NWI REGIONAL DEVELOPMENT AUTHORITY
FINANCIAL STATEMENTS
DECEMBER 31, 2014 and 2013

NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY

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Gary Office
201 E. 5th Avenue
Suite A
Gary, IN 46402
P: (219) 880-0850
F: (219) 880-0858

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

WHITTAKER & COMPANY PLLC
CERTIFIED PUBLIC ACCOUNTANTS
www.cawhittakercpa.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Northwest Indiana Regional Development Authority:

We have audited the accompanying financial statements of the Northwest Indiana Regional Development Authority (the "RDA" or the "Authority"), as of December 31, 2014 and 2013, and the related statements of changes in net assets and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2014 and 2013, and the results of its operations, and its cash flows, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information and Supplementary Information

The Management's Discussion and Analysis on pages 3 through 9 and Budgetary Schedule on page 27 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures that consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and we express no opinion or any other form of assurance on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information listed in the foregoing table of contents, which is also the responsibility of the Authority's management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such additional information (page 26) has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly presented, in all material respects, when considered in relation to the financial statements taken as a whole.

Whittaker & Company PLLC

Gary, Indiana
Whittaker & Company, PLLC
February 13, 2015

The following discussion and analysis of Northwest Indiana Regional Development Authority's (the "Authority") financial performance provides an introduction and overview of the Authority's financial activities for the year ended December 31, 2014. Please read this discussion in conjunction with the Authority's financial statements and the notes to financial statements immediately following this section.

FINANCIAL HIGHLIGHTS

2014

- Operating revenues for 2014 of $27,500,000 remained constant compared to fiscal year 2013.

- Operating expenses for 2014 of 30,644,008 increased by $28,771,040 compared to fiscal year 2013. This increase is primarily due to the Authority providing grants to the private businesses for economic development in addition to awarding funds to municipalities.

- Nonoperating revenue for 2014 of $901,544 increased by $763,253 compared to fiscal year 2013. This increase is due to the Authority receiving more federal funding from the Environmental Protection Agency to fund the Great Lakes Restoration Initiative in Gary, Indiana as well as the Authority receiving more state funding from the state of Indiana for a trauma center feasibility study.

2013

- Operating revenues for 2013 of $27,521,072 decreased by $77,870 compared to fiscal year 2012. This decrease is due to the Authority receiving less federal funding from the USDA Forest Service program to fund the Valparaiso PES project.

- Operating expenses for 2013 of $1,873,049 decreased by $29,849,123 compared to fiscal year 2012. This decrease is primarily due to the Authority approving a grant for an Airport expansion project in 2013 and smaller funded projects in the prior year.

2012

- Operating revenues for 2012 of $27,598,942 decreased by $162,028 compared to fiscal year 2011. This decrease is primarily due to the Authority receiving less federal funding from the USDA Forest Service program to fund the Valparaiso PES project.

- Operating expenses for 2012 of $31,722,172 increased by $23,411,772 compared to fiscal year 2011. This increase is primarily due to the Authority approving a grant for an Airport expansion project in the amount of $30,000,000 and other smaller funded projects.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of the Financial Statements and the Notes to the Basic Financial Statements.

In addition to the basic financial statements this report also presents Additional Information after the Notes to the Basic Financial Statements.

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

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

The *Statements of Cash Flows* report how cash and cash equivalents were provided and used by the Authority's operating, investing, and financing activities. These statements are prepared on a cash basis and present the cash received and disbursed, the net increase or decrease in cash for the year, and the cash balance at year end.

The *Notes to the Basic Financial Statements* are an integral part of the financial statements; accordingly, such disclosures are essential to a full understanding of the information provided in the financial statements. The Notes to the Basic Financial Statements begin on page 13.

In addition to the basic financial statements, this report includes Additional Information. The Additional Information section presents the 2014 Supplemental Schedule for Supporting Services on page 26 and Budgetary Comparison Schedule on page 27.

FINANCIAL ANALYSIS

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

In 2014, 2013 and 2012, the state of Indiana provided $10,000,000 of funding to the Authority. Revenue is ear-marked for projects targeted for development in the RDA Comprehensive Strategic Development Plan. Based on this plan the following projects were identified:

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

- Lake Michigan Shoreline Development – A reinvestment strategy for the Lake Michigan shoreline to provide balance between nature, industry, restoration and redevelopment while reclaiming the shoreline for public access.

A comparative condensed summary of the Authority's net assets at December 31, 2014, 2013, and 2012 is as follows:

Net Assets

	2014	2013	2012
Current assets	$ 83,549,499	$ 88,754,244	$ 83,395,650
Total current assets	83,549,499	88,754,244	83,395,650
Property and equipment			
Furntiure & Fixtures, net	2,608	3,287	6,883
Long-term assets	1,190,000	2,110,000	3,570,000
Total assets	84,742,107	90,867,531	86,972,533
Current liabilities	26,988,460	30,887,760	52,797,824
Total current liabilities	26,988,460	30,887,760	52,797,824
Total liabilities	26,988,460	30,887,760	52,797,824
Unrestricted	57,753,647	59,979,771	34,174,709
Total liabilities and net assets	$ 84,742,107	$ 90,867,531	$ 86,972,533

2014

Current assets decreased by $5,204,745 primarily due to a decrease in accounts receivables and a decrease in notes receivables as compared to fiscal year 2013. There was also a decrease in cash and cash equivalents as compared to fiscal year 2013 primarily due to a decrease in fee revenue for 2014.

The 2014 decrease in current liabilities of $3,899,300 was due to a decrease in accounts payable, accrued expenses and grants payable due within one year. This is primarily due to the Authority paying down grant awards as well as not awarding grants in large amounts as in prior years.

The 2014 long-term assets decreased due to the outstanding loan to the Little Calumet River Basin Development Commission being repaid in the second installment in July 2014 in the amount of $1,460,000.

2013

Current assets increased by $5,385,594 primarily due to an increase in the overall amount of funds received to the Authority from the City of Gary, which in the past had been delinquent on payments. Increase also due to the Authority receiving the loan repayment relating the Little Calumet River Basin Development Commission. The amount due within one year has been reclassified from long-term to current in the amount of $1,460,000.

The 2013 decrease in current liabilities of $21,910,064 was due to a decrease in grants payable due to the Authority awarding new grants in smaller amounts in the current year.

The 2013 long-term assets decreased due to the outstanding loan to the Little Calumet River Basin Development Commission being repaid in the first installment in July 2013 in the amount of $2,430,000. Also the amount due in July 2014 has been recorded as a current asset.

2012

Current assets decreased by $11,114,185 primarily due to an increase in the overall amount of funds the Authority used on current projects.

The 2012 decrease in current liabilities $7,197,563 was due to a decrease in accounts payable and grants payable.

The 2012 long-term assets decreased from 2012 due to the outstanding loan to the Little Calumet River Basin Development Commission schedule for payment to occur within the next year. Because of this, the amount has been reclassified to short-term in the amount of $2,430,000.

Changes in Net Assets

	2014	2013	2012
Operating revenues	$ 27,500,000	$ 27,521,072	$ 27,598,942
Operating expenses	30,644,268	1,873,049	31,722,172
Operating income	(3,144,268)	25,648,023	(4,123,230)
Non-operating revenue	901,544	138,111	149,401
Period Restatement	16,600	40,000	36,202
Change in net assets	$ (2,226,124)	$ 25,826,134	$ (3,937,627)

2014

Operating revenues for year 2014 were $27,500,000 while operating expenses for 2014 were $30,644,268 resulting in operating income for 2014 of ($2,226,124). The overall net change was primarily due to an increase in program expenses related to grant awards.

Non-operating revenue of $901,544 was due to federal and state reimbursement based grants and investment interest income.

2013

Operating revenues for year 2013 were $27,521,072 while operating expenses for 2013 were $1,873,049 resulting in operating income for 2013 of $25,648,023. A period restatement in the amount of $40,000 was made due to the initial grant award to the Town of Pines being made for $200,000 but the final amount awarded being $160,000, resulting in a net adjustment of $40,000. The overall net increase of $29,742,689 was primarily due to a decrease in the Authority's program expenses due to fewer grants with lower amounts being awarded during the year.

Non-operating revenue of $117,039 was due to investment interest income.

2012

Operating revenues for year 2012 were $27,598,942. Operating expenses for 2012 were $31,722,172. Operating loss for 2012 was ($3,937,627). This decrease was primarily due to an increase in the Authority's program expenses.

Non-operating revenue of $149,401 was due to investment interest income. Period restatement in the amount of $36,202 was made to properly report grants payable for grants which closed.

	Operating Expenses		
	2014	**2013**	**2012**
Salaries and wages	$ 662,145	$ 556,380	$ 437,054
Professional fees	625,616	593,337	764,708
Program Services	29,248,826	618,729	30,413,737
Other	107,681	104,603	106,673
Total operating expenses	$ 30,644,268	$ 1,873,049	$ 31,722,172

2014

The increase in salaries and wages of $105,765 in 2014 was due to a prepayment for payroll services being made to the State Budget Agency in the amount of approximately $71,000 in December 2014. The increase was also for to an accrual of approximately $46,000 being made for accrued payroll and vacation. Finally, the increase in salaries and wages resulted from staff cost of living adjustments.

The increase in professional fees in 2014 of $32,379 is due to the Authority's increased use of project planning and due diligence services.

2013

The increase in salaries and wages of $119,326 in 2013 was due to a prepayment for payroll services being made to the State Budget Agency in the amount of $42,000 during December 2013. The increase was also due to an accrual of approximately $38,900 being made for accrued payroll and vacation. Additionally, the increase related to the hiring of the Executive Assistant, whom, in the past, was an independent contractor. Finally, the increase in salaries and wages resulted from staff cost of living adjustments.

The decrease in professional fees in 2014 of $171,371 is due to the Authority's decreased use of project planning and due diligence services.

2012

The increase in salaries and wages of $74,795 in 2013 was due to staffing the Communication Manager position.

The increase in professional fees in 2013 of $65,401 is due to the Authority's increased use of project planning and due diligence services.

Changes in Cash Flows

	2014	2013	2012
Cash from activites:			
Operating	$ (2,302,049)	$ 5,273,326	$ (13,012,875)
Investing	128,397	117,039	149,401
Financing	(679)	(3,596)	(3,124)
Net change in cash	(2,174,331)	5,386,769	(12,866,598)
Cash:			
Beginning of the year	77,709,087	72,322,318	85,188,916
End of the year	$ 75,534,756	$ 77,709,087	$ 72,322,318

2014

As of December 31, 2014, the Authority's available cash of $75,534,756 decreased by $2,174,331 compared to December 31, 2013. This decrease in cash is due to the increase in accounts receivables from the City of Hammond's decreased installment payments to the Authority.

2013

As of December 31, 2013, the Authority's available cash of $77,709,087 increased by $5,386,769 compared to December 31, 2012. This increase in cash is due to the increase of cash received from the City of Gary for all four installments in the current year as well as the repayment of the Little Calumet River Basin Commission outstanding loan.

2012

As of December 31, 2012, the Authority's available cash of $72,322,318 decreased by $12,866,598 compared to December 31, 2012. This decrease in cash is due to the increase in the outlay of cash to fund program services.

FACTORS BEARING ON THE FUTURE

During 2015, the Authority has not awarded any new grants. The Authority will continue to entertain funding applications from its four targeted investment areas as well as other qualifying economic development projects.

The Indiana General Assembly appropriated from the Major Moves Construction Fund, as described in State of Indiana Code {IC 8-14-14-6(a)(2)}, $120,000,000 to the Northwest Indiana Regional Development Authority for the following purposes: 1) $20 million to be distributed to the Gary/Chicago International Airport for its runway extension project, 2) $20 million for the RDA's statutory purposes as described in IC 36-7.5, and 3) $80 million to be distributed $10 million per State Fiscal Year through State Fiscal Year 2014-2015. The final $10 million will therefore be distributed to the RDA by June 30, 2015. The RDA is currently engaged in an effort to secure "reauthorization" of the State of Indiana allocation from the Indiana General Assembly. Obviously the result of that effort is not yet known but the Authority remains confident that the effort will result in a reallocation of state funding.

REQUESTS FOR INFORMATION

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

NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY
STATEMENT OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
ASSETS		
Current assets		
Cash and cash equivalents (Note 2)	$ 75,534,757	$ 77,709,087
Accounts receivable (Note 1)	7,000,000	9,521,072
Note receivable - due within one year (Note 5)	920,000	1,460,000
Prepaid expenses	94,742	64,085
Total current assets	83,549,499	88,754,244
Property and equipment		
Furniture, fixtures & leasehold improvements (Note 3)	49,157	49,157
Total property and equipment	49,157	49,157
Accumulated depreciation	(46,549)	(45,870)
Total property and equipment (net)	2,608	3,287
Long-term assets		
Note receivable - due after one year (Note 5)	1,190,000	2,110,000
Total long-term assets	1,190,000	2,110,000
Total assets	84,742,107	90,867,531
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	56,213	122,447
Accrued payroll and vacation	46,108	38,889
Grants payable -due within one year (Notes 1 and 6)	26,886,139	30,726,424
Total current liabilities	26,988,460	30,887,760
Total liabilities	26,988,460	30,887,760
Net assets		
Unrestricted	57,753,647	59,979,771
Total net assets	57,753,647	59,979,771
Total liabilities and net assets	$ 84,742,107	$ 90,867,531

See accompanying notes to the basic financial statements

NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
Unrestricted Net Assets		
Support		
Indiana Finance Authority	$ 10,000,000	$ 10,000,000
City of East Chicago	3,500,000	3,500,000
Lake County	3,500,000	3,500,000
City of Gary	3,500,000	3,500,000
City of Hammond	3,500,000	3,500,000
Porter County	3,500,000	3,500,000
Total Support	27,500,000	27,500,000
Expenses		
Program Services		
AM Manufacturing	400,000	-
American Stair	1,725,000	-
Canadian National	1,880,000	-
City of East Chicago Shoreline & Demo	17,495,000	-
City of Valparaiso	200,000	-
Land O' Frost	750,000	-
Modern Forge	2,000,000	-
MonoSol	1,575,000	-
Tech Air	2,450,000	-
Federal Grants (Note 1)	355,826	
Trauma Center - Feasibility Study (Note 1)	418,000	
City of Gary, Phase III	-	100,000
Marquette Plan	-	18,729
Indiana Landmark	-	25,000
NICTD	-	275,000
Sheraton Hotel	-	200,000
Total Program Services	29,248,826	618,729
Supporting Services		
Salaries & professional services	1,287,761	1,149,717
Operating expenses	107,002	101,007
Total Supporting Services	1,394,764	1,250,724
Depreciation expense	679	3,596
Total Expenses	30,644,268	1,873,049
Non-operating revenue		
Federal Grants (Note 1)	355,826	-
State Grants (Note 1)	418,000	21,072
Interest Income	127,718	117,039
Total non-operating revenue	901,544	138,111
Change in Net Assets	(2,242,724)	25,765,062
Net Unrestricted Assets - Beginning of Year	59,979,771	34,174,709
Period Restatement (Note 8)	16,600	40,000
Net Unrestricted Assets - End of Year	$ 57,753,647	$ 59,979,771

See accompanying notes to the basic financial statements

NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
Cash flows from operating activities		
Fee revenue	$ 30,794,898	$ 37,004,804
Little Calumet repayment	1,460,000	2,430,000
Payments to employees for services	(651,403)	(533,705)
Payments to grantees for awarded contracts	(33,052,153)	(32,971,788)
Payments to other suppliers for goods and services	(853,391)	(655,985)
Cash flows from operating activities	(2,302,049)	5,273,326
Cash flows from investing activities		
Investment interest income	127,718	113,443
Net cash from investing activities	127,718	113,443
Net change in cash and cash equivalents	(2,174,331)	5,386,769
Cash and cash equivalents at beginning of year	77,709,087	72,322,318
Cash and cash equivalents at end of year	$ 75,534,757	$ 77,709,087

RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:

	2014	2013
Operating income	$ (2,226,124)	$ 25,805,063
Interest Income	(127,718)	(113,443)
Depreciation expense	679	3,595
Changes in assets and liabilities		
Decrease/(Increase) in accounts receivable	2,521,072	(896,072)
Decrease in notes receivable	1,460,000	2,430,000
(Increase) in prepaid expenses	(30,656)	(45,753)
Decrease in accounts payable and other accruals	(59,015)	64,304
(Decrease) in grants payable	(3,840,287)	(21,970,771)
Cash flows from operating activities	$ (2,302,049)	$ 5,276,922

See accompanying notes to the basic financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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

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

Mission

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

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

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

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

Power and Duties

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Financing

The following identifies the sources of funding for the RDA:

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

Reporting Entity

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-exchange Transactions

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

Measurement Focus and Basis of Accounting

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

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

Management's Use of Estimates

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue

The RDA receives substantially all of its support revenue from state, city and county agencies. Beginning in 2006, the fiscal officer of each city and county described in IC 36-7.5-2-(b) (other than the two largest cities in a county described in IC 36-7.5-2-3 (b) (1) (Lake County, Porter County, East Chicago, Gary, Hammond) shall each transfer three million five hundred thousand dollars ($3,500,000) each year to the development authority for deposit in the development authority fund. The State of Indiana will provide $110 million over ten years. A specific amount of $20 million was specifically designated for the Gary/Chicago International Airport and was paid during fiscal year 2007.

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

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

- The Regional Bus Authority – To increase opportunities for senior citizens, the handicapped community and Hoosiers without their own transportation.
- The Gary/Chicago International Airport Runway Expansion and EJ&E Railroad Re-Routing Plan – To provide access to Chicago's business districts, Northwest Indiana, and surrounding Midwest states. The 715 acre site has an FAA approved expansion plan adding 320 acres ensuring long term growth for the airport and the Northwest Indiana economy.
- Commuter Rail Transportation – Plans to extend the South Shore rail line to Lowell and Valparaiso are being reviewed.
- Lake Michigan Shoreline Development – A reinvestment strategy for the Lake Michigan shoreline to provide balance between nature, industry, restoration and redevelopment while reclaiming the shoreline for public access and projects related to the Lake Michigan Marina and Shoreline Development Commission. IC36-7.5-2-1 identifies the types of projects eligible for RDA funding.

Federal Grant Funds

The RDA is the recipient and fiscal agent of a Brownfield Revolving Loan Fund ("RLF") grant sponsored by the US Environmental Protection Agency (EPA). The grant award is $800,000. The reporting requirements for this grant include quarterly progress reports which are due four times a year, within 30 days of the end of each quarter: January 31, April 30, July 31, and October 31. An annual financial report is due at the end of the year and by January 31. Once all data is assembled, the Authority's project manager submits the quarterly progress report and the annual financial report to the designated EPA project officer.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Federal Grant Funds (Continued)

At times, the RDA receives money from federal agencies and acts as the fiscal agent responsible for distributing funds to local municipalities to leverage local matches from the RDA. The funds are drawn-down from the federal agencies only upon the grantee spending the money and requesting reimbursement. The RDA monitors the grant and the grantee and ensures that the grantee is in compliance with the eligibility on how the monies are spent. The RDA submits quarterly reports to the federal agencies. During 2014, the RDA received $20,359 from the Department of Natural Resources for research performed on the Marquette Plan. The RDA also received $$335,467 from the United States Environmental Protection Agency for Great Lake Restoration Initiative to implement green storm water best management practices in the Marquette Park Lagoon watershed in Gary, Indiana.

At December 31, 2014, the Authority received and expended $355,826 from federal agencies which were reimbursements for funds spent in compliance with grant guidelines.

State Grant Funds

During 2014 a feasibility study was performed to determine whether a trauma center and an academic medical center would be beneficial and feasible for Northwest Indiana. In the Authority's determination and research, the State of Indiana agreed to reimburse the Authority up to $500,000 relating to costs incurred as a result of the study. At December 31, 2014, the Authority received $439,072 from the state of Indiana which was reimbursement for funds spent in compliance with the feasibility study.

Accounts Receivable

At December 31, 2014 the RDA had outstanding receivables in the amount of $7,000,000 which related to the Cities of Gary and Hammond being delinquent on installments in the amounts of $875,000 and $6,125,000, respectively.

During 2013, the Authority agreed to perform a feasibility study to determine whether a trauma center and an academic medical center would be beneficial and feasible for Northwest Indiana. In the Authority's determination and research, the State of Indiana agreed to reimburse the Authority up to $500,000 relating to costs incurred as a result of the study. At December 31, 2013, the Authority had spent $21,072 for services relating to the study of which is to be reimbursed by the state.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During 2014, these costs were reimbursed by the state and no further costs were incurred for the year. At December 31, 2013, the total outstanding receivables totaled $9,521,072. The outstanding receivables were as follows:

City of Gary	$ 6,000,000
City of Hammond	3,500,000
State of Indiana	21,072
Grand Total	$ 9,521,072

In accordance with IC 8-15-2-14.7 and IC 36-7.5-4-2, the City of Gary's delinquency could result in the State of Indiana no longer making payments to the RDA. At the time of the issuance of the financial statements, there were no indications that the State of Indiana had such intention.

Prepaid Expenses

Prepaid expenses represent payments to vendors during the current period, which will reflect costs applicable to subsequent accounting periods. At December 31, 2014 and 2013, prepaid assets amounted to $94,742 and $64,085 respectively.

Accounts payable and accrued expenses

The December 31st accounts payable balance relates to materials, supplies, taxes or services provided to the Authority during one calendar year, and not paid until the following calendar year. Expenses that have occurred but not invoiced through the financial statement date are considered accrued expenses. At December 31, 2014 and 2013, the Authority had accounts payable and accrued expenses in the amounts of $56,213 and $122,447 respectively.

Accrued Payroll & Vacation

Wages, salaries, and related payroll taxes and benefits that have been earned by the Authority's employees but not yet paid are considered accrued payroll. At December 31, 2014 and 2013, accrued payroll was $0 and $14,351 respectively.

It is the policy of the RDA that unused vacation time can be carried forward. Vacation time earned but not taken is considered accrued vacation and should be paid to the employee at the time services are terminated. At December 31, 2014 and 2013 accrued vacation was $46,108 and $24,538 respectively.

Grants Payable and other related accruals

The Authority is committed to various governmental organizations for reimbursement-based grants in which the organization had fulfilled the terms of the grant and submitted for reimbursement from the Authority. At December 31, 2014 and 2013, the total grants payable amounts were $26,886,139 and $30,726,424 respectively as follows:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Beginning Balance	Increase	(Decrease)	Ending Balance	Due within one year
$30,726,424	$ 28,475,000	$ (32,315,285)	$26,886,139	$26,886,139

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

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

Income Tax Status

The RDA is a quasi-government organization that operates as a separate body corporate and politic. An opinion from the Attorney General has been requested regarding the RDA's tax exempt status and Federal and State filing requirements.

Cash and Cash Equivalents

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

Furniture and Equipment

Furniture and equipment are recorded at cost less accumulated depreciation computed on the straight-line method over the estimated useful life of five to ten years. Leasehold improvements are computed on the straight-line method over the estimated useful life of three years.

Net Assets

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

Restricted net assets consist of net assets for which constraints are placed thereon by external parties (such as lenders and grantors) and laws, regulations and enabling legislation. Unrestricted net assets consist of all other net assets not categorized as either of the above. At December 31, 2014 and 2013, there were no restricted assets as all assets are unrestricted.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information

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

Staff and Payroll

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

Tuition Expense

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

Operating Leases

The agency has a thirty-six month (36) rental agreement for office space and supply reimbursement with a two year option to renew. The RDA has chosen to renew the lease term which will expire May 31, 2015. The monthly lease amount, which is due at the beginning of each month, is $3,723. The following is the remaining obligation due for the rental agreement:

Year Ended	Amount
May 31, 2015	22,338
Total	$ 22,338

Deposits and Investments

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

NOTE 2 - CONCENTRATIONS

At December 31, 2014 and 2013, $800,000 respectively, of the RDA's cash and cash equivalents was insured by the Federal Depository Insurance Corporation ("FDIC"), and therefore classified under Risk Category 1. The Public Deposit Insurance Fund ("PDIF") was created by the Acts of 1937 in the State of Indiana to protect the public funds of the state and its political subdivisions deposited in approved financial institutions. The PDIF insures those public funds deposited in approved financial institutions which exceed the limits of coverage provided by any FDIC. The RDA has funds deposited in PDIF approved financial institutions.

NOTE 2 – CONCENTRATIONS (Continued)

At December 31, 2014 and 2013, the remaining portion of $74,734,757 and $76,909,087, respectively, was covered by the PDIF and classified in Risk Category 1.

NOTE 3 – PROPERTY AND EQUIPMENT

All furniture & equipment is depreciated using the straight line method. Depreciation expense at December 31, 2014 and 2013 was $679 and $3,596, respectively. Property and Equipment at year end consist of the following:

		2014	2013
Furniture & Fixtures		$ 37,655	$ 37,655
Leasehold Improvements		11,502	11,502
Less: Accumulated Depreciation		(46,549)	(45,870)
Net Furniture & Fixtures		$ 2,608	$ 3,287

NOTE 4 – PUBLIC EMPLOYEES' RETIREMENT FUND

To provide retirement benefits for its full-time employees, the Authority participates in the Public Employees' Retirement Fund of Indiana (PERF), cost-sharing, multiple employer public employees' retirement system. The contribution requirement, which was made by the Authority for employees covered by the PERF, was $12,067. The Authority is required to and did contribute 3% of their employee's compensation to the PERF. The contribution requirement, which was made by the Authority to fund retirement benefits, was $45,050. These contributions represent 11% of covered payroll for 2014. To obtain more information please visit the Public Employees' Retirement Fund at www.in.gov/perf.

NOTE 5 – NOTE RECEIVABLE

In 2006, the RDA agreed to loan $6,000,000 to the Little Calumet River Basin Development Commission. The Indiana General Assembly passed and the Governor signed, Public Law 106 – 2012 which established a revenue mechanism for the Little Calumet River Basin Development Commission and a repayment schedule for the Commission's $6,000,000, "no interest" loan currently outstanding from the RDA. Providing that no "fiscal emergency" [as defined in IC 14-13-2-18.6 (g)] exists for the Commission, the remaining repayment schedule is as follows: July 1, 2014, $1,460,000; on July 1, 2015, $920,000; on July 1, 2016, $690,000; and on July 1, 2017, $500,000. The amount due to the Authority from the Little Calumet River Basin Development Commission at December 31, 2014 and 2013 was $2,110,000 and $3,570,000 respectively.

NOTE 6 - COMMITMENTS

Since the inception of the RDA, there have been contracts awarded for approved projects within Northwest Indiana. Because not all awarded contracts have been completed, the RDA has remaining commitments of $26,886,139 at December 31, 2014 as follows:

NOTE 6 – COMMITMENTS (Continued)

Project Name:	Shoreline Park Gateway & Community Gateway
Nature of Project:	Shoreline Restoration
Date Awarded:	03/25/2008
Initial Total Project Cost:	$3,900,000
Add-ons or Change Orders:	N/A
Cost Through 12-31-2014:	$3,038,236.35
Remaining balance at 12-31-2014	$861,763.65
Percent (%) Complete as of 12-31-2014:	78%
Expected Completion Date:	June 2015

Project Name:	Water Filtration Plant Demolition
Nature of Project:	Shoreline Restoration
Date Awarded:	11/13/2008
Initial Total Project Cost:	$1,980,000
Add-ons or Change Orders:	N/A
Cost Through 12-31-2014:	$ 225,000
Remaining balance at 12-31-2014	$1,755,000
Percent (%) Complete as of 12-31-2014:	11%
Expected Completion Date:	December 2017

Project Name:	Hammond Lakes Area
Nature of Project:	Shoreline Restoration
Date Awarded:	January 8, 2009
Initial Total Project Cost:	$31,480,000
Add-ons or Change Orders:	N/A
Cost Through 12-31-2014:	$30,415,588.82
Remaining balance at 12-31-2014	$ 1,064,411.18
Percent (%) Complete as of 12-31-2014:	97%
Expected Completion Date:	December 2015

Project Name:	Porter Gateway to the Dunes (Grant 2)
Nature of Project:	Shoreline Restoration
Date Awarded:	July 7, 2011
Initial Total Project Cost:	$3,915,000
Add-ons or Change Orders:	N/A
Cost Through 12-31-2014:	$1,907,645.54
Remaining balance at 12-31-2014	$2,007,354.46
Percent (%) Complete as of 12-31-2014:	49%
Expected Completion Date:	September 2015

NOTE 6 – COMMITMENTS (Continued)

Project Name:	Whiting Lakefront Park
Nature of Project:	Shoreline Restoration
Date Awarded:	April 20, 2010
Initial Total Project Cost:	$19,445,000
Add-ons or Change Orders:	N/A
Cost Through 12-31-2014:	$18,633,312.67
Remaining balance at 12-31-2014	$ 811,687.33
Percent (%) Complete as of 12-31-2014:	96%
Expected Completion Date:	December 2015

Project Name:	Town of Pines
Nature of Project:	Challenge Grant
Date Awarded:	November 20, 2012
Initial Total Project Cost:	$160,000
Add-ons or Change Orders:	N/A
Cost Through 12-31-2014:	$160,000.00
Remaining balance at 12-31-2014	$ 0.00
Percent (%) Complete as of 12-31-2014:	100%
Expected Completion Date:	December 2014

Project Name:	Sheraton Hotel Challenge Grant
Nature of Project:	Other - Challenge Grant
Date Awarded:	November 27, 2013
Initial Total Project Cost:	$200,000
Add-ons or Change Orders:	N/A
Cost Through 12-31-2013:	$ 49,981.70
Remaining balance at 12-31-2013	$150,018.30
Percent (%) Complete as of 12-31-2013:	25%
Expected Completion Date:	July 2014

Project Name:	NICTD
Nature of Project:	Surface Transportation – Commuter Rail
Date Awarded:	May 7, 2013
Initial Total Project Cost:	$275,000
Add-ons or Change Orders:	N/A
Cost Through 12-31-2014:	$133,628.26
Remaining balance at 12-31-2014	$141,371.74
Percent (%) Complete as of 12-31-2014:	51%
Expected Completion Date:	January 2015

NOTE 6 – COMMITMENTS (Continued)

Project Name:	Indiana Landmarks
Nature of Project:	Other
Date Awarded:	October 29, 2013
Initial Total Project Cost:	$25,000
Add-ons or Change Orders:	N/A
Cost Through 12-31-2013:	$3,081.89
Remaining balance at 12-31-2013	$21,918.11
Percent (%) Complete as of 12-31-2013:	12%
Expected Completion Date:	June 2015

Project Name:	Modern Forge
Nature of Project:	Other - Deal Closing
Date Awarded:	September 18, 2014
Initial Total Project Cost:	$2,000,000
Add-ons or Change Orders:	N/A
Cost Through 12-31-2013:	$1,237,500
Remaining balance at 12-31-2013	$762,500
Percent (%) Complete as of 12-31-2013:	62%
Expected Completion Date:	December 2014

Project Name:	American Stair
Nature of Project:	Other – Deal Closing
Date Awarded:	December 22, 2014
Initial Total Project Cost:	$1,725,000
Add-ons or Change Orders:	N/A
Cost Through 12-31-2013:	$0
Remaining balance at 12-31-2013	$11,725,000
Percent (%) Complete as of 12-31-2013:	0%
Expected Completion Date:	June 2015

Project Name:	Tec Air
Nature of Project:	Other – Deal Closing
Date Awarded:	April 3, 2014
Initial Total Project Cost:	$2,450,000
Add-ons or Change Orders:	N/A
Cost Through 12-31-2013:	$1,619,518.29
Remaining balance at 12-31-2013	$830,481.71
Percent (%) Complete as of 12-31-2013:	66%
Expected Completion Date:	June 2015

NOTE 7 – NO INTEREST SECURITY FORGIVEABLE LOAN

The contingent security interest acquired by the RDA under the forgivable loan program is incrementally released as the grantor complies with the grant requirements. There is no reasonable way to predict future conduct by grantees. Although there is a potential likelihood that the RDA could obtain some form of an asset at some date in the future if grantee noncompliance occurs, there is no way to predict if or when that will occur.

NOTE 8 – PERIOD RESTATEMENT

At December 31, 2014, the Town of Porter-Phase 1 project was completed under budget and the grant was closed. The committed but unpaid balance resulted in a net adjustment of $16,600.

At December 31, 2013, the Town of Pines grant was originally approved for $200,000. Upon completion of the signed grant agreement, the total amount awarded amounted to $160,000 resulting in a net adjustment of ($40,000) to the Authority.

NOTE 9 – SUBSEQUENT EVENTS

In accordance with FASB ASC Topic 855, *Subsequent Events*, the Organization has evaluated subsequent events through February 13, 2015 which is the date these financial statements were available to be issued. Subsequent events requiring recognition as of December 31, 2014 have been incorporated into these financial statements.

State of Indiana Code {IC 36-7.5-4-2} requires Hammond, as one of the units within Lake County, to make transfers of admissions tax monies received from the State of Indiana in the amount of $875,000 per calendar year quarter to the Northwest Indiana Regional Development Authority. This obligation is unqualified with respect to local exigencies and not subject to local legislative actions. It is not clear when the City of Hammond might make the required repayments of this arrearage, however, it is not within the legal discretion of the Northwest Indiana Regional Development Authority to “forgive” or remove this obligation nor does the statute provide the Regional Development Authority with an enforcement mechanism.

The Indiana General Assembly appropriated from the Major Moves Construction Fund, as described in State of Indiana Code {IC 8-14-14-6(a)(2)}, $120,000,000 to the Northwest Indiana Regional Development Authority for the following purposes: 1) $20 million to be distributed to the Gary/Chicago International Airport for its runway extension project, 2) $20 million for the RDA’s statutory purposes as described in IC 36-7.5, and 3) $80 million to be distributed $10 million per State Fiscal Year through State Fiscal Year 2014-2015. The final $10 million will therefore be distributed to the RDA by June 30, 2015. The RDA is currently engaged in an effort to secure “reauthorization” of the State of Indiana allocation from the Indiana General Assembly. Obviously the result of that effort is not yet known but the Authority remains confident that the effort will result in a reallocation of state funding.

SUPPLEMENTAL INFORMATION

(Unaudited)

NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY
SUPPLEMENTAL SCHEDULE OF SUPPORTING SERVICES
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Salaries & Professional Services

	2014	2013
Professional Fees		
Accounting	$ 54,544	$ 36,120
Advertising	18,649	-
Communucations/marketing consultant	-	405
Federal/State/compliance consultant	135,432	242,441
Finanacial Advisor	166,028	103,325
Human resources consultant	11,100	4,500
Legal	67,424	88,070
Planning consultant	17,047	21,250
Project specific consultant	91,657	28,310
Public awareness and education	32,945	68,916
Salaries and related personnel costs	662,145	556,380
Special consultant	30,792	-
Total Salaries & Professional Services	1,287,761	1,149,717

Operating Expenses

	2014	2013
Bank charges	$ 514	$ -
Conferences	426	(500)
Fees and licenses	-	69
Insurance	15,218	15,417
Meals and entertainment	8,034	8,502
Office supplies	4,212	4,893
Postage	147	668
Professional development	4,484	2,126
Rent	47,990	48,074
Telephone, phone and fax services	4,726	5,959
Travel	8,664	7,888
Tuition reimbursement	12,407	7,910
	106,822	101,007
Total supporting services expenses	$ 1,394,584	$ 1,250,724

See accompanying notes to basic financial statements

NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY
BUDGETARY COMPARISON SCHEDULE - BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014

	Original Budget	Final Budget	Actual	Variance
Revenue by Source				
State	$ 10,000,000	$ 10,000,000	$ 10,000,000	$ -
City of East Chicago	3,500,000	3,500,000	3,500,000	-
City of Hammond	3,500,000	3,500,000	3,500,000	-
City of Gary	5,500,000	3,500,000	3,500,000	-
Lake County	3,500,000	3,500,000	3,500,000	-
Porter County	3,500,000	3,500,000	3,500,000	-
EPA	388,000	388,000	335,467	(52,533)
Other income	120,000	120,000	21,072	(98,928)
Total Revenue by Source	30,008,000	28,008,000	27,856,539	(151,461)
Program Expenses				
Valparaiso City Utilities	500,000	500,000	200,000.00	(300,000)
City of East Chicago Redvelopment (Shoreline Development)	17,495,000	17,495,000	17,495,000.00	-
Land O'Frost (Economic Development)	1,050,000	1,050,000	750,000.00	(300,000)
TechAir, Inc. (Economic Development	1,050,000	1,050,000	2,450,000.00	1,400,000
MonoSol, LLC (Economic Development)	1,050,000	1,050,000	1,575,000.00	800,000
AM Manufacturing (Economic Development)	1,050,000	1,050,000	400,000.00	(650,000)
Wisconsin Central, Ltd (Economic Development)	1,050,000	1,050,000	1,880,000.00	830,000
Modern Forgel Indiana, LLC (Economic Development)	1,050,000	1,050,000	2,000,000.00	950,000
American Stair Corporation, Inc. (Economic Development)	1,050,000	1,050,000	1,725,000.00	675,000
Shoreline Development	10,825,000	10,825,000	-	(10,825,000)
Other Developments	1,000,000	1,000,000	-	(1,000,000)
Transportation	280,000	280,000	-	(280,000)
Airport	3,500,000	3,500,000	-	(3,500,000)
Total Program Expenses	$ 40,950,000	$ 40,950,000	$ 28,475,000	$ (12,200,000)
Administrative Expenses				
Professional Services	628,000	628,000	467,953	(160,047)
Salaries and Benefits	595,400	685,000	629,145	(55,855)
Rent	58,300	58,300	52,716	(5,584)
Professional Development	5,000	5,000	4,484	(516)
Tuition Reimbursement	10,500	12,600	12,407	(193)
Travel/Meals	21,900	21,900	16,698	(5,202)
Office Supplies and Equipment	11,500	11,500	4,212	(7,288)
Insurance	15,500	15,500	15,218	(282)
Other administrative expenses	189,700	201,000	174,883	(26,117)
Total Administrative Expenses	$ 1,535,800	$ 1,638,800	$ 1,377,716	$ (261,084)

RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS:

Depreciation Expense	$ (679)
Interest Income	127,748
Note receivable	2,110,000
Accounts receivable	7,000,000
Prepaid expenses	94,742
Accounts payable/accrued vacation	(102,321)
Period restatement	16,600
Grantee awards/payments, net	13,281,608
Change in Net Assets - GAAP basis	**$ (2,226,124)**