736</b>	<b>\$ 105,498,160</b>	<b>\$ 210,231,896</b>	<b>\$ 100,579,212</b>	<b>\$ 105,498,160</b>	<b>\$ 206,077,372</b>	<b>\$ 13,277,136</b>
Summary by Federal ALN									
20.500 <sup>2</sup>		\$ 8,229,981	\$ 57,786,951	\$ 101,901,026	\$ 159,687,977	\$ 58,773,081	\$ 101,901,026	\$ 160,674,107	\$ 9,216,111
20.507 <sup>3</sup>		8,709,577	38,048,089	6,102	38,054,191	31,706,688	6,102	31,712,790	2,368,176
20.525 <sup>4</sup>		384,360	8,898,696	2,169,470	11,068,166	8,677,881	2,169,470	10,847,351	163,545
<b>Federal Transit Cluster Total</b>		<b>17,323,918</b>	<b>104,733,736</b>	<b>104,076,598</b>	<b>208,810,334</b>	<b>99,157,650</b>	<b>104,076,598</b>	<b>203,234,248</b>	<b>11,747,832</b>
AL Number									
20.325 <sup>1</sup>		107,742	-	1,421,562	1,421,562	1,421,562	1,421,562	2,843,124	1,529,304
<b>Federal Railroad Administration Total</b>		<b>107,742</b>	<b>-</b>	<b>1,421,562</b>	<b>1,421,562</b>	<b>1,421,562</b>	<b>1,421,562</b>	<b>2,843,124</b>	<b>1,529,304</b>
<b>Total</b>		<b>\$ 17,431,660</b>	<b>\$ 104,733,736</b>	<b>\$ 105,498,160</b>	<b>\$ 210,231,896</b>	<b>\$ 100,579,212</b>	<b>\$ 105,498,160</b>	<b>\$ 206,077,372</b>	<b>\$ 13,277,136</b>

<sup>1</sup> ALN 20.325 Federal Railroad Administration – Consolidated Rail Infrastructure and Safety Improvements

<sup>2</sup> ALN 20.500 Federal Transit – Capital Investment Grants

<sup>3</sup> ALN 20.507 Federal Transit – Formula Grants (Urbanized Area Formula Program)

<sup>4</sup> ALN 20.525 Federal Transit – State of Good Repair Grants

<sup>5</sup> Total expenditures of federal awards for the year

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, 2021

---

**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, 2021. 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. NICTD's indirect cost rate for 2021 was 151%.

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

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

# STATISTICAL SECTION

## Statistical Section

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

### Financial Trends P.49-50

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

### Revenue Capacity P.51-58

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

### Debt Capacity P.59-61

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

### Demographic and Economic Information P.62-63

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.64-68

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

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

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

	<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>	<u>2021</u>
<b>NET POSITION</b>										
Net investment in capital assets	\$ 239,260	\$ 234,580	\$ 233,493	\$ 245,477	\$ 273,034	\$ 291,178	\$ 301,574	\$ 326,144	\$ 408,169	\$ 541,927
Restricted for debt service	15,712	17,854	21,892	13,373	19,345	13,459	1,230	2,163	6,469	12,036
Restricted for capital projects	6,233	6,237	6,239	6,241	5,204	3,127	4,713	3,335	4,957	3,396
Unrestricted	39,997	45,092	44,728	46,840	27,255	41,448	52,242	61,637	86,831	84,202
<b>TOTAL NET POSITION</b>	<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>	<u>\$ 641,561</u>

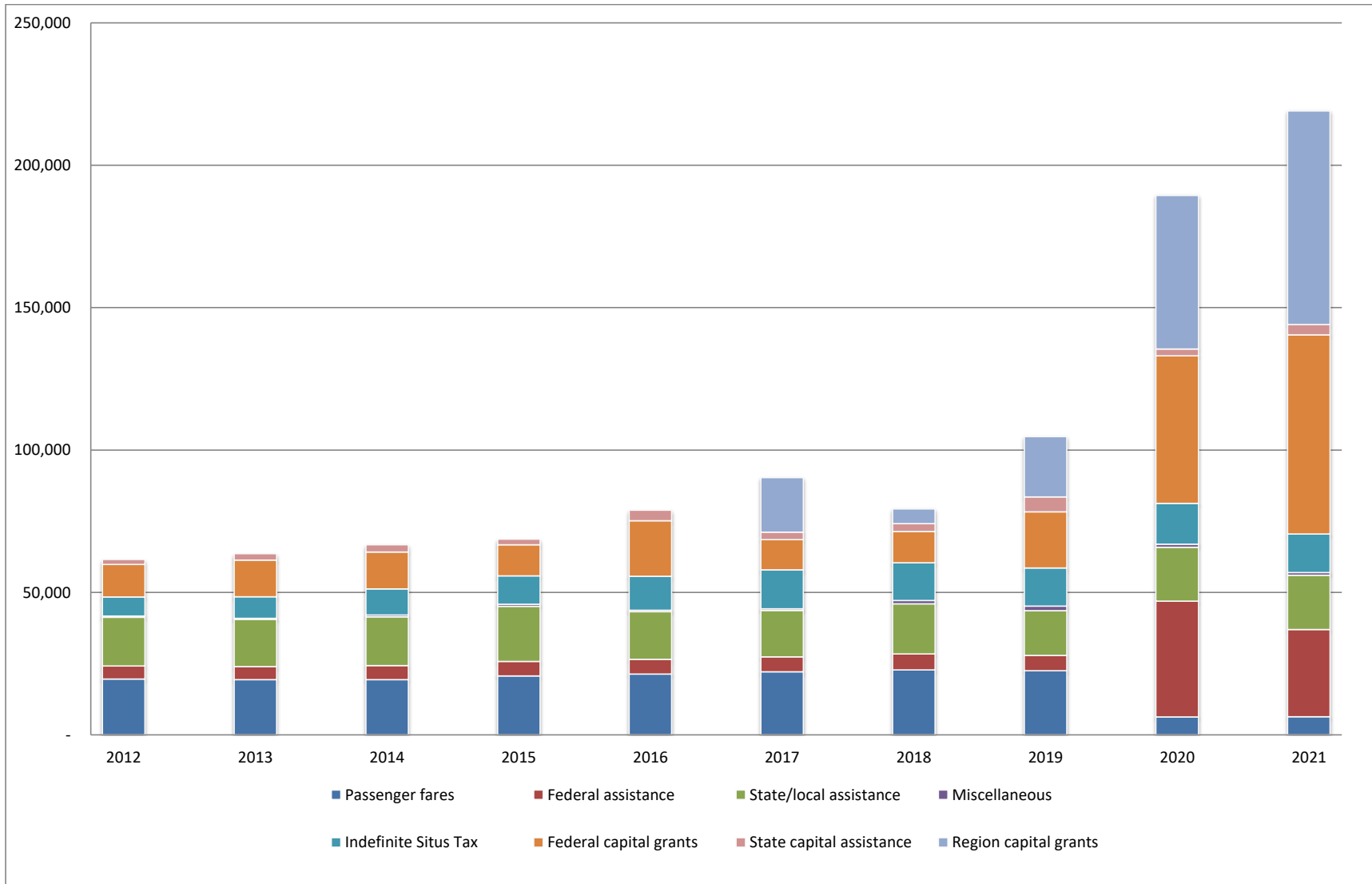
NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
Statistical Information (Unaudited)  
Changes in Net Position  
Last Ten Fiscal Years  
(In thousands of dollars)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>OPERATING REVENUE</b>										
Passenger fares (net of refunds)	\$ 19,556	\$ 19,341	\$ 19,371	\$ 20,698	\$ 21,358	\$ 22,178	\$ 22,788	\$ 22,509	\$ 6,329	\$ 6,340
Parking lot collections	44	41	45	36	35	35	35	35	9	-
<b>Total operating revenue</b>	<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>	<u>6,340</u>
<b>OPERATING EXPENSES</b>										
Transportation	16,229	15,835	15,937	16,958	17,811	18,518	19,036	19,755	19,570	20,028
Maintenance of Way	5,633	5,611	6,689	6,400	7,237	7,005	6,951	8,825	6,166	7,947
Maintenance of Equipment	9,755	10,077	12,497	12,345	12,759	12,030	13,706	12,397	14,806	15,758
Claims and Insurance	1,682	1,639	1,601	1,352	1,692	1,731	1,495	1,851	3,491	4,920
General and administrative	6,467	6,392	7,716	7,494	7,855	9,342	10,137	9,165	8,568	9,112
Depreciation	21,307	20,078	17,545	17,974	17,712	17,287	17,389	17,623	20,534	23,089
<b>Total operating expenses</b>	<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>	<u>80,854</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>										
Maintenance grant	4,586	4,586	4,947	5,064	5,177	5,201	5,589	5,421	-	-
Federal CARES Act funding	-	-	-	-	-	-	-	-	40,653	30,669
State operating assistance	12,331	11,666	11,820	12,951	11,288	11,240	12,681	10,537	13,704	13,833
Local subsidies	4,748	4,891	5,215	6,410	5,452	5,030	4,945	5,151	5,171	5,241
Interest - unreserved	48	48	40	155	91	90	180	810	235	60
Interest - reserved for accident claims	7	6	6	4	-	-	-	-	-	-
Rental income	199	133	166	196	191	254	390	344	364	337
Sale of maintenance services	4	3	2	7	4	3	3	3	3	4
Sale of scrap material	66	44	326	281	59	108	340	212	346	421
Advertising activities	129	143	135	83	128	103	84	112	153	109
Miscellaneous	2	6	6	9	16	55	170	139	10	-
Interest and bond issuance expense	(2,108)	(1,409)	(1,292)	(661)	(964)	(29)	(120)	(1,631)	(3,145)	(3,054)
Indefinite Situs tax	6,721	7,590	9,163	9,989	11,902	13,649	13,256	13,327	14,324	13,490
<b>Total nonoperating revenues, net</b>	<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>	<u>61,110</u>
<b>CAPITAL CONTRIBUTIONS</b>										
Federal	11,367	12,886	12,953	10,885	19,551	10,646	10,959	19,779	51,806	69,910
State	1,804	2,218	2,514	1,995	3,685	2,637	2,742	5,175	2,398	3,633
Region	-	-	-	-	-	19,087	5,219	21,213	53,922	74,996
	<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>	<u>148,539</u>
<b>Change in net position</b>	<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>	<u>135,135</u>
<b>Adjustment per GASB 65</b>	(503)	-	-	-	-	-	-	-	-	-
<b>Adjustment per GASB 68</b>	-	-	(843)	-	-	-	-	-	-	-
<b>Net position beginning of year</b>	<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>
<b>Net position end of year</b>	<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>	<u>\$ 641,561</u>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>OPERATING REVENUE</b>										
Passenger fares (net of refunds)	\$ 19,556	\$ 19,341	\$ 19,371	\$ 20,698	\$ 21,358	\$ 22,178	\$ 22,788	\$ 22,509	\$ 6,329	\$ 6,340
Parking lot collections	44	41	45	36	35	35	35	35	9	-
<b>Total operating revenue</b>	<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>	<u>6,340</u>
<b>NONOPERATING REVENUES</b>										
Maintenance grant	4,586	4,586	4,947	5,064	5,177	5,201	5,589	5,421	-	-
Federal CARES Act funding	-	-	-	-	-	-	-	-	40,653	30,669
State operating assistance	12,331	11,666	11,820	12,951	11,288	11,240	12,681	10,537	13,704	13,833
Other local funds	4,748	4,891	5,215	6,410	5,452	5,030	4,945	5,151	5,171	5,241
Other revenue	455	383	681	735	489	613	1,167	1,620	1,111	931
Indefinite Situs tax	6,721	7,590	9,163	9,989	11,902	13,649	13,266	13,327	14,324	13,490
<b>Total nonoperating revenues before capital grants</b>	<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>	<u>64,164</u>
<b>CAPITAL CONTRIBUTIONS</b>										
Federal capital grants	11,367	12,886	12,953	10,885	19,551	10,646	10,959	19,779	51,806	69,910
State capital grants	1,804	2,218	2,514	1,995	3,685	2,637	2,742	5,175	2,398	3,633
Region capital grants	-	-	-	-	-	19,087	5,219	21,213	53,922	74,996
<b>Total nonoperating revenues</b>	<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>	<u>212,703</u>
<b>TOTAL REVENUES</b>	<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>	<u>\$ 219,043</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
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	29.5%	12.7%	42.2%	49.9%	7.9%	57.8%	100.0%
2020	*	*	*	*	*	*	*
2021	*	*	*	*	*	*	*

**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
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%
2021	11.1%	10.8%	21.9%	24.3%	53.9%	78.1%	100.0%

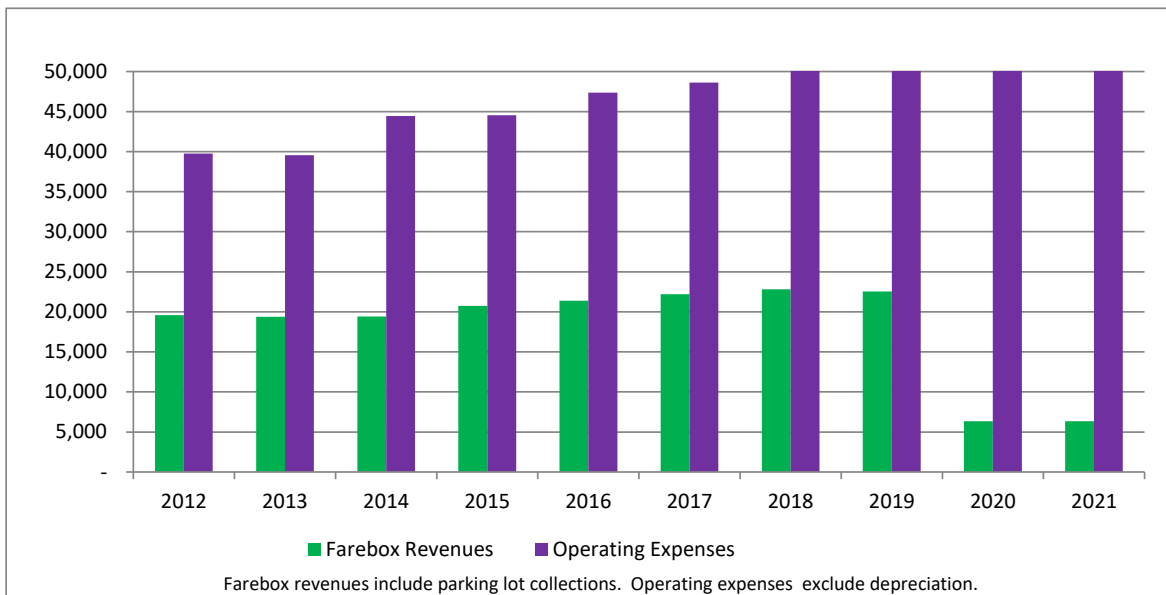
\* Information not yet available

- (1) Source: The American Public Transit Association. 2021 APTA Transit Fact Book, Appendix A Table 87 (2020 / 2021 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

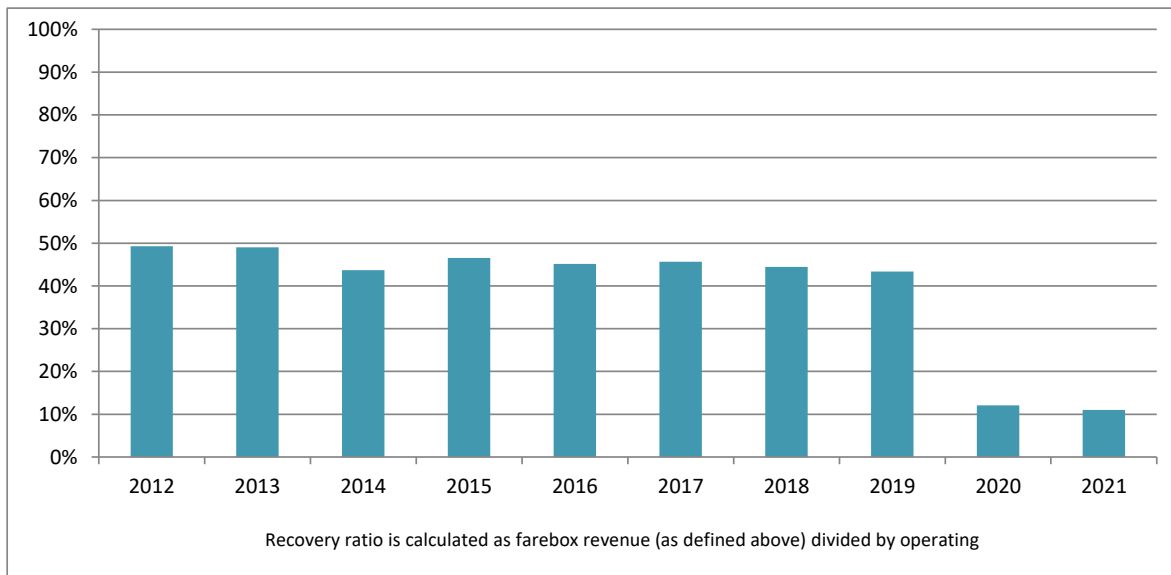
NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
Statistical Information (Unaudited)  
System Recovery Ratio  
Last Ten Fiscal Years  
(In thousands of dollars)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>OPERATING REVENUE</b>										
Passenger fares (net of refunds)	\$ 19,556	\$ 19,341	\$ 19,371	\$ 20,698	\$ 21,358	\$ 22,178	\$ 22,788	\$ 22,509	\$ 6,329	\$ 6,340
Parking lot collections	44	41	45	36	35	35	35	35	9	-
Total operating revenue for recovery ratio calculation (A)	\$ 19,600	\$ 19,382	\$ 19,416	\$ 20,734	\$ 21,393	\$ 22,213	\$ 22,823	\$ 22,544	\$ 6,338	\$ 6,340
<b>OPERATING EXPENSES</b>										
Transportation	\$ 16,229	\$ 15,835	\$ 15,937	\$ 16,958	\$ 17,811	\$ 18,518	\$ 19,036	\$ 19,755	\$ 19,570	\$ 20,028
Maintenance of Way	5,633	5,611	6,689	6,400	7,237	7,005	6,951	8,825	6,166	7,947
Maintenance of Equipment	9,755	10,077	12,497	12,345	12,759	12,030	13,706	12,397	14,806	15,758
Claims and Insurance	1,682	1,639	1,601	1,352	1,692	1,731	1,495	1,851	3,491	4,920
General and administrative	6,467	6,392	7,716	7,494	7,855	9,342	10,137	9,165	8,568	9,112
Total operating expenses for recovery ratio calculation (B)	\$ 39,766	\$ 39,554	\$ 44,440	\$ 44,549	\$ 47,354	\$ 48,626	\$ 51,325	\$ 51,993	\$ 52,601	\$ 57,765
<b>Recovery ratio (A/B)</b>	<b>49.3%</b>	<b>49.0%</b>	<b>43.7%</b>	<b>46.5%</b>	<b>45.2%</b>	<b>45.7%</b>	<b>44.5%</b>	<b>43.4%</b>	<b>12.0%</b>	<b>11.0%</b>

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>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>	<u>2021</u>
OPERATING EXPENSES										
OTHER THAN DEPRECIATION										
Salaries and wages	\$ 14,441	\$ 13,802	\$ 14,481	\$ 15,519	\$ 16,404	\$ 16,944	\$ 17,684	\$ 18,257	\$ 18,904	\$ 19,406
Fringe benefits and payroll taxes	11,909	11,549	11,997	12,354	12,897	15,645	15,520	15,859	16,220	18,867
Equipment expense	48	52	57	104	60	181	99	163	149	146
Repair and maintenance materials	2,668	3,368	5,123	4,204	4,417	3,507	4,680	4,152	3,952	4,645
Operating costs	5,061	4,893	4,989	5,178	5,686	5,758	5,779	5,861	5,898	5,762
Utilities	637	681	859	752	761	899	948	841	862	931
Other services	926	1,226	1,766	1,520	1,844	1,506	1,627	1,850	2,143	2,189
Office supplies	204	281	263	367	282	312	190	428	261	145
Administration	(493)	(815)	(429)	(67)	(536)	(1,865)	(1,936)	(1,709)	(2,680)	(2,933)
Rents and leases	79	52	79	62	128	167	128	225	37	37
Traction power	1,943	2,095	2,092	2,086	2,054	2,245	2,232	2,199	1,686	1,927
Claims and insurance	1,682	1,639	1,601	1,352	1,692	1,731	1,495	1,851	3,491	4,920
Professional services	661	731	1,562	1,118	1,665	1,596	2,879	2,016	1,678	1,723
Total	<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>	<u>57,765</u>
DEPRECIATION	<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>	<u>20,534</u>
Total operating expenses	61,073	59,632	61,985	62,523	65,066	65,913	68,714	69,616	73,135	78,299
NONOPERATING EXPENSES										
Interest and bond issuance expense	<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>	<u>3,145</u>
TOTAL EXPENSES	<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>	<u>\$ 81,444</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
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	41.6%	15.6%	11.3%	16.5%	15.0%	100.0%
2020	*	*	*	*	*	*
2021	*	*	*	*	*	*

**NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT (2)**

Year	Vehicle Operations	Vehicle Maintenance	Non-Vehicle Maintenance	General Administration (3)	Purchased Transportation	Total Operating Expenses
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%
2021	34.7%	27.3%	13.7%	24.3%	-	100.0%

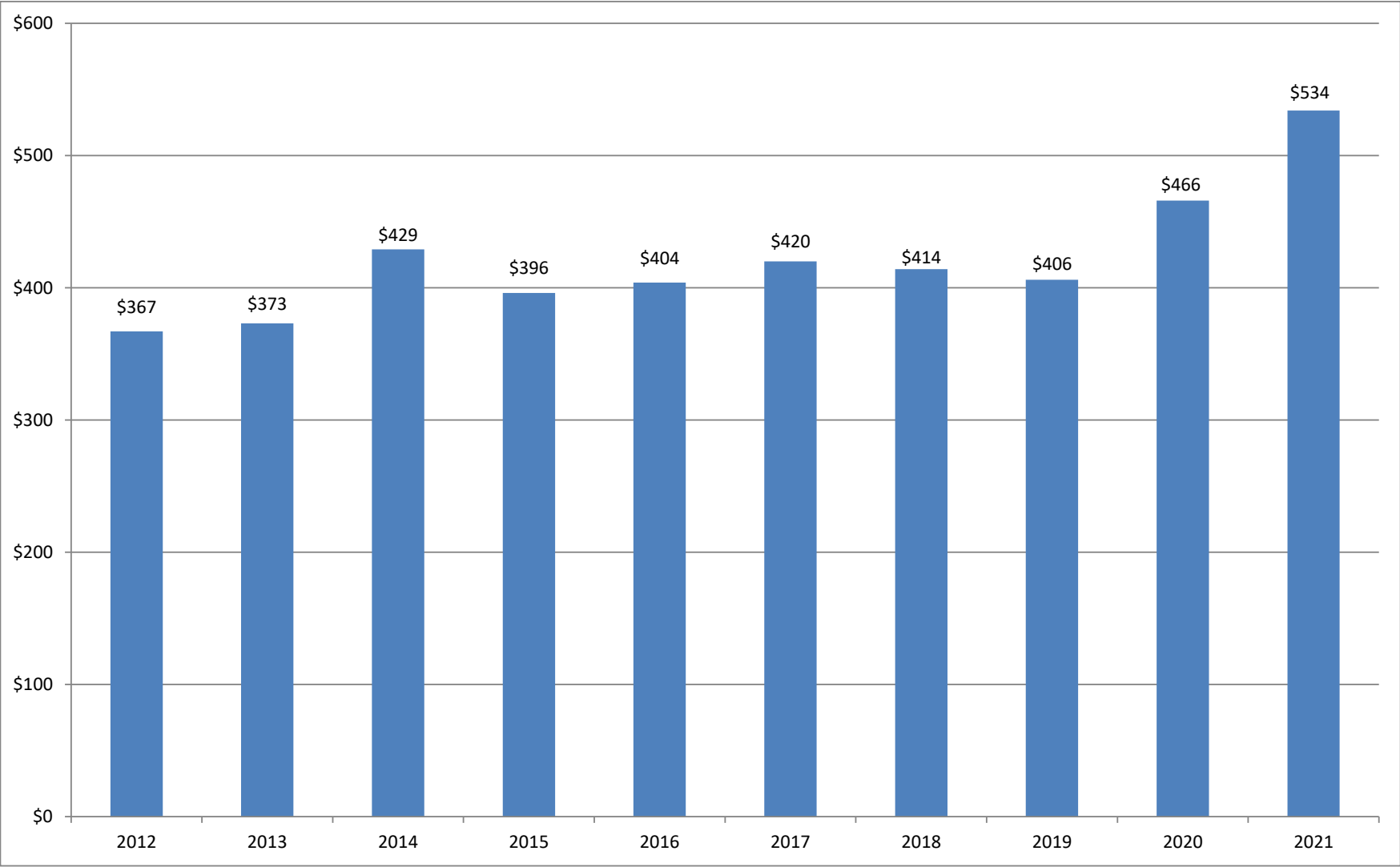
\* Information not yet available

(1) Source: The American Public Transit Association. 2021 APTA Transit Fact Book, Appendix A Table 69 (2020/2021 not yet available)

(2) Percentages are derived from the District's audited financial statements

(3) Includes claims and insurance

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



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

**Limited Obligation Revenue Bonds (2018 Bond Issuance):**

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

\* Series 2018 Bonds were fully redeemed in December 2018.

**Limited Obligation Revenue Bonds (2016 Bond Issuance):**

<u>Fiscal Year</u>	Commuter Rail Service Fund		Electric Rail Service Fund <u>Receipts</u>	Debt Service		Coverage Ratio
	<u>Indefinite Situs Tax Receipts</u>	<u>Sales Tax Receipts</u>		<u>Principal</u>		
					<u>Interest</u>	
2016	\$ 10,402,260	\$ 9,494,994	\$ 152,270	\$ -	\$ 1,259,903	15.91
2017	12,015,215	8,472,327	143,939	1,910,000	4,238,925	3.36
2018	12,615,310	9,656,627	201,016	2,030,000	4,118,050	3.66
2019	12,936,480	10,006,433	172,906	2,135,000	4,015,175	3.76
2020	13,623,128	10,280,758	207,670	2,240,000	3,907,175	3.92
2021	13,551,425	11,688,648	280,285	2,355,000	3,793,800	4.15

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

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

<u>Fiscal Year</u>	Commuter Rail Service Fund Indefinite Situs		Capital Grant Receipts	Debt Service		Coverage Ratio
	<u>Tax Receipts</u>			<u>Principal</u>	<u>Interest</u>	
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**

<u>Fiscal Year</u>	Commuter Rail Service Fund Indefinite Situs		Sales Tax Receipts	Electric Rail Service Fund Receipts	Capital Grant Receipts	Debt Service		Coverage Ratio
	<u>Tax Receipts</u>					<u>Principal</u>	<u>Interest</u>	
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
2021	13,551,425	11,688,648	280,285	-	2,355,000	3,793,800		4.15

\*\*\* 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
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	31.92	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	100,944,000	80.66	0.18%
2017	87,190,000	-	-	11,062,000	98,252,000	78.81	0.16%
2018	85,160,000	-	-	10,307,000	95,467,000	76.91	0.15%
2019	83,025,000	-	-	9,575,000	92,600,000	74.87	0.15%
2020	80,785,000	-	-	8,867,000	89,652,000	72.91	0.13%
2021	78,430,000	-	-	8,185,000	86,615,000	*	*

\* 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
2012	493,511	\$ 18,502,677	\$ 37,492	9.5
2013	491,909	\$ 18,443,660	\$ 37,494	9.2
2014	491,259	\$ 19,011,535	\$ 38,700	8.1
2015	488,195	\$ 19,728,563	\$ 40,411	6.6
2016	486,381	\$ 20,260,852	\$ 41,656	5.9
2017	484,834	\$ 20,899,264	\$ 43,106	4.8
2018	484,918	\$ 21,935,622	\$ 45,236	4.9
2019	486,244	\$ 22,354,492	\$ 45,974	4.9
2020	487,536	\$ 24,001,036	\$ 49,229	6.4
2021	*	*	*	2.5

**LaPorte County, Indiana**

Fiscal Year	Population	Personal Income in thousands	Per Capita Personal Income	Unemployment Rate
2012	111,321	\$ 4,023,728	\$ 36,145	10.0
2013	111,452	\$ 4,060,629	\$ 36,434	9.4
2014	111,774	\$ 4,143,821	\$ 37,073	7.7
2015	110,884	\$ 4,203,577	\$ 37,910	6.4
2016	110,331	\$ 4,326,954	\$ 39,218	5.7
2017	109,958	\$ 4,459,074	\$ 40,553	4.2
2018	110,134	\$ 4,652,941	\$ 42,248	4.4
2019	110,044	\$ 4,739,021	\$ 43,065	4.2
2020	109,663	\$ 5,074,533	\$ 46,274	5.9
2021	*	*	*	1.9

**Porter County, Indiana**

Fiscal Year	Population	Personal Income in thousands	Per Capita Personal Income	Unemployment Rate
2012	165,742	\$ 7,366,936	\$ 44,448	7.7
2013	166,538	\$ 7,462,093	\$ 44,807	7.2
2014	167,242	\$ 7,691,822	\$ 45,992	6.3
2015	167,439	\$ 7,924,688	\$ 47,329	5.4
2016	167,616	\$ 8,153,899	\$ 48,646	4.7
2017	168,568	\$ 8,613,566	\$ 51,098	3.7
2018	169,647	\$ 9,079,485	\$ 53,520	3.8
2019	170,599	\$ 9,351,166	\$ 54,814	3.6
2020	170,980	\$ 9,857,612	\$ 57,654	4.2
2021	*	*	*	1.4

**St. Joseph County, Indiana**

Fiscal Year	Population	Personal Income in thousands	Per Capita Personal Income	Unemployment Rate
2012	266,576	\$ 10,333,621	\$ 38,764	9.7
2013	267,188	\$ 10,502,619	\$ 39,308	8.8
2014	268,023	\$ 11,090,206	\$ 41,378	6.7
2015	268,567	\$ 11,782,838	\$ 43,873	4.6
2016	270,042	\$ 11,803,625	\$ 43,710	4.1
2017	270,219	\$ 12,375,498	\$ 45,798	3.3
2018	270,961	\$ 12,929,747	\$ 47,718	3.6
2019	271,695	\$ 13,107,730	\$ 48,244	3.4
2020	271,484	\$ 13,883,877	\$ 51,141	5.0
2021	*	*	*	1.4

**Cook County, Illinois**

Fiscal Year	Population	Personal Income in thousands	Per Capita Personal Income	Unemployment Rate
2012	5,239,105	\$ 254,197,310	\$ 48,519	9.3
2013	5,252,513	\$ 261,965,033	\$ 49,874	9.6
2014	5,254,108	\$ 281,734,111	\$ 53,622	7.4
2015	5,243,371	\$ 296,606,188	\$ 56,568	5.7
2016	5,223,386	\$ 298,747,988	\$ 57,194	5.7
2017	5,199,582	\$ 308,258,726	\$ 59,285	5.0
2018	5,171,007	\$ 328,313,740	\$ 63,491	4.0
2019	5,145,326	\$ 338,650,193	\$ 65,817	2.9
2020	5,108,284	\$ 357,246,062	\$ 69,935	9.3
2021	*	*	*	5.0

\* Information not yet available

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

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

<b><u>Employer</u></b>	<b>2021</b>			<b>2012</b>		
	<b><u>Chicago Employees</u></b>	<b><u>Rank</u></b>	<b><u>Percentage of Total County Labor Force</u></b>	<b><u>Chicago Employees</u></b>	<b><u>Rank</u></b>	<b><u>Percentage of Total County Labor Force</u></b>
U.S. Government	52,316	1	2.11%	49,573	1	1.86%
Chicago Public Schools	40,119	2	1.62%	40,883	2	1.54%
City of Chicago	31,020	3	1.25%	35,237	3	1.32%
Amazon.com Inc.	27,050	4	1.09%			
Advocate Aurora Health	25,906	5	1.04%	14,873	7	0.56%
Northwestern Memorial Healthcare	24,053	6	0.97%	-		-
Cook County	22,074	7	0.89%	23,083	5	0.87%
University of Chicago	20,781	8	0.84%	-		-
Walmart Inc.	18,500	9	0.74%	21,329	6	0.80%
Walgreens Boots Alliance Inc.	16,817	10	0.68%	13,122	9	0.49%
State of Illinois	-	-	-	25,700	4	0.96%
JP Morgan Chase	-	-	-	13,639	8	0.51%
Abbott Laboratories	-	-	-	13,000	10	0.49%
	<u>278,636</u>		<u>11.22%</u>	<u>250,439</u>		<u>9.40%</u>

Source: Crain's Chicago Business Largest Employers 2012 and 2021

Percentage of Total County Employment based on Cook County Labor Force figures pulled from LAUS, Bureau of Labor Statistics, US Department of Labor 2012 Labor Force

Northern Indiana Commuter Transportation District  
 Statistical Information (Unaudited)  
 Fare Rate Structure  
 12/31/2021

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 95.75 132.50 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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Operating Statistics:</b>										
Annual System Trips	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	1,024,745
Average Weekday System Trips	12,205	12,049	12,045	12,056	11,723	11,467	11,352	10,962	3,348	3,116
Average Saturday System Trips	5,799	5,630	5,675	5,538	5,183	5,565	5,264	5,092	1,437	2,306
Average Sunday System Trips	4,301	4,244	4,484	4,343	4,138	4,279	4,075	3,938	1,173	1,898
Passenger Miles	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	34,944,971
<b>Assets in Passenger Car Fleet:</b>										
Total Passenger Cars in Fleet	82	82	82	82	82	82	82	82	82	82
Passenger Car Revenue Miles	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	3,821,360
Passenger Car Revenue Hours	108,482	105,928	103,661	112,543	117,214	115,659	124,044	128,077	112,835	108,239

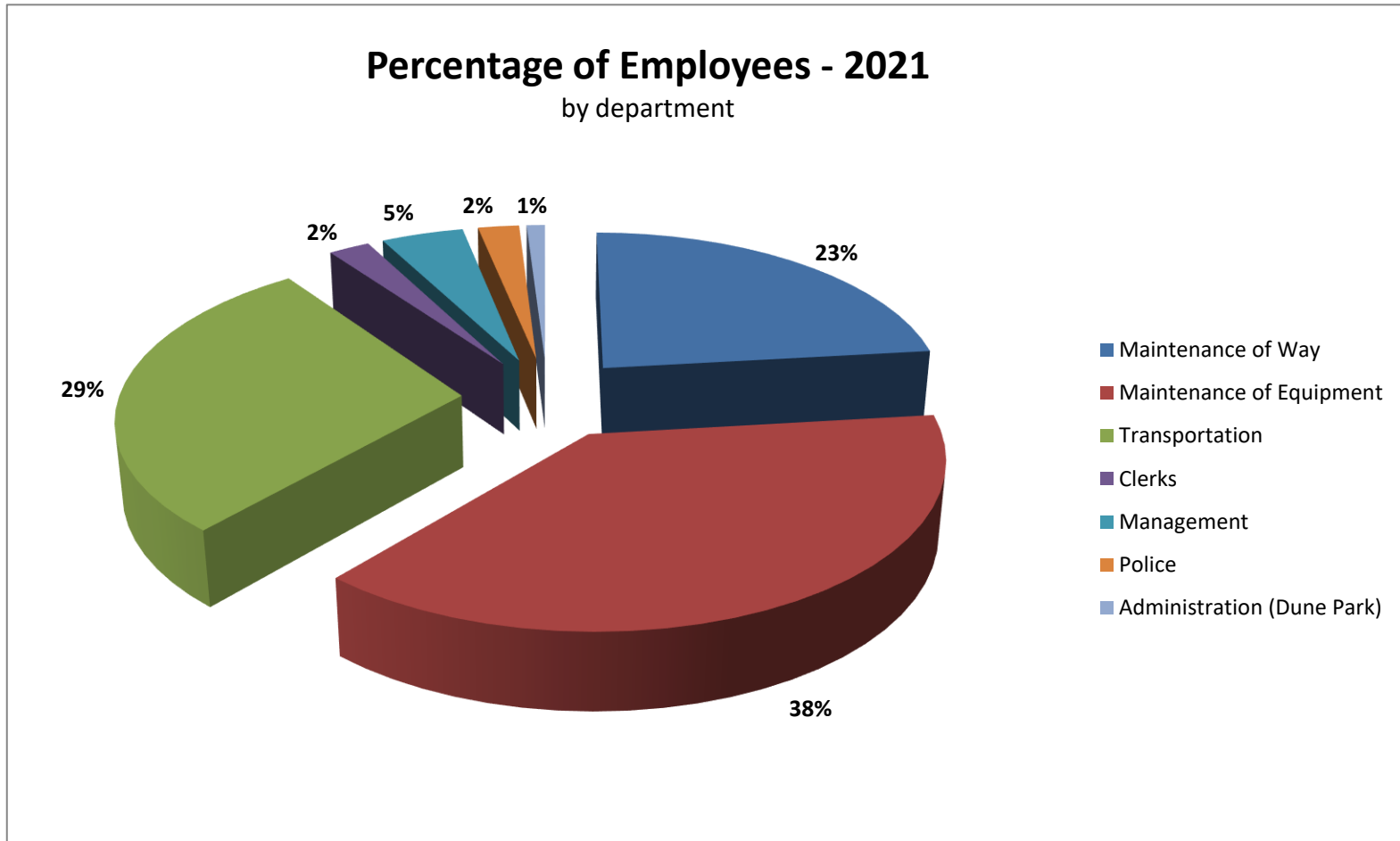
Source: The District's annual *National Transit Database Report*, filed with the Federal Transit Administration

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

	<u>2012</u>		<u>2013</u>		<u>2014</u>		<u>2015</u>		<u>2016</u>	
	Salary	Contract	Salary	Contract	Salary	Contract	Salary	Contract	Salary	Contract
<b><u>Michigan City Cost Center</u></b>										
Maintenance of Way	12	49	13	53	12	52	12	58	18	58
Maintenance of Equipment	8	93	7	92	9	95	10	102	11	92
Transportation	7	90	6	93	6	90	7	106	8	96
Clerks	-	8	-	8	-	8	-	8	-	8
Management	7	-	8	-	11	-	10	-	12	-
<b><u>Dune Park Cost Center</u></b>										
Police	7	-	7	-	7	-	8	-	8	-
Administration (Dune Park)	12	-	11	-	9	-	8	-	8	-
Subtotal	53	240	52	246	54	245	55	274	65	254
TOTAL LABOR	<b>293</b>		<b>298</b>		<b>299</b>		<b>329</b>		<b>319</b>	
<b><u>2017</u></b>										
	Salary	Contract	Salary	Contract	Salary	Contract	Salary	Contract	Salary	Contract
<b><u>Michigan City Cost Center</u></b>										
Maintenance of Way	22	59	26	62	29	64	29	61	33	60
Maintenance of Equipment	11	102	11	116	13	110	15	143	15	138
Transportation	9	102	11	105	10	102	12	100	12	103
Clerks	-	8	-	9	-	9	-	9	-	9
Management	13	-	15	-	15	-	18	-	18	-
<b><u>Dune Park Cost Center</u></b>										
Police	8	-	9	-	9	-	9	-	9	-
Administration (Dune Park)	7	-	5	-	5	-	4	-	4	-
Subtotal	70	271	77	292	81	285	87	313	91	310
TOTAL LABOR	<b>341</b>		<b>369</b>		<b>366</b>		<b>400</b>		<b>401</b>	

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, 2021



# COMPLIANCE SECTION

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

Board of Trustees  
Northern Indiana Commuter  
Transportation District  
Chesterton, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Northern Indiana Commuter Transportation District (NICTD) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise NICTD's basic financial statements, and have issued our report thereon dated April 5, 2022.

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

In planning and performing our audit of the financial statements, we considered NICTD's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NICTD's internal control. Accordingly, we do not express an opinion on the effectiveness of NICTD's internal control.

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

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

#### **Report on Compliance and Other Matters**

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

---

(Continued)

## Purpose of this Report

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

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
April 5, 2022

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

Board of Trustees  
Northern Indiana Commuter  
Transportation District  
Chesterton, Indiana

**Report on Compliance for Major Federal Program*****Opinion on Major Federal Program***

We have audited the Northern Indiana Commuter Transportation District's (NICTD) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on NICTD's major federal program for the year ended December 31, 2021. NICTD's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, NICTD complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

***Basis for Opinion on Major Federal Program***

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

We are required to be independent of NICTD and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of NICTD's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

---

(Continued)

## ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

---

(Continued)

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

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

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
April 5, 2022

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 December 31, 2021

**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:	\$3,000,000	
Auditee qualified as low-risk auditee?	___X___ yes	_____ no

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None noted.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None noted.

---

This page left blank intentionally

---