



Comprehensive Annual Financial Report

For the years ended
December 31, 2019 and 2018

Northern Indiana Commuter
Transportation District

33 East US Hwy 12
Chesterton, IN 46304



COMPREHENSIVE ANNUAL FINANCIAL REPORT



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

For the Years Ended December 31, 2019 and 2018

Prepared by
Accounting and Administration

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

December 31, 2019 and 2018

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NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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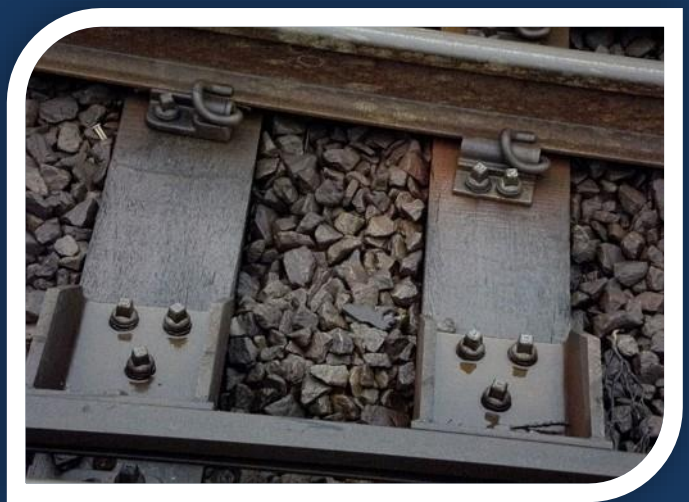
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INTRODUCTORY SECTION





April 1, 2020

Board of Trustees
Northern Indiana Commuter
Transportation District
Chesterton, Indiana

The Comprehensive Annual Financial Report of the Northern Indiana Commuter Transportation District ("District" or "NICTD") for the years ended December 31, 2019 and 2018 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 the District's management. Responsibility for the accuracy, completeness and fairness of this report rests with the District. 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 the District'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 the District'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, except the initial term of the initial members shall be determined by the governor.

The administration of the District, 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

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

The District 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.

The District 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 the District's financial statements. The goal of the independent audit is to provide reasonable assurance the District's financial statements for the fiscal years ending December 31, 2019 and 2018 are free of material misstatement. The independent auditors rendered an unmodified auditor's report on the District's financial statements for the years ended December 31, 2019 and 2018.

As a recipient of federal and state financial assistance, the District is required to undergo an annual single audit in conformity with the provisions of the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to the Single Audit, including the schedule of expenditures of federal awards, findings and questioned costs and auditor's reports on the internal control structure and compliance with applicable laws and regulations is included in the Comprehensive Annual Financial Report. The report for the year ended December 31, 2019 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 the assets of the District 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

LETTER OF TRANSMITTAL

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

All internal control evaluations occur within the above framework. We believe that the District'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

The District'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. Known to locals as the South Shore, NICTD's commuter service is a major contributor to the economic engine of northern Indiana and southeast Chicago, operating about 13,000 trains annually carrying over 3.2 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, the District continues to see steady ridership levels.

The South Shore is uniquely positioned in the heart of Chicago's Loop within easy access to approximately 620,000 jobs, more than doubling the job base of Lake and Porter counties, Indiana (251,000 jobs). On average these jobs pay 43% more than similar positions in northwest Indiana.

Since its creation in 1977, the District 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. The District has a mixed fleet of 82 electric multiple-unit (EMUs) with an average fleet age of 28.6 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

The District generates operating income through a formal fare structure that is based on the rail service it provides. The District 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 the District payable in monthly installments.

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

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

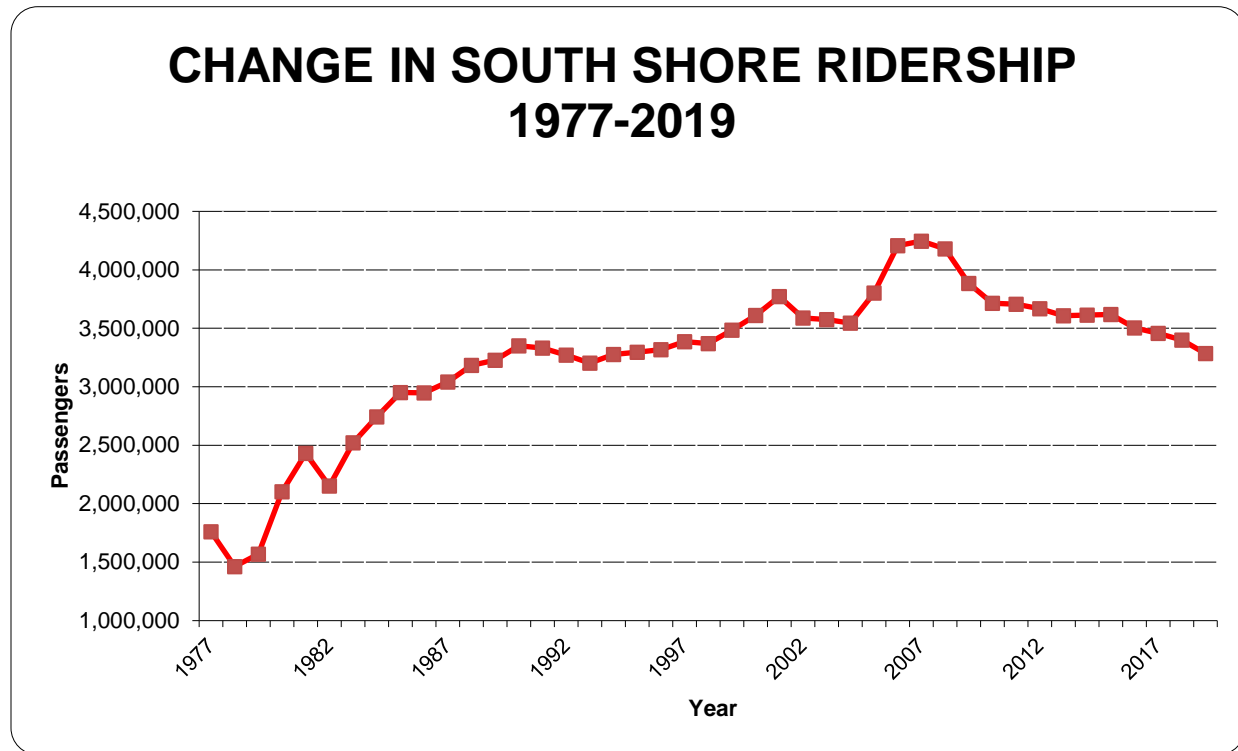
The District practices financial planning and cost controls, however it is not legally required to report on a budgetary basis. No comparison of actual and budget data is included.

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 the District's ridership is comprised of those commuting to and from Chicago's Central Business District. According to the Illinois Department of Employment Security, Chicago continues to see a rebound in jobs added, experiencing a 0.5% increase in employment,

representing 6,372 jobs from 2018 to 2019. We carried over 3.2 million passengers in 2019. While 2007 continues to hold our modern day record of 4.2 million passengers carried in one year, 2016 brought the District a new record for most passengers carried in a single day. On November 4, 2016, the District carried a record breaking 29,253 passengers to and from Chicago to celebrate the Chicago Cubs 2016 World Series Championship.



Major Initiatives

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

The District has concentrated its capital resources in a six-year effort to improve assets that affect service reliability. Substation rehabilitation, catenary, bridges, and the implementation of Positive Train Control (PTC) have been the focus of the program. While we are making substantial progress, additional investment (realignments, substation rehabilitations, high level platforms, and double track) is required to modernize the entire railroad in order to achieve reduced travel time and effectively compete with auto commuting. This remains a very important objective in order to grow business on our fixed rail corridor.

Positive Train Control (PTC) As of January 2020, the District was operating an average of 30 PTC Revenue Service Demonstration (RSD) trains every weekday. Interoperability with Metra's system is a key component to the PTC operation. By the end of the first quarter of 2020 the District hopes to be fully integrated with Metra's Millennium Station wireless network. Once operational, the District will be operating all NICTD trains in RSD and the PTC Safety Plan (PTCSP) will be submitted to the Federal Railroad Administration (FRA) for approval. Upon FRA approval, the District will move from RSD into full PTC Revenue Service.

East Chicago Station The East Chicago access improvement project was completed in 2019. This created a secondary entrance to the boarding platform accessible from the eastern side of the parking lot. This project also included improvements to the existing head house. The new entrance was opened to the public in January 2020. In addition to the platform access improvements, a signaled intersection was also added to the east end of the parking lot.

South Bend Realignment Study In 2017, the District 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 the District to put the study on hold as they evaluate other possible alignments. The District anticipates resuming this study in 2020 when the analysis is complete.

West Lake Corridor Project and Double Track Northwest Indiana Project The West Lake Corridor project is a proposal to create a southern branch route extension to reach high-growth areas in Lake County, Indiana. The project would expand the District's service coverage, improve mobility and accessibility, and stimulate local job creation and economic development opportunities for Lake County. In 2018, the West Lake Corridor Project completed the required environmental work under the National Environmental Policy Act (NEPA), receiving a Final Environmental Impact Statement/Record of Decision in March 2018. The West Lake project was awarded the Outstanding Achievement Award for Excellence in Environmental Documentation Preparation by the FTA for its Final Environmental Impact Statement/Record of Decision. The project was formally submitted for a Project Rating to the Federal Transit Administration (FTA) in September 2018, along with a request to enter into New Starts Engineering. Approval for entry into New Starts Engineering was granted on October 4, 2019. All local funding for the project has been committed and approved by the requisite boards and organizations. In 2019, the District undertook the procurement selection process for a Design Build firm and anticipates making a contract award in 2020. Visit www.nictdwestlake.com for more information.

The Double Track Northwest Indiana (DT-NWI) New Starts Project expands current service from single track to double track between Gary and Michigan City, Indiana. This will allow for more frequent service, reduced delays, and improved travel times. The Double Track Project completed the required environmental work under NEPA, receiving a Finding of No Significant Impact in November 2018. The Double Track Project formally requested a Project Rating and entry into Engineering phase of the FTA's Capital Investment Grant (CIG) Program in June 2019. Approval for entry into Engineering was granted on February 10, 2020. For more information visit www.doubletrack-nwi.com.

In 2019, the State of Indiana provided an additional \$205 million towards the West Lake and Double Track projects. This funding is in addition to the existing \$306 million committed during earlier legislative sessions. The District will work toward securing a Full Funding Grant Agreement (FFGA) for each project; federal funds will be formally committed upon signing of the FFGA.

Track & Structures and Bridges & Buildings Departments In 2019, NICTD completed mainline production rail grinding of 70 miles of tracks. All mainline and passing siding rails underwent ultrasonic rail testing. The team rehabilitated two concrete arch culverts, replaced beams at the US 20 New Carlisle Bridge, managed brush and weeds for over 75 miles, completed Gary Metro Station remodeling project to upgrade the elevator and remove the escalator, and inspected all bridges, culverts and buildings. Extensive renovations and additions were completed on the Gary Compound to improve maintenance-of-way availability on the west end of the rail line. In addition, crews rebuilt eight highway grade crossing surfaces, upgraded four switches, and installed ties on 13 main line track miles.

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Line & Signal Department In 2019, the Line & Signal Department continued the Traction Power Load Study. This multi-year project is intended to update eight electrical substations as well as quantify, size and place additional substations to meet future service needs. Traction power and load flow models were completed based on present and future operating timetables which include the DT-NWI and West Lake Corridor projects' traffic additions to the existing South Shore Line. The rehabilitation and new substation design efforts are 60% complete and a draft multi-year construction strategy has been developed. Six miles of fixed termination catenary was replaced with auto tension catenary in LaPorte and St. Joseph counties (MP 12 – 17), along with six miles of feeder cable and all associated support appurtenances. Using Federal Highway funds administered by INDOT, the District undertook an 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. This project has been completed with the exception of John Emery Road, which awaits geometric reconfiguration by the LaPorte County Highway Department.

Mechanical Department The Mechanical Department has undertaken the Mid Life and End Life rehabilitation of our existing rail cars. Work is ongoing for these cars but has primarily focused on HVAC replacement, and higher quality onboard speakers, pantographs, and propulsion systems in 2019. Reconditioning them should save the District about 50% over the cost of new ones. The End Life program includes 58 rail cars. The first 32 cars rehabbed will be utilized for the West Lake Corridor extension. The District intends to procure 26 new railcars to replace these. A market survey was completed in April of 2019 to evaluate alternate procurement options for new rolling stock since Nippon Sharyo is not building cars for the US market at this time. No single car builder was able to meet all the criteria requested regarding car design and compatibility with the existing fleet. The District has hired an outside consultant to help develop the technical specifications for new rolling stock, assist with evaluation of possible builders, as well as provide oversight of construction of the cars. The District has also began installing and upgrading railcar cameras. This includes both head-end cameras as well as inward facing cameras. In 2019, cameras were purchased for the 300 series gallery cars and installation began. This project will continue with installation as well as procurement for upgrading the remaining rail car cameras.

Award

The Government of Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Northern Indiana Commuter Transportation District for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2018. The District has achieved this prestigious award for seven consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

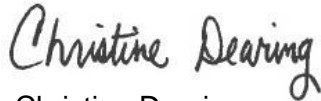
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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Acknowledgement

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

Respectfully submitted,

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

Christine Dearing
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Northern Indiana
Commuter Transportation District**

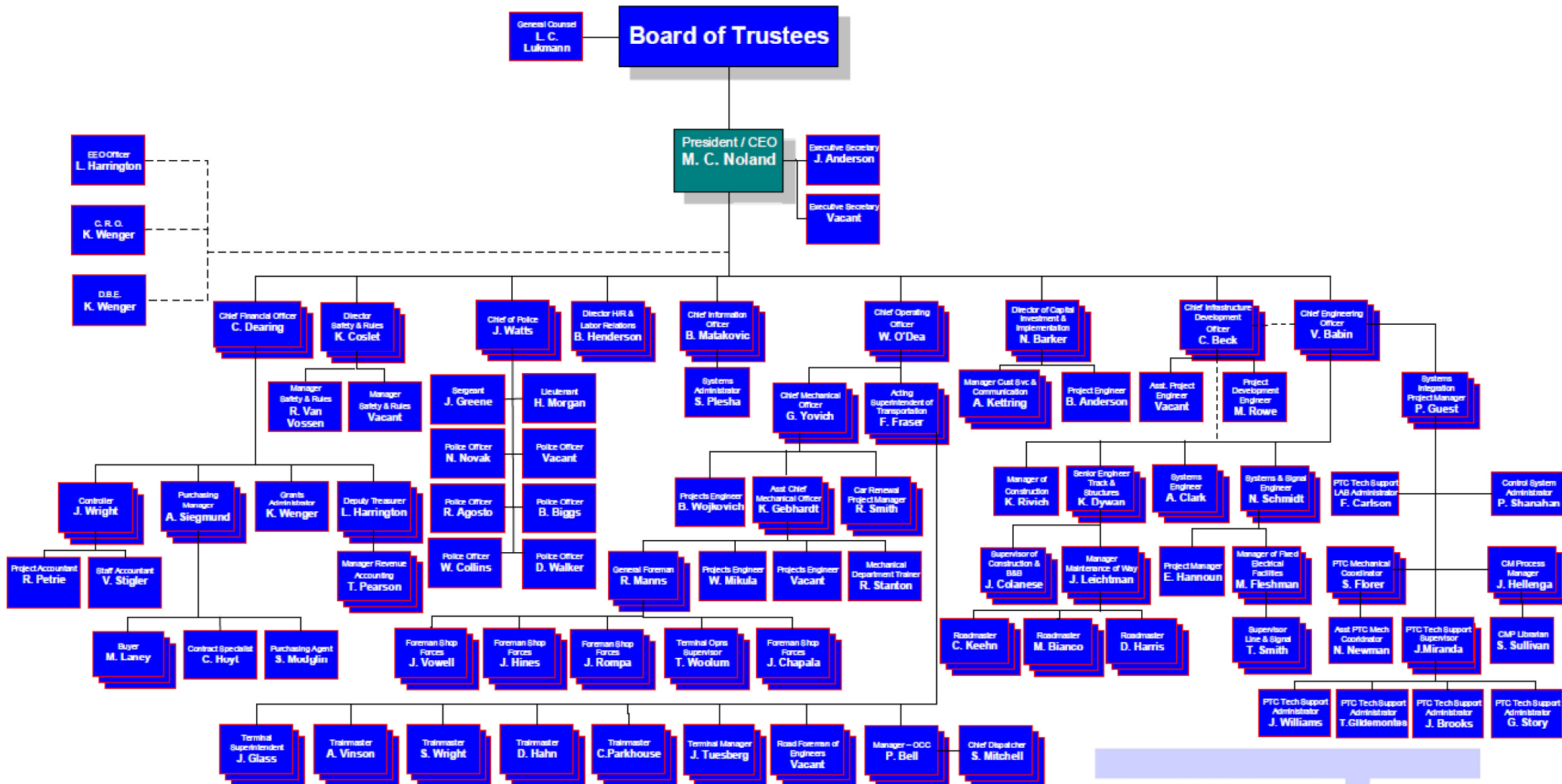
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

Northern Indiana Commuter Transportation District Organization Chart



Northern Indiana Commuter Transportation District

Board of Trustees and Administration
as of December 31, 2019

Members of the Board of Trustees

Indiana Department of Transportation Commissioner

Joe McGuinness
Chairman

Lake County, Indiana

Karen Freeman-Wilson
Vice Chairperson

Porter County, Indiana

Jeff Good
Treasurer

St. Joseph County, Indiana

Andrew Kostielney
Secretary

LaPorte County, Indiana

Ron Meer
Board Member

Administration

Michael Noland, President
Christine Dearing, Chief Financial Officer
Boris Matakovic, Chief Information Officer
William O'Dea, Chief Operating Officer
Victor Babin, Chief Engineering Officer
Jessie Watts, Jr., Chief of Police
Bjarne Henderson, Director of HR & Labor Relations
Nicole Barker, Director of Capital Investment & Implementation
Kristen Coslet, Director of Safety & Training



Line and Signal crews install new catenary wire.



New East Chicago entrance opened to the public January 14, 2020.



DOUBLE TRACK N.W.I



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

Map Legend:

- Existing Station (Red circle with black outline)
- Locally Preferred Alternative (AI-Grade) (Red line)
- Proposed Station (Red circle with red outline)
- South Shore Line (Orange line)
- Existing Railroad Track (Dashed line)
- State Line (Dashed line with 'ILLINOIS' and 'INDIANA' labels)
- Locally Preferred Alternative (Elevated - Open Underpass Structure) (Red line with cross-hatching)
- Stream and Water Body (Blue area)
- Major Roadway (Yellow line)

Map Labels:

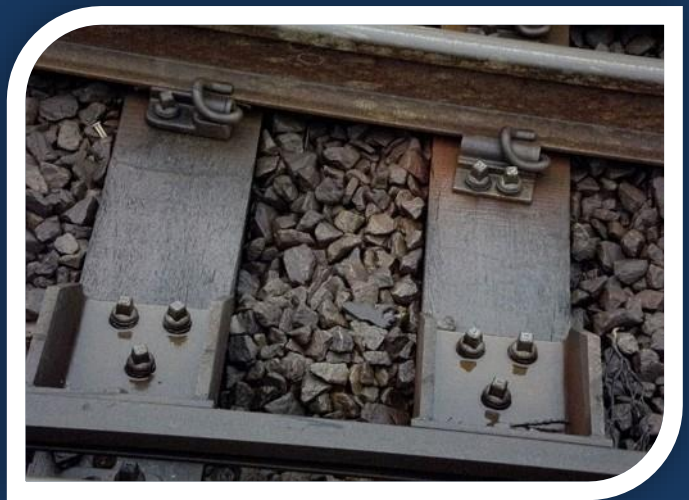
- CHICAGO
- TO CHICAGO
- HEGEWISCH
- BURNHAM
- DOLTON
- BEGIN IMPROVEMENT
- HAMMOND GATEWAY
- CALUMET CITY
- SOUTH HOLLAND
- THORNTON
- GLENWOOD
- LYNWOOD
- CHICAGO HEIGHTS
- FORD HEIGHTS
- SAUK VILLAGE
- END IMPROVEMENT
- HAMMOND
- SOUTH HAMMOND
- MUNSTER RIDGE ROAD
- MUNSTER
- MUNSTER/DYER MAIN STREET
- DYER
- WHITING
- EAST CHICAGO
- HIGHLAND
- GRIFFITH
- SCHERERVILLE

Scale: 0 Miles 1/4

North Arrow: N

Approximate 8 mile extension of the South Shore Line between Hammond and Dyer, Indiana

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Northern Indiana Commuter
Transportation District
Chesterton, Indiana

Report on Financial Statements

We have audited the accompanying financial statements of the Northern Indiana Commuter Transportation District (the District) as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2019 and 2018 and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

(Continued)

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary schedules, consisting of the schedules of expenses, schedule of expenditures of federal awards as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the District's internal control over financial reporting and compliance.


Crowe LLP

Indianapolis, Indiana
March 27, 2020

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2019 and 2018
(In thousands of dollars)

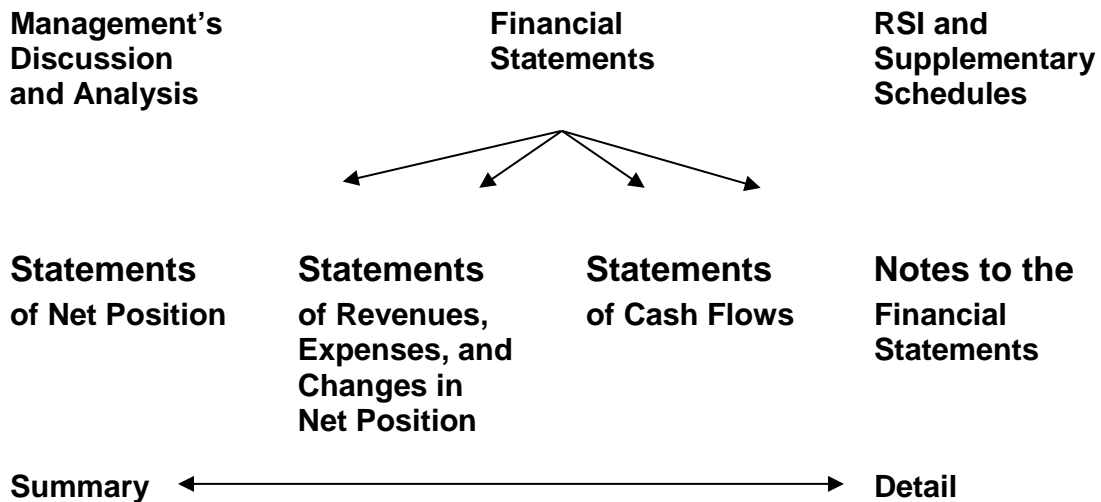
The following discussion and analysis of the Northern Indiana Commuter Transportation District's (the District's) financial performance provides an overview of the District's financial activities for the years ended December 31, 2019 and 2018.

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 the District report information about the District 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 the District'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 District creditors (liabilities). It also provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

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 the District's operations over the past year and can be used to determine whether the District 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 the District'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, 2019 and 2018
(In thousands of dollars)

Financial Highlights

- The District reported a \$33,520 increase to Net Position for 2019, compared to \$10,547 in 2018. This increase is primarily due to additional regional funding for the Double Track and West Lake projects.
- Operating revenues decreased by \$279 or 1.22%, from \$22,823 in 2018 to \$22,544 in 2019. The District attributes this decrease to a slight decrease in ridership.
- Operating expenses increased by \$902 or 1.31% in 2019, from \$68,714 to \$69,616 primarily due to increased employment and insurance costs.
- Loss before capital contributions increased by \$4,274 or 51.05% in 2019, from \$8,373 to \$12,647 due to an increase in operating expenses and a decrease in state operating funding.
- In April of 2018, the District issued \$7.5 million in Series 2018 Bonds to replenish capital reserves depleted in recent years from capital improvements funded locally by the District. The Series 2018 Bonds were paid in full in December 2018 prior to year-end. In March of 2016, the District issued \$89.1 million in Series 2016 Bonds to fund the engineering and implementation of the Positive Train Control project in accordance with the Railway Safety Improvement Act of 2008 and regulation 49CFR Part 236. The Series 2016 Bonds are rated AA- by Standard & Poor's Rating Services. The District called the Series 2007 Bonds in 2016 resulting in an \$18 million decrease to bonds payable. Using Indefinite Situs Funds and Bond Reserves, the District retired the bonds a full six years early and realized \$1.3 million in interest savings.
- The District 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. Approval for entry into New Starts Engineering was granted on October 4, 2019.
- 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, with FTA approved granted on February 10, 2020.

Statements of Net Position

Total net position increased by \$33,520 in 2019 and increased by \$10,547 in 2018 (see Figures A-2a and A-2b). The largest portion of net position is net investment in capital assets, which increased \$24,570 in 2019 and increased \$10,396 in 2018 through capital improvements, which were funded by contributions from federal, state, and regional governmental agencies.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Figure A-2a
Condensed Statements of Net Position

	<u>2019</u>	<u>2018</u>	<u>Difference</u>	<u>Percent Change</u>
Current assets	\$ 58,929	\$ 40,492	\$ 18,437	45.53%
Capital assets (net)	391,971	366,892	25,079	6.84
Other noncurrent assets	<u>48,197</u>	<u>60,871</u>	<u>(12,674)</u>	<u>(20.82)</u>
Total assets	499,097	468,255	30,842	6.59
Deferred outflow of resources	94	137	(43)	(31.39)
Current liabilities	13,680	13,553	127	0.94
Long-term liabilities	91,201	93,901	(2,700)	(2.88)
Other liabilities	<u>644</u>	<u>971</u>	<u>(327)</u>	<u>(33.68)</u>
Total liabilities	105,525	108,425	(2,900)	(2.67)
Deferred inflow of resources	387	208	179	0.86
Net investment in capital assets	326,144	301,574	24,750	8.15
Restricted for debt service	2,163	1,230	933	75.85
Restricted for capital projects	3,335	4,713	(1,378)	(29.24)
Unrestricted	<u>61,637</u>	<u>52,242</u>	<u>9,395</u>	<u>17.98</u>
Total net position	<u>\$ 393,279</u>	<u>\$ 359,759</u>	<u>\$ 33,520</u>	<u>9.32%</u>

Figure A-2b
Condensed Statements of Net Position

	<u>2018</u>	<u>2017</u>	<u>Difference</u>	<u>Percent Change</u>
Current assets	\$ 40,492	\$ 46,053	\$ (5,561)	(12.08)%
Capital assets (net)	366,892	337,168	29,724	8.82
Other noncurrent assets	<u>60,871</u>	<u>85,577</u>	<u>(24,706)</u>	<u>(28.87)</u>
Total assets	468,255	468,798	(543)	(0.12)
Deferred outflow of resources	137	397	(260)	(65.49)
Current liabilities	13,553	21,725	(8,172)	(37.62)
Long-term liabilities	93,901	96,798	(2,897)	(2.99)
Other liabilities	<u>971</u>	<u>1,350</u>	<u>(379)</u>	<u>(28.07)</u>
Total liabilities	108,425	119,873	(11,448)	(9.55)
Deferred inflow of resources	208	110	98	89.09
Net investment in capital assets	301,574	291,178	10,396	3.57
Restricted for debt service	1,230	13,459	(12,229)	(90.86)
Restricted for capital projects	4,713	3,127	1,586	50.72
Unrestricted	<u>52,242</u>	<u>41,448</u>	<u>10,794</u>	<u>26.04</u>
Total net position	<u>\$ 359,759</u>	<u>\$ 349,212</u>	<u>\$ 10,547</u>	<u>3.02%</u>

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Statements of Revenues, Expenses and Changes in Net Position

Operating revenues decreased by \$279 in 2019 (see Figure A-3a), due to a decrease in ridership. Operating revenues increased by \$610 in 2018 due to a midyear fare increase (see Figure A-3b).

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Operating revenue	\$ 22,544	\$ 22,823	\$ 22,213
Commuter ridership	2,045	2,106	2,104
Off-peak ridership	<u>1,239</u>	<u>1,294</u>	<u>1,352</u>
Total ridership	<u>3,284</u>	<u>3,400</u>	<u>3,456</u>

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

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

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

Operating expenses increased by \$2,801 in 2018. The key components of operating expenses are: transportation, maintenance, and depreciation. Transportation expenses increased by \$518 in 2018. Maintenance and depreciation expenses also increased in 2018 by \$1,622 and \$102, respectively. Total non-operating revenues/expenses increased by \$1,814 or 5.08% in 2018 due primarily to an increase in State operating assistance funding.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
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Figure A-3b
Condensed Statements of Revenues, Expenses and Changes in Net Position

	<u>2018</u>	<u>2017</u>	<u>Difference</u>	<u>Percent Change</u>
Operating revenue	\$ 22,823	\$ 22,213	\$ 610	2.75%
Operating expenses	<u>(68,714)</u>	<u>(65,913)</u>	<u>(2,801)</u>	<u>4.25</u>
Operating loss	(45,891)	(43,700)	(2,191)	5.01
Non-operating revenues/expenses	<u>37,518</u>	<u>35,704</u>	<u>1,814</u>	<u>5.08</u>
Loss before contributions	(8,373)	(7,996)	(377)	4.71
Capital contributions	<u>18,920</u>	<u>32,370</u>	<u>(13,450)</u>	<u>(41.55)</u>
Increase in net position	10,547	24,374	(13,827)	(56.73)
Net position, beginning of year	<u>349,212</u>	<u>324,838</u>	<u>24,374</u>	<u>7.50</u>
Net position, end of year	<u>\$ 359,759</u>	<u>\$ 349,212</u>	<u>\$ 10,547</u>	<u>3.02%</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>2019</u>	<u>2018</u>	<u>2017</u>
Operating revenues			
Passenger fares (net of refunds)	\$ 22,509	\$ 22,788	\$ 22,178
Parking lot collections	<u>35</u>	<u>35</u>	<u>35</u>
Total operating revenues	<u>\$ 22,544</u>	<u>\$ 22,823</u>	<u>\$ 22,213</u>
Operating expenses			
Transportation	\$ 19,755	\$ 19,036	\$ 18,518
Maintenance of way	8,825	6,951	7,005
Maintenance of equipment	12,397	13,706	12,030
Claims and insurance	1,851	1,495	1,731
General and administrative	<u>9,165</u>	<u>10,137</u>	<u>9,342</u>
	51,993	51,325	48,626
Depreciation	<u>17,623</u>	<u>17,389</u>	<u>17,287</u>
Total operating expenses	<u>\$ 69,616</u>	<u>\$ 68,714</u>	<u>\$ 65,913</u>
Nonoperating revenues (expenses)			
Federal maintenance grant	\$ 5,421	\$ 5,589	\$ 5,201
State operating assistance	10,537	12,681	11,240
Other local funds	5,151	4,945	5,030
Other revenue	1,620	1,167	613
Interest expense	(1,631)	(120)	(29)
Indefinite Situs tax	<u>13,327</u>	<u>13,256</u>	<u>13,649</u>
Total nonoperating revenues (expenses)	<u>\$ 34,425</u>	<u>\$ 37,518</u>	<u>\$ 35,704</u>

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Statements of Cash Flows

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

Figure A-4a
Condensed Statements of Cash Flows

	<u>2019</u>	<u>2018</u>	<u>Difference</u>	<u>Percent Change</u>
Net cash flows used in operating activities	\$ (29,382)	\$ (28,799)	\$ (583)	(0.02)%
Net cash flows provided by noncapital financing activities	20,024	22,171	(2,147)	(0.10)
Net cash flows used in capital and related financing activities	(257)	(24,296)	24,039	(0.98)
Net cash flows provided by investing activities	<u>7,340</u>	<u>30,176</u>	<u>(22,836)</u>	<u>(0.75)</u>
Net increase/(decrease) in cash and cash equivalents	(2,275)	(748)	(1527)	(2.04)
Cash and equivalents, beginning of year	<u>43,031</u>	<u>43,779</u>	<u>(748)</u>	<u>(1.71)</u>
Cash and equivalents, end of year	<u>\$ 40,756</u>	<u>\$ 43,031</u>	<u>\$ (2,275)</u>	<u>(5.29)%</u>

Cash flow used in operating activities in 2018 increased by \$2,570 (see Figure A-4b). Cash flow used for capital and related financing activities increased by \$16,998. Cash from investing activities increased by \$21,583 due to the maturity of investments used to fund the PTC implementation project.

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Figure A-4b
Condensed Statements of Cash Flows

	<u>2018</u>	<u>2017</u>	<u>Difference</u>	<u>Percent Change</u>
Net cash flows used in operating activities	\$ (28,799)	\$ (26,229)	\$ (2,570)	(9.80)%
Net cash flows provided by noncapital financing activities	22,171	20,172	1,999	9.91
Net cash flows used in capital and related financing activities	(24,296)	(7,298)	(16,998)	(232.91)
Net cash flows provided by investing activities	<u>30,176</u>	<u>8,593</u>	<u>21,583</u>	<u>251.17</u>
Net increase/(decrease) in cash and cash equivalents	(748)	(4,762)	4,014	84.29
Cash and equivalents, beginning of year	<u>43,779</u>	<u>48,541</u>	<u>(4,762)</u>	<u>(9.81)</u>
Cash and equivalents, end of year	<u>\$ 43,031</u>	<u>\$ 43,779</u>	<u>\$ (748)</u>	<u>(1.71)%</u>

Capital Assets

The District maintains a minimum five-year Capital Improvements Program (CIP) that is presented to the board annually. Development of the CIP is based on the District's current facilities plan and recommendations from the annual inspection of tracks, catenary, traffic signals, and bridge facilities. The District's current plan covers the years from 2020 through 2025. The District expects to invest \$184,616 in capital improvements during 2020 – 2025. The District will utilize grants and non-operating revenues to fund these improvements. Work will include upgrades along the right of way, new equipment, railcar improvements and acquisition, and substation improvements.

The District is also proposing to fund the West Lake Corridor (WLC) expansion project and Double Track Northwest Indiana (DT-NWI) project during 2020-2025. See table below for funding sources.

West Lake*	State/RDA/Local funding	Federal funding	Total funding
Project Costs	\$578,513,358	\$354,572,704	\$933,086,062
Double Track*	State/RDA/Local funding	Federal funding	Total funding
Project Costs	\$283,085,538	\$172,964,252	\$456,049,790

*Based on 2019 Entry to Engineering submittals to FTA and includes financing costs. Amounts subject to change.

The District 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. Approval for entry into New Starts Engineering was granted on October 4, 2019. The

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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, with FTA approved granted on February 10, 2020. The District will work toward securing a Full Funding Grant Agreement (FFGA) for each project; federal funds will be formally committed upon signing of the FFGA. FFGA is anticipated in late summer 2020 for West Lake and summer 2021 for Double Track.

Net capital assets were \$391,971, \$366,892 and \$337,168 for 2019, 2018 and 2017. For detailed information related to Capital Asset activity, see Note 3 to the financial statements.

Debt Administration

At December 31, 2019 and 2018, the District had \$83,025 and \$85,160 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, 2019 and 2018 was \$9,575 and \$10,307. The original bond premium was \$11,844.

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

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

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

	<u>2019</u>	<u>2018</u>	<u>Difference</u>	<u>Percent Change</u>
Situs Tax Restricted for Debt Service	\$ 12,936	\$ 12,615	\$ 321	2.54%
Debt Payments - Series 2016 Bonds	6,150	6,148	2	0.03
Debt Payments - Series 2018 Bonds	-	7,617	(7,617)	(100.00)
	<u>2018</u>	<u>2017</u>	<u>Difference</u>	<u>Percent Change</u>
Situs Tax Restricted for Debt Service	\$ 12,615	\$ 12,015	\$ 600	0.50%
Debt Payments - Series 2016 Bonds	6,148	6,149	(1)	0.01
Debt Payments - Series 2018 Bonds	7,617	-	7,617	100.00

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

Economic Factors and Next Year's Business Plans and Fares

The District carried 3.3 million passengers in 2019; a reduction of 3.4% from 2018. Annual ridership has experienced a decline since 2016. The decline in 2019 can be primarily attributed to the extreme frigid weather experienced in January and February. An ice storm paired with a freight derailment that took out a large section of catenary wire resulted in a loss of service for five days.

A ridership survey conducted in 2018 identified that just under 70% of our riders are commuting for work. Those commuting are traveling into Chicago's Central Business District for work. According to the

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
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Illinois Department of Employment Security in 2019 Chicago's Central Business District experienced a 0.5% increase in employment. Factors such as steady gas prices and reduced parking costs are added factors suggesting commuters are switching to driving, particularly during poor weather months.

Operating revenue decreased by 1.22% in 2019. Operating and maintenance expenses for 2020 are expected to remain at 2019 expense levels.

The 2020 COVID-19 (coronavirus) pandemic has caused a severe decline in overall ridership. Recent data has shown a 90% decrease in ridership. How long that level will be sustained is extremely challenging to forecast at this point in time, particularly with both the State of Indiana and Illinois issuing "stay at home" policies which restricts travel for essential services only. We have implemented a reduced service schedule to adjust for lower demand and to allow for recommended protocols for disinfecting of railcars, passenger stations, and other public common areas.

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

- 1) Adjust service levels and staffing levels as demand dictates
- 2) Analyze and monitor operating costs and reduce appropriately and as needed
- 3) Utilize current unrestricted cash reserves to cover shortfalls in operating revenue to meet ongoing operating expenses
- 4) Analyze potential impacts on all revenue sources including state revenue sources, such as sales tax receipts

We are monitoring federal congressional legislation and state and local measures that may provide financial support for public transit agencies to address operating revenue shortfalls resulting from reduced ridership levels.

The District recognizes the importance of providing essential public transit to our valued commuters and is ever-mindful of keeping them and our employees healthy during this challenging crisis.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, customers, creditors, and Board members with a general overview of the District's finances and to show the District'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, 2019 and 2018
(In thousands of dollars)

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets		
Cash and cash equivalents, unrestricted (Note 2)	\$ 2,394	\$ 2,758
Cash and cash equivalents, restricted (Note 2)	9,972	6,225
Investments, restricted (Note 2)	3,335	3,213
Receivables:		
Federal capital and planning assistance	3,555	1,053
State assistance	18,113	17,645
Metra portion of operating costs	925	308
RDA/IFA receivables	12,517	2,053
Other	<u>347</u>	<u>230</u>
Total receivables	35,457	21,289
Materials and supplies inventory	5,919	5,920
Prepaid expenses	<u>1,852</u>	<u>1,087</u>
Total current assets	58,929	40,492
Noncurrent assets		
Cash and cash equivalents, unrestricted (Note 2)	26,228	31,318
Cash and cash equivalents, restricted (Note 2)	2,162	2,730
Investments, unrestricted (Note 2)	116	75
Investments, restricted (Note 2)	19,690	26,748
Capital assets not being depreciated	193,180	156,982
Capital assets being depreciated	549,750	543,945
Less accumulated depreciation	<u>(350,958)</u>	<u>(334,035)</u>
Capital assets being depreciated, net	<u>198,792</u>	<u>209,910</u>
Total capital assets, net (Note 3)	<u>391,972</u>	<u>366,892</u>
Total noncurrent assets	<u>440,168</u>	<u>427,763</u>
Total assets	499,097	468,255
DEFERRED OUTFLOWS OF RESOURCES		
Pension	<u>94</u>	<u>137</u>
Total deferred outflows of resources	<u>94</u>	<u>137</u>
Total assets and deferred outflows of resources	<u>\$ 499,191</u>	<u>\$468,392</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
STATEMENTS OF NET POSITION
December 31, 2019 and 2018
(In thousands of dollars)

	<u>2019</u>	<u>2018</u>
LIABILITIES		
Current liabilities		
Accounts payable		
Trade	\$ 882	\$ 1,055
Capital projects	2,889	2,824
Payroll taxes and withholdings	800	994
Accrued interest	1,968	2,021
Unredeemed fares	337	320
Accrued injuries and damages (Note 1)	831	959
Other accrued expenses	3,733	3,245
Current portion - bonds payable (Note 5) (payable from restricted assets)	<u>2,240</u>	<u>2,135</u>
Total current liabilities	<u>13,680</u>	<u>13,553</u>
Long-term liabilities		
Long-term debt - bonds payable (Note 5)	90,360	93,332
Long-term lease payable	<u>26</u>	<u>-</u>
Total long-term liabilities	90,386	93,332
Other liabilities		
Net pension liability (Note 6)	644	971
Accrued post-retirement health costs (Note 6)	<u>815</u>	<u>569</u>
Total other liabilities	<u>1,459</u>	<u>1,540</u>
Total noncurrent liabilities	<u>91,845</u>	<u>94,872</u>
Total liabilities	105,525	108,425
DEFERRED INFLOWS OF RESOURCES		
Pension	<u>387</u>	<u>208</u>
Total deferred inflows of resources	<u>387</u>	<u>208</u>
NET POSITION (Note 1)		
Net investment in capital assets	326,144	301,574
Restricted for debt service	2,163	1,230
Restricted for capital projects	3,335	4,713
Unrestricted	<u>61,637</u>	<u>52,242</u>
Total net position	<u>393,279</u>	<u>359,759</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 499,191</u>	<u>\$ 468,392</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, 2019 and 2018
(In thousands of dollars)

	<u>2019</u>	<u>2018</u>
Operating revenue		
Passenger fares (net of refunds)	\$ 22,509	\$ 22,788
Parking lot collections	<u>35</u>	<u>35</u>
	<u>22,544</u>	<u>22,823</u>
Operating expenses		
Transportation	19,755	19,036
Maintenance of way	8,825	6,951
Maintenance of equipment	12,397	13,706
Claims and insurance	1,851	1,495
General and administrative	<u>9,165</u>	<u>10,137</u>
	51,993	51,325
Depreciation	<u>17,623</u>	<u>17,389</u>
	<u>69,616</u>	<u>68,714</u>
Operating loss	<u>(47,072)</u>	<u>(45,891)</u>
Nonoperating revenues (expenses)		
Federal maintenance grant	5,421	5,589
State operating assistance	10,537	12,681
Other local funds (Note 7)	5,151	4,945
Other revenue (Note 7)	1,620	1,167
Interest expense	(1,631)	(120)
Indefinite Situs tax	<u>13,327</u>	<u>13,256</u>
	<u>34,425</u>	<u>37,518</u>
Loss before capital contributions	<u>(12,647)</u>	<u>(8,373)</u>
Capital contributions		
Federal	19,779	10,959
State	5,175	2,742
Region	<u>21,213</u>	<u>5,219</u>
	<u>46,167</u>	<u>18,920</u>
Change in net position	33,520	10,547
Net position at beginning of year	<u>359,759</u>	<u>349,212</u>
Net position at end of year	<u>\$ 393,279</u>	<u>\$ 359,759</u>

See accompanying notes to financial statements.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 STATEMENTS OF CASH FLOWS
 Years ended December 31, 2019 and 2018
 (In thousands of dollars)

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Cash receipts from customers	\$ 23,256	\$ 24,258
Cash payments for salaries and benefits	(33,683)	(32,835)
Cash payments for insurance	(2,758)	(3,082)
Cash paid for goods and services	<u>(16,197)</u>	<u>(17,140)</u>
Net cash flows used in operating activities	<u>(29,382)</u>	<u>(28,799)</u>
Cash flows from noncapital financing activities		
State operating assistance	10,069	11,945
Federal maintenance grant	5,421	5,589
Other local assistance	22	15
Metra operating subsidy	3,083	3,392
Trackage rights subsidy	<u>1,429</u>	<u>1,230</u>
Net cash flows provided by noncapital financing	<u>20,024</u>	<u>22,171</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(40,966)	(50,866)
Capital contributions	33,198	19,582
Interest paid	(3,678)	(4,231)
Indefinite Situs tax	13,327	13,256
Proceeds from bond issuance	-	7,500
Payment on lease liability	(3)	-
Bond issuance costs	-	(7)
Payment on bonds	<u>(2,135)</u>	<u>(9,530)</u>
Net cash flows used in capital and related financing activities	<u>(257)</u>	<u>(24,296)</u>
Cash flows from investing activities		
Sale (purchase) of investments	6,530	29,996
Interest received on cash equivalents and investments	<u>810</u>	<u>180</u>
Net cash flows provided by investing activities	<u>7,340</u>	<u>30,176</u>
Net decrease in cash and cash equivalents	(2,275)	(748)
Cash and cash equivalents at beginning of year	<u>43,031</u>	<u>43,779</u>
Cash and cash equivalents at end of year	<u>\$ 40,756</u>	<u>\$ 43,031</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
 STATEMENTS OF CASH FLOWS
 Years ended December 31, 2019 and 2018
 (In thousands of dollars)

	<u>2019</u>	<u>2018</u>
Reconciliation of operating loss to net cash flows used in operating activities		
Operating loss	\$ (47,072)	\$ (45,891)
Adjustments to reconcile operating loss to net cash flows used in operating activities:		
Depreciation expense	17,623	17,389
Change in assets and liabilities		
Receivables	695	1,365
Materials and supplies inventories	1	(439)
Prepaid expenses	(766)	(9)
Deferred outflows related to pensions	43	260
Accounts payable - trade	(173)	(1,143)
Unredeemed fares	17	70
Accrued post-retirement health costs	246	(7)
Accrued injuries and damages	(128)	(512)
Accrued and withheld items	280	399
Net pension liability	(327)	(379)
Deferred inflows related to pensions	<u>179</u>	<u>98</u>
Net cash flows used in operating activities	<u>\$ (29,382)</u>	<u>\$ (28,799)</u>
Noncash capital and related financing activities		
Capital assets included in accounts payable		
End of year	\$ 2,889	\$ 2,824
Beginning of year	2,824	9,864
Capital assets included in lease payable		
End of year	\$ 43	\$ -
Beginning of year	-	-
Capital contributions included in accounts receivable		
End of year	\$ 16,072	\$ 3,105
Beginning of year	3,105	3,767
Noncash noncapital financing activities		
Insurance premiums financed	\$ -	\$ 1,037

See accompanying notes to financial statements.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business: The Northern Indiana Commuter Transportation District (the District) 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, the District 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 the District's reporting entity.

Basis of Accounting: The operations of the District 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 the District are included in the statements of net position. The principle operating revenues of the District are rail passenger fares. The District also recognizes as operating revenue parking lot collections and miscellaneous operating revenue. Operating expenses for the District 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: The District 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.

Subsequent Event: In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the District could be materially adversely affected. 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 coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

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 the District's operations and capital improvement programs. Federal grants through the Federal Railroad Administration (FRA) provide additional funding of the District'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, the District 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, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. The District 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 the District's policy to use restricted resources first, and then unrestricted resources when they are needed. Further, the District 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 the District to deposit public funds into the depositories approved by the State Board of Finance. The District 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 the District 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. The District 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
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, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Compensated Absences: Substantially all employees receive compensation for vacations and holidays. Approximately one-fourth of the employees receive compensation for illness and certain other qualifying absences. The number of days compensated for the various categories of absence is based generally on length of service. Vacation leave which has been earned but not paid has been accrued in the accompanying financial statements. Compensation for holiday, illness, and other qualifying absences are not accrued in the accompanying financial statements because rights to such compensation amounts either do not accumulate or they do not vest.

Net Pension Liability: The District 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. The District's activities are related to recognition of changes in its defined benefit plan's net pension liability that will be amortized in future periods.

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

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

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

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

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Insurance: The District has insurance coverage for property and casualty losses to electrical substations and related equipment. In addition, the District 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.

The District is responsible for catastrophic liability claims up to \$3 million. Claims in excess of \$3 million are covered by commercial insurance carriers up to a maximum of \$292 million. The coverage from \$3 million to \$292 million is with several insurance carriers. During 2019, 2018, and 2017, 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 2019 and there were no settlements that exceeded insurance coverage during 2019, 2018, or 2017 for those risks that the District purchased insurance.

Accrued injuries and damages claims activity for the year ended December 31, 2019, 2018, and 2017 was as follows in thousands of dollars:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Unpaid claims, beginning of year	\$ 959	\$ 1,471	\$ 1,397
Incurred claims and changes in claim estimates	83	(240)	173
Claim payments	<u>(211)</u>	<u>(272)</u>	<u>(99)</u>
Unpaid claims, end of year	<u>\$ 831</u>	<u>\$ 959</u>	<u>\$ 1,471</u>

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

	<u>2019</u>	<u>2018</u>
Unrestricted		
General fund	\$ 2,394	\$ 2,758
Accident claims reserve	6,790	5,759
Capital asset reserve	<u>19,438</u>	<u>25,559</u>
Total unrestricted	28,622	34,076
Restricted		
Bond proceeds/local grants restricted for acquisition of capital assets	9,972	7,725
Indefinite Situs tax restricted for debt repayment	<u>2,162</u>	<u>1,230</u>
Total restricted	<u>12,134</u>	<u>8,955</u>
	<u>\$ 40,756</u>	<u>\$ 43,031</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

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

Investments at December 31, 2019 and 2018 are as follows in thousands of dollars:

<u>Description</u>	<u>2019 Amount</u>	<u>2018 Amount</u>
Government agency securities, unrestricted	\$ 116	\$ 75
Taxable Money Market Funds, restricted	19,912	4,825
U.S. Treasury securities, restricted	-	22,031
Government agency securities, restricted	<u>3,113</u>	<u>3,105</u>
	<u>\$ 23,141</u>	<u>\$ 30,036</u>

As of December 31, 2019 and 2018, all investment maturities are less than one year. Interest rates on short-term investments range from 1.52% to 1.67%.

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 is classified as Level 2 investments. As of December 31, 2018, investments have maturity dates ranging from January 1, 2019 through June 30, 2019, with interest rates ranging from 1.25% to 1.625%.

Investments are allocated as follows in thousands of dollars:

	<u>2019</u>	<u>2018</u>
Unrestricted		
Deferred benefit plan reserve	\$ 116	\$ 75
Total unrestricted	<u>116</u>	<u>75</u>
Restricted		
Bond proceeds/local grants restricted for acquisition of capital assets	19,690	26,748
Indefinite Situs tax restricted for debt repayment	<u>3,335</u>	<u>3,213</u>
Total restricted	<u>23,025</u>	<u>29,961</u>
	<u>\$ 23,141</u>	<u>\$ 30,036</u>

Cash and Investment Deposits: The District maintains deposits with six area financial institutions. A summary of these deposits as of December 31, 2019 and 2018 is as follows in thousands of dollars:

	<u>2019</u>		<u>2018</u>	
	<u>Carrying Amount</u>	<u>Balance Per Bank</u>	<u>Carrying Amount</u>	<u>Balance Per Bank</u>
On hand	\$ 1	\$ -	\$ 1	\$ -
On deposit				
Insured by FDIC	1,000	1,000	1,000	1,000
Insured by IPDIF	39,755	40,170	42,030	42,844
Held in US Treasury/Gov't Agency	<u>23,141</u>	<u>23,141</u>	<u>30,036</u>	<u>30,036</u>
	<u>\$ 63,897</u>	<u>\$ 64,311</u>	<u>\$ 73,067</u>	<u>\$ 73,880</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

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

The investments which the District may purchase are limited by Indiana law. The District'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 AAAM by Standard and Poor's or Aaa by Moody's Investor's Service.

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

NOTE 3 - CAPITAL ASSETS

Construction in progress includes activities for the development and placement of capital assets into service. During 2019, reductions to CIP of \$7,042 thousand were comprised of \$6,505 thousand transfers to capital assets, \$331 thousand to land, and \$206 thousand of expensed CIP projects. A summary of changes in capital assets is as follows in thousands of dollars:

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

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 3 - CAPITAL ASSETS (Continued)

During 2018, reductions to CIP of \$8,776 thousand were comprised of \$6,774 thousand transfers to capital assets, \$699 thousand to land, and \$1,303 thousand of expensed CIP projects.

	Balance January 1, 2018	Changes During Year		Balance December 31, 2018
		Additions	Reductions	
Capital assets not being depreciated:				
Land	\$ 7,530	\$ 699	\$ (5)	\$ 8,224
Construction in progress	<u>109,113</u>	<u>48,421</u>	<u>(8,776)</u>	<u>148,758</u>
Total capital assets not being depreciated	<u>116,643</u>	<u>49,120</u>	<u>(8,781)</u>	<u>156,982</u>
Capital assets being depreciated:				
Rolling stock (including capital spare parts)	207,017	390	(174)	207,233
Buildings and improvements	203,564	3,936	-	207,500
Track work and substations	55,862	1,288	-	57,150
Bridges and crossings	55,101	-	-	55,101
Machinery and equipment	11,064	544	(293)	11,315
Information system and office equipment	902	62	-	964
Autos and trucks	<u>4,291</u>	<u>554</u>	<u>(163)</u>	<u>4,682</u>
Total capital assets being depreciated	537,801	6,774	(630)	543,945
Less accumulated depreciation:				
Rolling stock (including capital spare parts)	141,330	3,684	(174)	144,840
Buildings and improvements	138,280	10,545	-	148,825
Track work and substations	1,052	233	-	1,285
Bridges and crossings	26,338	1,799	-	28,137
Machinery and equipment	7,167	632	(293)	7,506
Information system and office equipment	607	38	-	645
Autos and trucks	<u>2,502</u>	<u>458</u>	<u>(163)</u>	<u>2,797</u>
Total accumulated depreciation	<u>317,276</u>	<u>17,389</u>	<u>(630)</u>	<u>334,035</u>
Total capital assets being depreciated, net	<u>220,525</u>	<u>(10,615)</u>	<u>-</u>	<u>209,910</u>
Total capital assets, net	<u>\$ 337,168</u>	<u>\$ 38,505</u>	<u>\$ (8,781)</u>	<u>\$ 366,892</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 4 - SHORT TERM DEBT

On April 25, 2018, the District issued \$7.5 million in short-term Limited Obligation Revenue Bonds, Series 2018, for the purpose of procuring funds to replenish NICTD's capital reserves used to fund recently completed capital projects. The Bonds carried an interest rate of 2.45% and were set to mature on December 31, 2018. The Series 2018 Bonds were called and paid in full on December 6, 2018 using Indefinite Situs Tax funds.

A summary of short-term debt for the years ended December 31, 2019 and 2018 as follows (in thousands of dollars):

	<u>2019</u>	<u>2018</u>
Short-term debt – beginning of year	\$ -	\$ -
Debt incurred	-	7,500
Principal paid on debt	-	(7,500)
Short-term debt – end of year	<u>\$ -</u>	<u>\$ -</u>

NOTE 5 - LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2019 and 2018 is as follows (in thousands of dollars):

	January 1, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	December 31, <u>2019</u>	Due Within One Year	Long-Term Portion
Bonds payable:						
Bonds payable – 2016	\$ 85,160	\$ -	\$ 2,135	\$ 83,025	\$ 2,240	\$ 80,785
Premium on bonds payable	<u>10,307</u>	<u>-</u>	<u>732</u>	<u>9,575</u>	<u>-</u>	<u>9,575</u>
Total bonds payable	95,467	-	2,867	92,600	2,240	90,360
Capital lease payable	-	43	3	40	14	26
Accrued postretirement health costs (Note 6)	<u>569</u>	<u>246</u>	<u>-</u>	<u>815</u>	<u>-</u>	<u>815</u>
Total	<u>\$ 96,036</u>	<u>\$ 288</u>	<u>\$ 2,869</u>	<u>\$ 93,455</u>	<u>\$ 2,254</u>	<u>\$ 91,201</u>

	January 1, <u>2018</u>	<u>Additions</u>	<u>Reductions</u>	December 31, <u>2018</u>	Due Within One Year	Long-Term Portion
Bonds payable:						
Bonds payable – 2016	\$ 87,190	\$ -	\$ 2,030	\$ 85,160	\$ 2,135	\$ 83,025
Premium on bonds payable	<u>11,062</u>	<u>-</u>	<u>755</u>	<u>10,307</u>	<u>-</u>	<u>10,307</u>
Total bonds payable	98,252	-	2,785	95,467	2,135	93,332
Accrued postretirement health costs (Note 6)	<u>576</u>	<u>-</u>	<u>7</u>	<u>569</u>	<u>-</u>	<u>569</u>
Total	<u>\$ 98,828</u>	<u>\$ -</u>	<u>\$ 2,792</u>	<u>\$ 96,036</u>	<u>\$ 2,135</u>	<u>\$ 93,901</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 5 - LONG-TERM LIABILITIES (Continued)

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

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

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

<u>Year Ending</u> <u>December 31</u>	<u>2016 Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,240	\$ 3,907	\$ 6,147
2021	2,355	3,794	6,149
2022	2,475	3,675	6,150
2023	2,600	3,549	6,149
2024	2,695	3,452	6,147
2025-2029	15,645	15,096	30,741
2030-2034	19,435	11,305	30,740
2035-2039	24,150	6,598	30,748
2040-2041	<u>11,430</u>	<u>864</u>	<u>12,294</u>
	<u>\$ 83,025</u>	<u>\$ 52,240</u>	<u>\$ 135,265</u>

Interest expense was \$1,631 thousand and \$120 thousand at December 31, 2019 and 2018 respectively. Total interest paid was \$3,625 and \$4,231 for 2019 and 2018, respectively.

Until completion of the Positive Train Control Project, related accumulated interest paid will be capitalized as part of the project costs. The cumulative amount of interest and amortization expense capitalized in non-depreciable assets (CIP) was \$13,632 thousand in 2019 and \$11,638 thousand in 2018.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 5 - LONG-TERM LIABILITIES (Continued)

Pledged Revenues: The District 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, the District 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, 2019 and 2018, NICTD has \$35.2 million and \$38.9 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>2019</u>	<u>2018</u>
CRSF – Indefinite Situs Tax Funds Received	\$ 12,936	\$ 12,615
CRSF – Sales Tax Funds Received	10,006	9,657
Electric Rail Service Funds Received	173	201

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

	<u>2019</u>	<u>2018</u>
Debt Service Payments – 2016 Bonds	\$ 6,150	\$ 6,148
Debt Service Payments – 2018 Bonds	-	7,617

Capital Lease: On October 28, 2019, the District 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. The District intends to exercise this option at the lease end. The interest rate is 3%.

(Continued)

NOTE 6 - EMPLOYEES' RETIREMENT AND POSTRETIREMENT HEALTH PLANS

Public Employees' Retirement Fund (PERF):

The District 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, and the Public Employees' Hybrid Members Defined Contribution Account (see Defined Contribution Plans section), the defined contribution component. New employees hired by the State or a participating political subdivision have a one-time election to join either the PERF Hybrid or the PERF My Choice: Retirement Savings Plan for Public Employees (PERF MC DC) which is covered in the Defined Contribution Plans section. A new hire that is an existing member of PERF Hybrid and was not given the option for PERF MC DC is given the option to elect PERF MC DC or remain in PERF Hybrid.

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

Retirement benefits provided: A member is entitled to a full retirement benefit 1) at age 65 with at least 10 years of creditable service (eight years for certain elected officials), 2) at age 60 with at least 15 years of creditable service, 3) at age 55 if age and creditable service total at least 85, 4) at age 55 with 20 years of creditable service and active as an elected official in the PERF-covered position, or 5) at age 70 with 20 years of creditable service and still active in the PERF-covered position. A member is entitled to an early retirement benefit at age 50 and a minimum of 15 years of creditable service. The benefit is reduced to 44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59.

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

Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the INPRS Board. Historically, eligible members receive a one-time check (13th check) with the dollar amount tied to years of service.

Disability and survivor benefits provided: 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). If death occurs while in active service, a spouse or dependent beneficiary of a member with a minimum of 15 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 death occurs while receiving a benefit, a spouse or dependent receives the benefit associated with the member's selected form of payment: Five Year Certain & Life, Joint with 100 percent Survivor Benefits, Joint with Two-Thirds Survivor Benefits, or Joint with One-Half Survivor Benefits.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

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

Contributions: Contributions are determined by the INPRS Board of Trustees based on an actuarial valuation. During fiscal year 2019, all participating employers were required to contribute 11.2 percent of covered payroll for Hybrid members. For PERF MC DC plan members, the political subdivisions were required to contribute a supplemental cost of 7.4 percent of covered payroll as of July 1, 2019, which decreased from 7.8 percent as of July 1, 2018. No member contributions are required.

During fiscal year 2018, all participating employers were required to contribute 11.2 percent of covered payroll for Hybrid members employed by the State and political subdivisions. For PERF MC DC plan members, the political subdivisions were required to contribute a supplemental cost of 7.8 percent of covered payroll as of July 1, 2018, which increased from 7.2 percent as of January 1, 2017.

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

<u>Year Ended December 31</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2019	\$ 142	100%
2018	135	100%
2017	173	100%

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

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

- Asset valuation date – June 30, 2019
- Liability valuation date – June 30, 2018 – Member census data as of June 30, 2018 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2018 and June 30, 2019. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2018 to the June 30, 2019 measurement date.
- Actuarial cost method (accounting) – Entry age normal (level percent of payroll)
- Experience study date – Period of 4 years ended June 30, 2014
- Investment rate of return – 6.75%, includes inflation and net of investment expenses
- COLA – In lieu of a 1% COLA occurring beginning on January 1, 2020, the COLA was replaced by a 13th check for 2020 and 2021. The COLA assumption thereafter will be 0.4% beginning on January 1, 2022, 0.5% beginning on January 1, 2034, and 0.6% beginning on January 1, 2039.
- Future salary increases, including inflation – 2.5% - 4.25%
- Inflation – 2.25%

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

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

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

The most recent comprehensive experience study was completed in April 2015 and was based on member experience between June 30, 2010 and June 30, 2014. The demographic assumptions were updated as needed for the June 30, 2019 actuarial valuation.

The long-term return expectation for the INPRS defined benefit retirement plan was determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation.

Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

	Target <u>Asset Allocation</u>		Geometric Basis Long-Term Expected <u>Real Rate of Return</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Public Equity	22.0%	22.0%	4.9%	4.4%
Private Equity	14.0%	14.0%	7.0%	5.4%
Fixed Income – ExInflation-Linked	20.0%	20.0%	2.5%	2.2%
Fixed Income – Inflation-Linked	7.0%	7.0%	1.3%	0.8%
Commodities	8.0%	8.0%	2.0%	2.3%
Real Estate	7.0%	7.0%	6.7%	6.5%
Absolute Return	10.0%	10.0%	2.9%	2.7%
Risk Parity	12.0%	12.0%	5.3%	5.2%

Discount rate: Total pension liability for each defined benefit pension plan was calculated using the discount rate of 6.75 percent for both 2019 and 2018. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State (the non-employer contributing entity) would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.75 percent). Based on these assumptions, the PERF defined benefit pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for the plan.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

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

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate: Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability of the defined benefit pension plan calculated using the discount rate of 6.75 percent, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.75%), or one percentage point higher (7.75%) than the current rate:

	<u>1% Decrease</u> <u>(5.75%)</u>	<u>Current Rate</u> <u>(6.75%)</u>	<u>1% Increase</u> <u>(7.75%)</u>
2019	\$ 1,033,994	\$ 643,826	\$ 318,397
2018	\$ 1,528,849	\$ 971,215	\$ 506,210

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At December 31, 2019, the District reported a liability of \$643,826 for its proportionate share of the net pension liability. The District's proportionate share of the net pension liability was based on the District's wages as a proportion of total wages for the PERF Hybrid Plan. The proportionate share used at the June 30, 2019 measurement date was 0.01948%.

At December 31, 2018, the District reported a liability of \$971,215 for its proportionate share of the net pension liability. The District's proportionate share of the net pension liability was based on the District's wages as a proportion of total wages for the PERF Hybrid Plan. The proportionate share used at the June 30, 2018 measurement date was 0.02859%.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

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

For the year ended December 31, 2019, the District recognized pension expense of \$17,318, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of \$(84,580). At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to the PERF Hybrid Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,048	\$ -
Net difference between projected and actual earnings on pension plan investments	-	30,432
Changes in assumptions	143	69,989
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>3,259</u>	<u>286,990</u>
Total that will be recognized in pension expense (income) based on table below	20,450	387,411
Pension contributions subsequent to measurement date	<u>73,957</u>	-
Total	<u>\$ 94,407</u>	<u>\$ 387,411</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

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

For the year ended December 31, 2018, the District recognized pension expense of \$125,114, which included net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions of \$(27,167). At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources 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	\$ 12,702	\$ 66
Net difference between projected and actual earnings on pension plan investments	28,764	-
Changes in assumptions	2,314	155,942
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>28,105</u>	<u>51,818</u>
Total that will be recognized in pension expense (income) based on table below	71,885	207,826
Pension contributions subsequent to measurement date	<u>65,127</u>	<u>-</u>
Total	<u>\$ 137,012</u>	<u>\$ 207,826</u>

Deferred outflows of resources resulting from employer contributions subsequent to the June 30, 2019 and 2018 measurement dates are recognized as a reduction of net pension liability in the year ending December 31, 2020 and 2019, 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, 2019</u>	<u>Amount</u>
2020	\$ (127,503)
2021	(150,626)
2022	(86,469)
2023	<u>(2,363)</u>
	<u>\$ (366,961)</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

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

Public Employees' Retirement Fund - Defined Contribution Plan

PERF DC is a multiple-employer defined contribution plan and is generally administered in accordance with IC 5-10.2, IC 5-10.3, and 35 IAC 1.2. The plan provides supplemental retirement benefits to PERF DB members and serves as the primary retirement benefit for the My Choice: Retirement Savings Plan for Public Employees (My Choice) members.

New employees hired by the State, or a participating political subdivision, have a one-time election to join either the Public Employees' Defined Benefit Account (Hybrid Plan) or My Choice. A new hire that is an existing member of the Public Employees' Defined Benefit Account (Hybrid Plan), and was not given the option for My Choice, is given the option to elect My Choice or remain in the Public Employees' Defined Benefit Account (Hybrid Plan).

PERF DC consists of two tiers:

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

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

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

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

My Choice

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

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

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

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

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

PERF Hybrid DC and My Choice members contribute three percent of covered payroll to their annuity savings account, which is not used to fund the defined benefit pension for PERF Hybrid. For PERF Hybrid, the employer may elect to make the contributions on behalf of the member. The District pays the member's contributions on behalf of the member employed by the District 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.

The District 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>
2019	\$ 38	100%
2018	36	100%
2017	46	100%

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

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

Federal Railroad Retirement Act:

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

NICTD Supplemental Pension Plans and Trusts:

Effective January 1, 1994, the District 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 the District to be made at the rate of 5% of Class I employees' compensation and 8% of Class II employees' compensation. Contributions for 2019 and 2018 by the District amounted to \$255 thousand and \$226 thousand (5% of covered payroll) for Class I employees and \$100 thousand and \$88 thousand (8% of covered payroll) for Class II employees.

Covered payroll for 2019 and 2018 amounted to \$5,093 thousand and \$4,512 thousand for Class I employees and \$1,252 thousand and \$1,101 thousand for Class II employees.

Additional contributions of 1.5% of 2018 taxable wages were made in 2019. This amounted to \$59 thousand for Class I employees and \$17 thousand for Class II employees.

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

Contributions are made by the District 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 2019 and 2018 by the District amounted to \$32 thousand and \$21 thousand for clerks, \$16 thousand and \$12 thousand for dispatchers, \$157 and \$111 thousand for collectors/ conductors and engineers, and \$24 thousand and \$22 thousand for car men, cleaners, and machinists. Qualifying hours for 2019 and 2018 were 32 thousand and 31 thousand for clerks, 16 thousand and 12 thousand for dispatchers, 157 thousand and 155 thousand for collectors/ conductors and engineers, and 158 thousand and 150 thousand for car men, cleaners, and machinists.

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

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

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

Postretirement Health Plan:

On December 30, 2003, the District adopted the 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. The District makes contributions for retired employees on a pay as you go basis. This plan is not funded; however, approximately \$613 thousand of the District's cash and cash equivalents is designated for this health plan. Approximately 80 retired and active employees are covered under this plan.

Actuarial assumptions used to determine net periodic postretirement healthcare benefits costs include a discount rate of 3.26% for 2019 and 4.10% in 2018. The District recognized a change of \$245 thousand and \$7 thousand in postretirement health plan obligations for 2019 and 2018, respectively. The accumulated postretirement health plan liability was \$815 thousand and \$569 thousand as of December 31, 2019 and 2018, respectively.

GASB Statement 75 requires certain additional postretirement health plan disclosures, including trend information. These items are not considered material balances or disclosures to the District's financial statements.

NOTE 7 - OTHER NONOPERATING REVENUE (EXPENSE)

Other local funds, other revenue, and other expense at December 31, 2019 and 2018 consist of the following in thousands of dollars:

	<u>2019</u>	<u>2018</u>
Other local funds		
Metra Purchase of Service Fee	\$ 3,700	\$ 3,700
Metra Electric District Study	22	15
Chicago South Shore and South Bend Railroad	<u>1,429</u>	<u>1,230</u>
Total other local funds	<u>\$ 5,151</u>	<u>\$ 4,945</u>
Other revenue		
Interest – unreserved	\$ 810	\$ 180
Rental income	344	390
Sale of maintenance services	3	3
Sale of scrap material	212	340
Advertising activities	112	84
Miscellaneous	<u>139</u>	<u>170</u>
Total other revenue	<u>\$ 1,620</u>	<u>\$ 1,167</u>
Other expense		
Interest expense	\$ 1,631	\$ 113
Bond issuance costs	<u>-</u>	<u>7</u>
Total other expense	<u>\$ 1,631</u>	<u>\$ 120</u>

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 8 - TRACKAGE RIGHTS

Beginning in 1991, as a result of the District's acquisition of the "Joint Assets," including all track, ties, ballast, switches, real estate, and other similar items, the District 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 the District and the South Shore Acquisition Company (SSA). The District recognized \$2.62 million and \$2.24 million in MOW fees in 2019 and 2018, 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 2019 and 2018, \$1,429 thousand and \$1,230 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

The District and Metra agreed to a Purchase of Service Agreement whereby Metra reimburses the District annually for the provision of passenger service along a certain section of the former CSS line. The existing Purchase of Service expires December 31, 2024. The operating subsidy for 2019 and 2018 amounted to \$3.7 million and \$3.7 million, respectively. This amount is reported in "Other local funds."

Additionally, the District and Metra agreed to a Trackage Rights Agreement whereby the District pays Metra for operating over Metra's tracks and other services between Kensington and Millennium Station. The agreement is reviewed and amended as the District's and Metra's needs change. The existing Trackage Rights Agreement expires December 31, 2024. The District recognized \$7.7 million and \$7.4 million in total trackage rights expense for 2019 and 2018, respectively.

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 10 - COMMITMENTS AND CONTINGENCIES

The following summarizes the significant commitments and contingencies at December 31, 2019 and 2018:

- (a) During the course of its operations, the District 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) The District has a self-funded insurance plan for its management employees. Benefits Administrative Systems, LLC provides certain administrative services for the plan. An insurance company provides specific and aggregate stop loss coverage. The District 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 \$79 thousand and \$75 thousand has been recorded by the District at December 31, 2019 and 2018 to estimate payment of claims pending on that date. Group insurance expense related to this plan totaled \$1,463 thousand and \$1,436 thousand for the years ended December 31, 2019 and 2018. Approximately 275 union employees are covered under a separate national multi-employer railroad plan. Total health insurance expenses for the years ended December 31, 2019 and 2018 totaled \$7,535 thousand and \$7,361 thousand.
- (c) The District 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) The District had the following significant contractual capital commitments as of December 31 (in thousands of dollars):

<u>Project</u>	<u>2019</u>	<u>2018</u>
Track Equipment	\$ 391	\$ 561
Track Improvements	1,359	-
Station & Facility Improvements	2,062	2,620
Railcar Rehabilitation	2,318	1,500
Vehicles	352	548
Catenary Phase III	1,844	1,074
Bridges	14	73
Positive Train Control	11,007	17,678
West Lake Corridor Project	19,330	-
Double Track Project	29,314	-
Substations	318	897
Others	<u>1,992</u>	<u>1,222</u>
Total	<u>\$ 70,301</u>	<u>\$ 26,173</u>

REQUIRED SUPPLEMENTARY INFORMATION

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY – PERF (in thousands) (unaudited)
December 31, 2019

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

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, 2019
- Liability valuation date – June 30, 2018 – Member census data as of June 30, 2018 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2018 and June 30, 2019. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2018 to the June 30, 2019 measurement date.
- Actuarial cost method (accounting) – Entry age normal (level percent of payroll)
- Experience study date – Period of 4 years ended June 30, 2014
- Investment rate of return – 6.75%
- COLA – In lieu of a 1% COLA occurring beginning on January 1, 2020, the COLA was replaced by a 13th check for 2020 and 2021. The COLA assumption thereafter will be 0.4% beginning on January 1, 2022, 0.5% beginning on January 1, 2034, and 0.6% beginning on January 1, 2039.
- Future salary increases, including inflation – 2.50% - 4.25%
- Inflation – 2.25%
- Mortality – RP-2014 (with MP-2014 improvement removed) Total Data Set mortality table, with Social Security Administration generational improvement scale from 2006.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District 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 THE DISTRICT'S CONTRIBUTIONS – PERF (in thousands)
December 31, 2019

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

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

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

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

Amortization method: Level dollar

Remaining amortization period: 20 years, closed

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

Inflation: 2.25%

Salary increases: 2.50% - 4.25%

Investment rate of return: 6.75%

Mortality: RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2006

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 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
SCHEDULES OF EXPENSES
Years ended December 31, 2019 and 2018
(In thousands of dollars)

	<u>2019</u>	<u>2018</u>
TRANSPORTATION		
Salaries and wages	\$ 6,172	\$ 6,168
Fringe benefits and payroll taxes	4,852	4,808
Equipment expense	7	-
Repairs and maintenance materials	5	4
Operating costs	8,128	7,667
Utilities	201	203
Professional Services	23	3
Other services	253	85
Office supplies	19	23
Administration	92	72
Rents and leases	<u>3</u>	<u>3</u>
	19,755	19,036
MAINTENANCE OF WAY EXPENSES		
Salaries and wages	3,914	3,139
Fringe benefit and payroll taxes	3,194	3,255
Equipment expense	97	69
Repairs and maintenance materials	1,800	2,092
Traction power	2,199	2,232
Operating costs	(2,349)	(1,962)
Utilities	304	331
Professional services	347	55
Other services	633	445
Office supplies	31	18
Administration	(1,418)	(2,789)
Rents and leases	<u>73</u>	<u>66</u>
	8,825	6,951
MAINTENANCE OF EQUIPMENT EXPENSES		
Salaries and wages	5,437	5,715
Fringe benefit and payroll taxes	4,772	4,660
Equipment expense	25	18
Repairs and maintenance materials	2,307	2,537
Operating costs	36	23
Utilities	92	90
Professional services	-	70
Other services	775	695
Office supplies	6	44
Administration	<u>(1,053)</u>	<u>(146)</u>
	12,397	13,706
CLAIMS AND INSURANCE	1,851	1,495

(Continued)

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
SCHEDULES OF EXPENSES
Years ended December 31, 2019 and 2018
(In thousands of dollars)

	<u>2019</u>	<u>2018</u>
GENERAL AND ADMINISTRATIVE EXPENSES		
Salaries and wages	\$ 2,734	\$ 2,662
Fringe benefit and payroll taxes	3,041	2,797
Equipment expense	34	12
Repairs and maintenance materials	40	47
Operating costs	46	51
Utilities	244	324
Professional services	1,666	2,751
Other services	419	402
Office supplies	138	105
Administration	743	927
Rents and leases	<u>60</u>	<u>59</u>
	9,165	10,137
 DEPRECIATION		
Depreciation on assets acquired with federal funds	11,474	11,493
Depreciation on assets acquired with state and local funds	<u>6,149</u>	<u>5,896</u>
	<u>17,623</u>	<u>17,389</u>
	<u>\$ 69,616</u>	<u>\$ 68,714</u>

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2019

Federal Grantor/Grant No.	Federal CFDA Number	Qualifying Expenditures in Excess of (Less Than) Reimbursements, Beginning of 2019	-----Reimbursements-----			-----Qualifying Expenditures-----			Qualifying Expenditures In Excess of (Less Than) Reimbursements, End of 2019
			Federal Share	Local Share	Total	Federal Share	Local Share	Total	
U.S. Department of Transportation Federal Transit Cluster									
Capital Assistance / Maintenance									
IN-2019-026	20.507	\$ -	\$ 5,421,113	\$ 1,355,278	\$ 6,776,391	\$ 5,421,113	\$ 1,355,278	\$ 6,776,391	\$ -
IN-2016-020	20.507	-	215,594	53,898	269,492	215,594	53,899	269,492	-
IN-2019-026	20.525	-	1,048,835	321,760	1,370,595	1,287,039	321,760	1,608,799	238,204
IN-2018-024	20.525	162,047	4,899,778	1,250,540	6,150,318	5,002,162	1,250,540	6,252,702	264,431
IN-2017-023	20.525	412,564	1,894,249	371,319	2,265,568	1,485,276	371,319	1,856,595	3,591
IN-2016-020	20.525	356,234	1,854,990	456,283	2,311,273	1,609,540	456,283	2,065,823	110,784
IN-54-0003	20.525	119,580	2,070,620	534,232	2,604,852	2,136,926	534,232	2,671,158	185,886
IN-54-0002	20.525	-	120,292	30,073	150,365	120,292	30,073	150,365	-
FTA Subtotal		1,050,425	17,525,471	4,373,383	21,898,854	17,277,942	4,373,384	21,651,325	802,896
Federal Railroad Administration									
FR-SIP-0014-18-01-00	20.301	2,743	241,276	2,211,021	2,452,297	2,211,021	2,211,021	4,422,042	1,972,488
FR-CRS-0004-19-01-00	20.325	-	4,931,642	5,710,782	10,642,424	5,710,782	5,710,782	11,421,564	779,140
FRA Subtotal		2,743	5,172,918	7,921,803	13,094,721	7,921,803	7,921,803	15,843,606	2,751,628
Total		\$ 1,053,168	\$ 22,698,389	\$ 12,295,186	\$ 34,993,575	\$ 25,199,745	\$ 12,295,187	\$ 37,494,931	\$ 3,554,524
Summary by Federal CFDA Number									
	20.507 ³	\$ -	\$ 5,636,707	\$ 1,409,176	\$ 7,045,883	\$ 5,636,707	\$ 1,409,177	\$ 7,045,883	\$ -
	20.525 ⁴	1,050,425	11,888,764	2,964,207	14,852,971	11,641,235	2,964,207	14,605,442	802,896
Federal Transit Cluster Total		1,050,425	17,525,471	4,373,383	21,898,854	17,277,942	4,373,384	21,651,325	802,896
CFDA Number									
	20.301 ¹	2,743	241,276	2,211,021	2,452,297	2,211,021	2,211,021	4,422,042	1,972,488
	20.325 ²	-	4,931,642	5,710,782	10,642,424	5,710,782	5,710,782	11,421,564	779,140
Federal Railroad Administration Total		2,743	5,172,918	7,921,803	13,094,721	7,921,803	7,921,803	15,843,606	2,751,628
Total		\$ 1,053,168	\$ 22,698,389	\$ 12,295,186	\$ 34,993,575	\$ 25,199,745	\$ 12,295,187	\$ 37,494,931	\$ 3,554,524

¹CFDA 20.301 Federal Railroad Administration – Railroad Safety

²CFDA 20.325 Federal Railroad Administration – Consolidated Rail Infrastructure and Safety Improvements

³CFDA 20.507 Federal Transit – Formula Grants (Urbanized Area Formula Program)

⁴CFDA 20.525 Federal Transit – State of Good Repair Grants

See accompanying note to schedule of expenditures of federal awards.

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2019

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 the District. The District's reporting entity is defined in Note 1 to the District's financial statements.

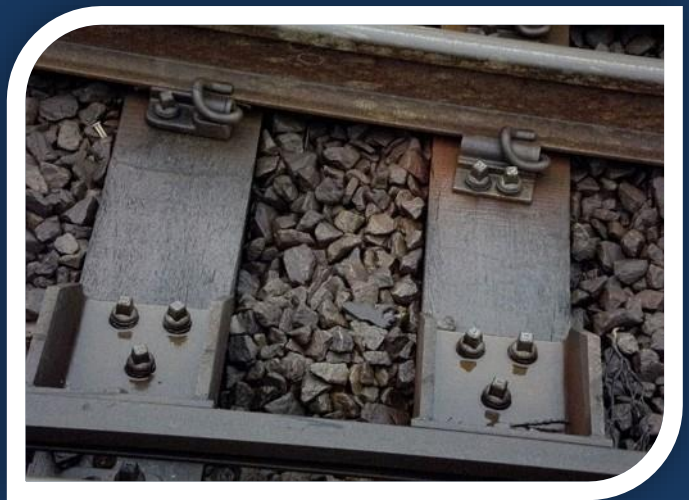
Basis of Presentation: The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements 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 the District, 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 the District.

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 the District'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. The District has not elected to use the 10-percent de-minimis indirect cost rate as allowed under the Uniform Guidance.

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

Non-Cash and Federal Insurance: The District 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.45-46

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

Revenue Capacity P.47-54

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

Debt Capacity P.55-57

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

Demographic and Economic Information P.58-59

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.60-64

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

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
NET POSITION										
Net investment in capital assets	\$ 238,232	\$ 245,929	\$ 239,260	\$ 234,580	\$ 233,493	\$ 245,477	\$ 273,034	\$ 291,178	\$ 301,574	\$ 326,144
Restricted for debt service	12,321	14,576	15,712	17,854	21,892	13,373	19,345	13,459	1,230	2,163
Restricted for capital projects	6,227	6,230	6,233	6,237	6,239	6,241	5,204	3,127	4,713	3,335
Unrestricted	38,426	36,539	39,997	45,092	44,728	46,840	27,255	41,448	52,242	61,637
TOTAL NET POSITION	<u>\$ 295,206</u>	<u>\$ 303,274</u>	<u>\$ 301,202</u>	<u>\$ 303,763</u>	<u>\$ 306,352</u>	<u>\$ 311,931</u>	<u>\$ 324,838</u>	<u>\$ 349,212</u>	<u>\$ 359,759</u>	<u>\$ 393,279</u>

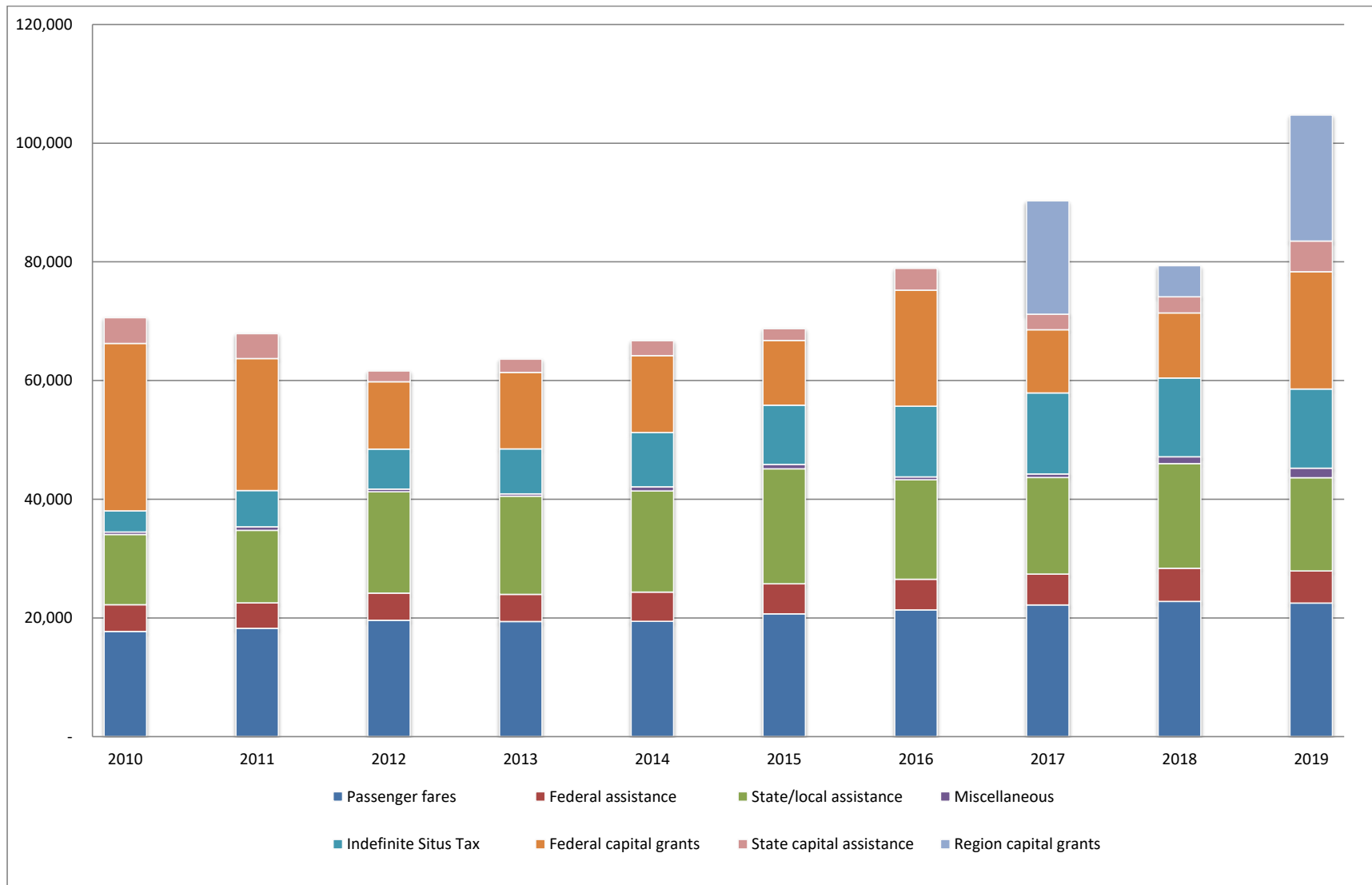
NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
Changes in Net Position
Last Ten Fiscal Years
(In thousands of dollars)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
OPERATING REVENUE										
Passenger fares (net of refunds)	\$ 17,677	\$ 18,184	\$ 19,556	\$ 19,341	\$ 19,371	\$ 20,698	\$ 21,358	\$ 22,178	\$ 22,788	\$ 22,509
Parking lot collections	42	46	44	41	45	36	35	35	35	35
Total operating revenue	<u>17,719</u>	<u>18,230</u>	<u>19,600</u>	<u>19,382</u>	<u>19,416</u>	<u>20,734</u>	<u>21,393</u>	<u>22,213</u>	<u>22,823</u>	<u>22,544</u>
OPERATING EXPENSES										
Transportation	12,883	13,130	16,229	15,835	15,937	16,958	17,811	18,518	19,036	19,755
Maintenance of Way	7,793	7,524	5,633	5,611	6,689	6,400	7,237	7,005	6,951	8,825
Maintenance of Equipment	9,280	9,709	9,755	10,077	12,497	12,345	12,759	12,030	13,706	12,397
Claims and Insurance	2,205	1,691	1,682	1,639	1,601	1,352	1,692	1,731	1,495	1,851
General and administrative	5,889	5,920	6,467	6,392	7,716	7,494	7,855	9,342	10,137	9,165
Depreciation	19,575	19,742	21,307	20,078	17,545	17,974	17,712	17,287	17,389	17,623
Total operating expenses	<u>57,625</u>	<u>57,716</u>	<u>61,073</u>	<u>59,632</u>	<u>61,985</u>	<u>62,523</u>	<u>65,066</u>	<u>65,913</u>	<u>68,714</u>	<u>69,616</u>
NONOPERATING REVENUES (EXPENSES)										
Maintenance grant	4,520	4,293	4,586	4,586	4,947	5,064	5,177	5,201	5,589	5,421
State operating assistance	8,089	8,286	12,331	11,666	11,820	12,951	11,288	11,240	12,681	10,537
Local subsidies	3,723	3,958	4,748	4,891	5,215	6,410	5,452	5,030	4,945	5,151
Interest - unreserved	106	65	48	48	40	155	91	90	180	810
Interest - reserved for accident claims	14	9	7	6	6	4	-	-	-	-
Rental income	109	109	199	133	166	196	191	254	390	344
Sale of maintenance services	2	-	4	3	2	7	4	3	3	3
Sale of scrap material	95	268	66	44	326	281	59	108	340	212
Advertising activities	85	145	129	143	135	83	128	103	84	112
Miscellaneous	7	8	2	6	6	9	16	55	170	139
Interest and bond issuance expense	(2,235)	(2,130)	(2,108)	(1,409)	(1,292)	(661)	(964)	(29)	(120)	(1,631)
Indefinite Situs tax	3,580	6,082	6,721	7,590	9,163	9,989	11,902	13,649	13,256	13,327
Total nonoperating revenues, net	<u>18,095</u>	<u>21,093</u>	<u>26,733</u>	<u>27,707</u>	<u>30,534</u>	<u>34,488</u>	<u>33,344</u>	<u>35,704</u>	<u>37,518</u>	<u>34,425</u>
CAPITAL CONTRIBUTIONS										
Federal	28,199	22,266	11,367	12,886	12,953	10,885	19,551	10,646	10,959	19,779
State	4,324	4,195	1,804	2,218	2,514	1,995	3,685	2,637	2,742	5,175
Region	-	-	-	-	-	-	-	19,087	5,219	21,213
	<u>32,523</u>	<u>26,461</u>	<u>13,171</u>	<u>15,104</u>	<u>15,467</u>	<u>12,880</u>	<u>23,236</u>	<u>32,370</u>	<u>18,920</u>	<u>46,167</u>
Change in net position	<u>10,712</u>	<u>8,068</u>	<u>(1,569)</u>	<u>2,561</u>	<u>3,432</u>	<u>5,579</u>	<u>12,907</u>	<u>24,374</u>	<u>10,547</u>	<u>33,520</u>
Adjustment per GASB 65	-	-	(503)	-	-	-	-	-	-	-
Adjustment per GASB 68	-	-	-	-	(843)	-	-	-	-	-
Net position beginning of year	<u>284,494</u>	<u>295,206</u>	<u>303,274</u>	<u>301,202</u>	<u>303,763</u>	<u>306,352</u>	<u>311,931</u>	<u>324,838</u>	<u>349,212</u>	<u>359,759</u>
Net position end of year	<u>\$ 295,206</u>	<u>\$ 303,274</u>	<u>\$ 301,202</u>	<u>\$ 303,763</u>	<u>\$ 306,352</u>	<u>\$ 311,931</u>	<u>\$ 324,838</u>	<u>\$ 349,212</u>	<u>\$ 359,759</u>	<u>\$ 393,279</u>

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
OPERATING REVENUE										
Passenger fares (net of refunds)	\$ 17,677	\$ 18,184	\$ 19,556	\$ 19,341	\$ 19,371	\$ 20,698	\$ 21,358	\$ 22,178	\$ 22,788	\$ 22,509
Parking lot collections	42	46	44	41	45	36	35	35	35	35
Total operating revenue	<u>17,719</u>	<u>18,230</u>	<u>19,600</u>	<u>19,382</u>	<u>19,416</u>	<u>20,734</u>	<u>21,393</u>	<u>22,213</u>	<u>22,823</u>	<u>22,544</u>
NONOPERATING REVENUES										
Maintenance grant	4,520	4,293	4,586	4,586	4,947	5,064	5,177	5,201	5,589	5,421
State operating assistance	8,089	8,286	12,331	11,666	11,820	12,951	11,288	11,240	12,681	10,537
Other local funds	3,723	3,958	4,748	4,891	5,215	6,410	5,452	5,030	4,945	5,151
Other revenue	418	604	455	383	681	735	489	613	1,167	1,620
Indefinite Situs tax	3,580	6,082	6,721	7,590	9,163	9,989	11,902	13,649	13,266	13,327
Total nonoperating revenues before capital grants	<u>20,330</u>	<u>23,223</u>	<u>28,841</u>	<u>29,116</u>	<u>31,826</u>	<u>35,149</u>	<u>34,308</u>	<u>35,733</u>	<u>37,648</u>	<u>36,056</u>
CAPITAL CONTRIBUTIONS										
Federal capital grants	28,199	22,266	11,367	12,886	12,953	10,885	19,551	10,646	10,959	19,779
State capital grants	4,324	4,195	1,804	2,218	2,514	1,995	3,685	2,637	2,742	5,175
Region capital grants	-	-	-	-	-	-	-	19,087	5,219	21,213
Total nonoperating revenues	<u>52,853</u>	<u>49,684</u>	<u>42,012</u>	<u>44,220</u>	<u>47,293</u>	<u>48,029</u>	<u>57,544</u>	<u>68,103</u>	<u>56,568</u>	<u>82,223</u>
TOTAL REVENUES	<u>\$ 70,572</u>	<u>\$ 67,914</u>	<u>\$ 61,612</u>	<u>\$ 63,602</u>	<u>\$ 66,709</u>	<u>\$ 68,763</u>	<u>\$ 78,937</u>	<u>\$ 90,316</u>	<u>\$ 79,391</u>	<u>\$ 104,767</u>

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
2010	32.1%	11.9%	44.0%	46.6%	9.4%	56.0%	100.0%
2011	32.8%	11.1%	43.9%	46.3%	9.8%	56.1%	100.0%
2012	32.5%	11.1%	43.6%	47.5%	8.9%	56.4%	100.0%
2013	32.5%	10.2%	42.7%	48.4%	8.9%	57.3%	100.0%
2014	32.0%	10.8%	42.8%	48.6%	8.6%	57.2%	100.0%
2015	32.5%	11.6%	44.1%	47.6%	8.3%	55.9%	100.0%
2016	31.3%	11.7%	43.0%	49.0%	8.0%	57.0%	100.0%
2017	31.4%	11.9%	43.3%	48.2%	8.5%	56.7%	100.0%
2018	*	*	*	*	*	*	*
2019	*	*	*	*	*	*	*

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
2010	51.4%	12.0%	63.4%	23.5%	13.1%	36.6%	100.0%
2011	51.5%	12.9%	64.4%	23.4%	12.2%	35.6%	100.0%
2012	47.0%	12.5%	59.5%	29.6%	10.9%	40.5%	100.0%
2013	47.4%	12.9%	60.3%	28.5%	11.2%	39.7%	100.0%
2014	46.1%	14.0%	60.1%	28.1%	11.8%	39.9%	100.0%
2015	45.2%	15.6%	60.8%	28.2%	11.0%	39.2%	100.0%
2016	48.8%	13.6%	62.4%	25.8%	11.8%	37.6%	100.0%
2017	50.1%	12.7%	62.8%	25.4%	11.8%	37.2%	100.0%
2018	48.3%	12.9%	61.2%	26.9%	11.9%	38.8%	100.0%
2019	49.8%	15.0%	64.8%	23.3%	11.9%	35.2%	100.0%

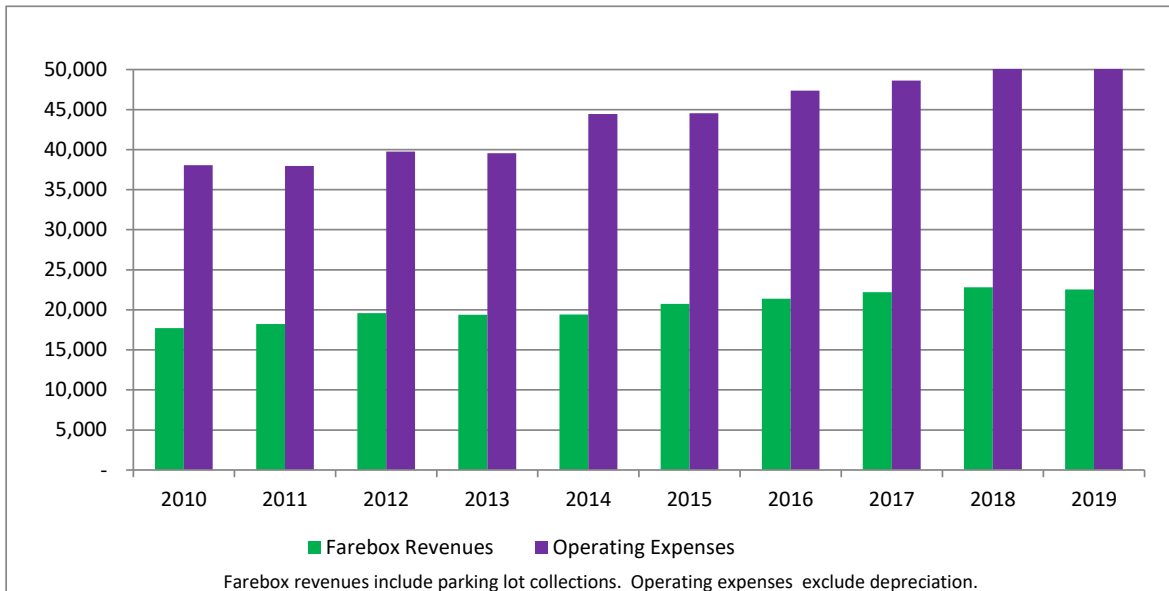
* Information not yet available

- (1) Source: The American Public Transit Association. 2019 APTA Transit Fact Book, Appendix A Table 87 (2018 / 2019 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

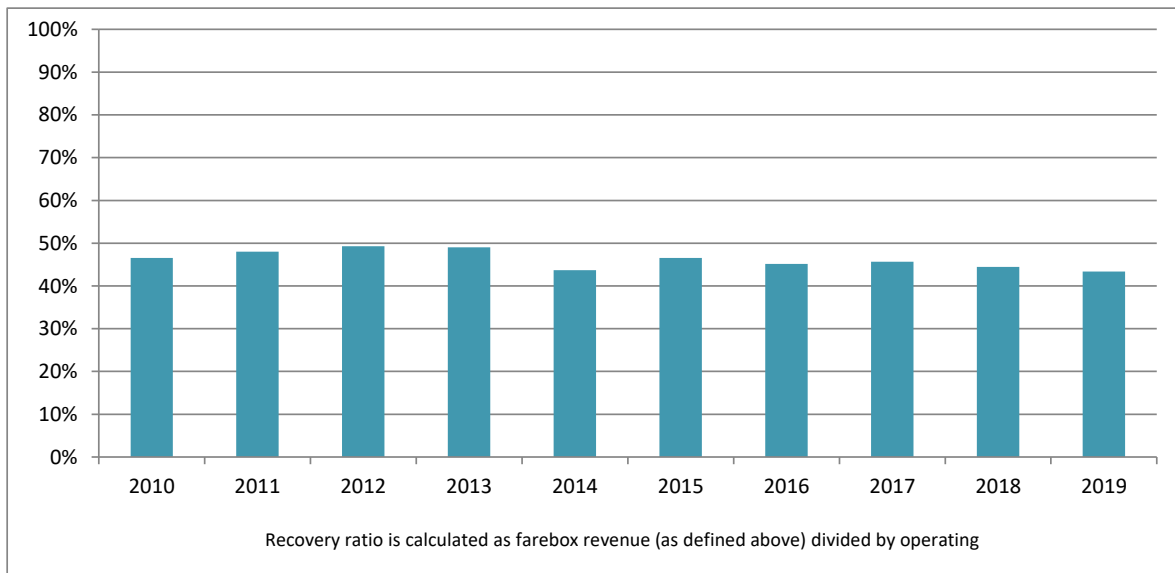
NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
System Recovery Ratio
Last Ten Fiscal Years
(In thousands of dollars)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
OPERATING REVENUE										
Passenger fares (net of refunds)	\$ 17,677	\$ 18,184	\$ 19,556	\$ 19,341	\$ 19,371	\$ 20,698	\$ 21,358	\$ 22,178	\$ 22,788	\$ 22,509
Parking lot collections	42	46	44	41	45	36	35	35	35	35
Total operating revenue for recovery ratio calculation (A)	<u>\$ 17,719</u>	<u>\$ 18,230</u>	<u>\$ 19,600</u>	<u>\$ 19,382</u>	<u>\$ 19,416</u>	<u>\$ 20,734</u>	<u>\$ 21,393</u>	<u>\$ 22,213</u>	<u>\$ 22,823</u>	<u>\$ 22,544</u>
OPERATING EXPENSES										
Transportation	\$ 12,883	\$ 13,130	\$ 16,229	\$ 15,835	\$ 15,937	\$ 16,958	\$ 17,811	\$ 18,518	\$ 19,036	\$ 19,755
Maintenance of Way	7,793	7,524	5,633	5,611	6,689	6,400	7,237	7,005	6,951	8,825
Maintenance of Equipment	9,280	9,709	9,755	10,077	12,497	12,345	12,759	12,030	13,706	12,397
Claims and Insurance	2,205	1,691	1,682	1,639	1,601	1,352	1,692	1,731	1,495	1,851
General and administrative	5,889	5,920	6,467	6,392	7,716	7,494	7,855	9,342	10,137	9,165
Total operating expenses for recovery ratio calculation (B)	<u>\$ 38,050</u>	<u>\$ 37,974</u>	<u>\$ 39,766</u>	<u>\$ 39,554</u>	<u>\$ 44,440</u>	<u>\$ 44,549</u>	<u>\$ 47,354</u>	<u>\$ 48,626</u>	<u>\$ 51,325</u>	<u>\$ 51,993</u>
Recovery ratio (A/B)	46.6%	48.0%	49.3%	49.0%	43.7%	46.5%	45.2%	45.7%	44.5%	43.4%

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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
OPERATING EXPENSES										
OTHER THAN DEPRECIATION										
Salaries and wages	\$ 13,414	\$ 13,385	\$ 14,441	\$ 13,802	\$ 14,481	\$ 15,519	\$ 16,404	\$ 16,944	\$ 17,684	\$ 18,257
Fringe benefits and payroll taxes	11,366	11,475	11,909	11,549	11,997	12,354	12,897	15,645	15,520	15,859
Equipment expense	25	24	48	52	57	104	60	181	99	163
Repair and maintenance materials	1,758	2,804	2,668	3,368	5,123	4,204	4,417	3,507	4,680	4,152
Operating costs	2,907	2,734	5,061	4,893	4,989	5,178	5,686	5,758	5,779	5,861
Utilities	630	654	637	681	859	752	761	899	948	841
Other services	2,252	1,041	926	1,226	1,766	1,520	1,844	1,506	1,627	1,850
Office supplies	141	151	204	281	263	367	282	312	190	428
Administration	(660)	284	(493)	(815)	(429)	(67)	(536)	(1,865)	(1,936)	(1,709)
Rents and leases	68	27	79	52	79	62	128	167	128	225
Traction power	3,210	3,083	1,943	2,095	2,092	2,086	2,054	2,245	2,232	2,199
Claims and insurance	2,205	1,691	1,682	1,639	1,601	1,352	1,692	1,731	1,495	1,851
Professional services	734	621	661	731	1,562	1,118	1,665	1,596	2,879	2,016
Total	38,050	37,974	39,766	39,554	44,440	44,549	47,354	48,626	51,325	51,993
DEPRECIATION	19,575	19,742	21,307	20,078	17,545	17,974	17,712	17,287	17,389	17,623
Total operating expenses	57,625	57,716	61,073	59,632	61,985	62,523	65,066	65,913	68,714	69,616
NONOPERATING EXPENSES										
Interest and bond issuance expense	2,235	2,130	2,108	1,409	1,292	661	964	29	120	1,631
TOTAL EXPENSES	<u>\$ 59,860</u>	<u>\$ 59,846</u>	<u>\$ 63,181</u>	<u>\$ 61,041</u>	<u>\$ 63,277</u>	<u>\$ 63,184</u>	<u>\$ 66,030</u>	<u>\$ 65,942</u>	<u>\$ 68,834</u>	<u>\$ 71,247</u>

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
2010	45.1%	16.9%	9.1%	15.2%	13.7%	100.0%
2011	45.9%	16.9%	9.2%	14.8%	13.2%	100.0%
2012	45.3%	16.8%	9.5%	14.6%	13.8%	100.0%
2013	44.2%	15.9%	10.5%	15.7%	13.7%	100.0%
2014	43.5%	16.2%	10.9%	15.7%	13.7%	100.0%
2015	42.8%	16.1%	10.8%	16.1%	14.2%	100.0%
2016	42.2%	16.4%	11.0%	16.7%	13.7%	100.0%
2017	41.8%	16.4%	11.7%	15.9%	14.2%	100.0%
2018	*	*	*	*	*	*
2019	*	*	*	*	*	*

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT (2)

Year	Vehicle Operations	Vehicle Maintenance	Non-Vehicle Maintenance	General Administration (3)	Purchased Transportation	Total Operating Expenses
2010	33.8%	24.4%	20.5%	21.3%	-	100.0%
2011	34.5%	25.6%	19.8%	20.1%	-	100.0%
2012	40.8%	24.5%	14.2%	20.5%	-	100.0%
2013	40.0%	25.5%	14.2%	20.3%	-	100.0%
2014	35.9%	28.1%	15.0%	21.0%	-	100.0%
2015	38.1%	27.7%	14.4%	19.8%	-	100.0%
2016	37.6%	26.9%	15.3%	20.2%	-	100.0%
2017	38.1%	24.7%	14.4%	22.8%	-	100.0%
2018	37.1%	26.7%	13.5%	22.7%	-	100.0%
2019	38.0%	23.8%	17.0%	21.2%	-	100.0%

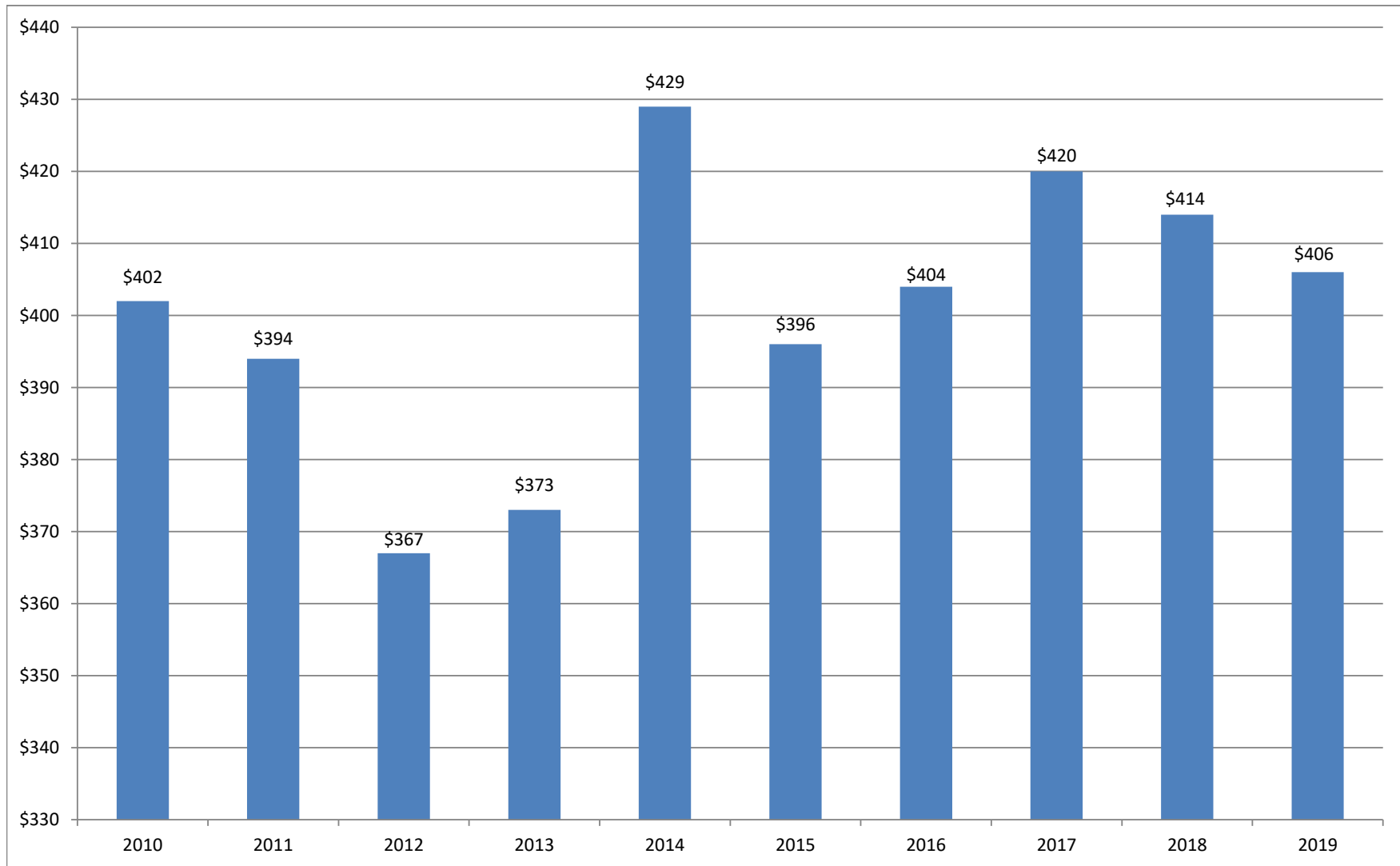
* Information not yet available

(1) Source: The American Public Transit Association. 2019 APTA Transit Fact Book, Appendix A Table 69 (2018/2019 not yet available)

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

(3) Includes claims and insurance

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



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

Limited Obligation Revenue Bonds (2018 Bond Issuance):

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

* Series 2018 Bonds were fully redeemed in December 2018.

Limited Obligation Revenue Bonds (2016 Bond Issuance):

<u>Fiscal Year</u>	<u>Commuter Rail Service Fund</u>		Electric Rail Service Fund	<u>Debt Service</u>		<u>Coverage Ratio</u>
	<u>Indefinite Situs Tax Receipts</u>	<u>Sales Tax Receipts</u>	<u>Receipts</u>	<u>Principal</u>	<u>Interest</u>	
2016	\$ 10,402,260	\$ 9,494,994	\$ 152,270	-	\$ 1,259,903	15.91
2017	12,015,215	8,472,327	143,939	1,910,000	4,238,925	3.36
2018	12,615,310	9,656,627	201,016	2,030,000	4,118,050	3.66
2019	12,936,480	10,006,433	172,906	2,135,000	4,015,175	3.76

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

<u>Fiscal Year</u>	Commuter Rail Service Fund Indefinite Situs	<u>Capital Grant Receipts</u>	<u>Debt Service</u>		<u>Coverage Ratio</u>
	<u>Tax Receipts</u>		<u>Principal</u>	<u>Interest</u>	
2010	\$ -	\$ 2,872,186	\$ 1,660,000	\$ 1,212,186	1.00
2011	-	2,871,657	1,727,000	1,144,657	1.00
2012	-	2,888,348	1,848,000	1,040,348	1.00
2013	-	2,904,238	2,294,000	610,238	1.00
2014	-	2,905,203	2,352,000	553,203	1.00
2015	-	2,905,738	2,411,000	494,738	1.00
2016	-	2,905,798	2,471,000	434,797	1.00 **

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

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

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

<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>	
2010	\$ 4,330,142	\$ -		\$ 1,525,000	\$ 1,070,178	\$ 2
2011	5,189,566	-		1,575,000	1,024,428	2.00
2012	5,947,731	-		1,650,000	945,678	2.29
2013	6,760,730	-		1,735,000	863,178	2.60
2014	7,953,373	-		1,800,000	799,850	3.06
2015	8,960,512	-		-	366,175	24.47 ***

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

CONSOLIDATED TABLE FOR ALL DEBT COVERAGE:

2004 Bond Series, 2007 Bond Series, 2016 Bond Series, and 2018 Series

<u>Fiscal Year</u>	Commuter Rail Service Fund Indefinite Situs		Electric Rail Service Fund Receipts	Capital Grant Receipts	Debt Service		Coverage Ratio
	<u>Tax Receipts</u>	<u>Sales Tax Receipts</u>			<u>Principal</u>	<u>Interest</u>	
2010	\$ 4,330,142	\$ -	\$ -	\$ 2,872,186	\$ 3,302,000	\$ 2,169,084	1.32
2011	5,189,566	-	-	2,871,657	3,302,000	2,169,084	1.47
2012	5,947,731	-	-	2,888,348	3,498,000	1,986,025	1.61
2013	6,760,730	-	-	2,904,238	4,029,000	1,473,416	1.76
2014	7,953,373	-	-	2,905,203	4,152,000	1,353,053	1.97
2015	8,960,512	-	-	2,905,738	2,411,000	860,913	3.63 ***
2016	10,402,260	9,494,994	152,270	2,905,798	2,471,000	1,694,700	5.51 **
2017	12,015,215	8,472,327	143,939	-	1,910,000	4,238,925	3.36
2018	12,615,310	9,656,627	201,016	-	9,530,000	4,151,738	1.64 *
2019	12,936,480	10,006,433	172,906	-	2,135,000	4,015,175	3.76

*** 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						Outstanding Debt Per Capita	Outstanding Debt as a Percentage of Per Capita Personal Income
Fiscal Year	2016 Series- Revenue Bonds	2007 Series- Revenue Bonds	2004 Series- Special Program Bonds	Premium on Bonds Payable	Total		
2010	\$ -	\$ 28,845,000	\$ 21,780,000	\$ 648,000	\$ 51,273,000	\$ 40.45	0.11%
2011	-	27,118,000	20,205,000	550,000	47,873,000	38.25	0.10%
2012	-	25,270,000	18,555,000	459,000	44,284,000	35.27	0.09%
2013	-	22,976,000	16,820,000	376,000	40,172,000	31.93	0.08%
2014	-	20,624,000	15,020,000	299,000	35,943,000	28.55	0.07%
2015	-	18,213,000	-	-	18,213,000	14.50	0.03%
2016	89,100,000	-	-	11,844,000	100,944,000	80.60	0.18%
2017	87,190,000	-	-	11,062,000	98,252,000	78.76	0.16%
2018	85,160,000	-	-	10,307,000	95,467,000	76.80	0.15%
2019	83,025,000	-	-	9,575,000	92,600,000	*	*

* 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
2010	595,939	\$ 16,958,261	\$ 34,194	11
2011	494,888	\$ 17,716,013	\$ 35,798	9.9
2012	493,387	\$ 18,445,547	\$ 37,386	9.5
2013	491,768	\$ 18,339,561	\$ 37,293	9.2
2014	490,973	\$ 18,895,013	\$ 38,485	8.1
2015	487,895	\$ 19,662,986	\$ 40,302	6.6
2016	486,199	\$ 20,223,868	\$ 41,596	5.9
2017	484,766	\$ 20,885,927	\$ 43,085	4.8
2018	484,411	\$ 21,881,948	\$ 45,172	4.9
2019	*	*	*	4.9

LaPorte County, Indiana

Fiscal Year	Population	Personal Income in thousands	Per Capita Personal Income	Unemployment Rate
2010	111,455	\$ 3,568,513	\$ 32,018	11.9
2011	111,299	\$ 3,790,314	\$ 34,055	10.4
2012	111,296	\$ 4,004,198	\$ 35,978	10
2013	111,421	\$ 4,002,542	\$ 35,923	9.4
2014	111,737	\$ 4,108,770	\$ 36,772	7.7
2015	110,853	\$ 4,190,563	\$ 37,803	6.4
2016	110,254	\$ 4,305,194	\$ 39,048	5.7
2017	109,911	\$ 4,458,143	\$ 40,561	4.2
2018	110,007	\$ 4,678,294	\$ 42,527	4.4
2019	*	*	*	4.2

Porter County, Indiana

Fiscal Year	Population	Personal Income in thousands	Per Capita Personal Income	Unemployment Rate
2010	164,500	\$ 6,366,322	\$ 38,701	8.8
2011	165,507	\$ 6,856,090	\$ 41,425	7.8
2012	165,713	\$ 7,270,709	\$ 43,875	7.7
2013	166,489	\$ 7,298,656	\$ 43,839	7.2
2014	167,182	\$ 7,540,007	\$ 45,101	6.3
2015	167,365	\$ 7,800,696	\$ 46,609	5.4
2016	167,522	\$ 8,043,621	\$ 48,015	4.7
2017	168,544	\$ 8,530,807	\$ 50,615	3.7
2018	169,594	\$ 9,010,455	\$ 53,130	3.8
2019	*	*	*	3.6

St. Joseph County, Indiana

Fiscal Year	Population	Personal Income in thousands	Per Capita Personal Income	Unemployment Rate
2010	266,809	\$ 9,262,626	\$ 34,716	11.4
2011	266,696	\$ 9,789,303	\$ 36,706	10.1
2012	266,496	\$ 10,303,852	\$ 38,664	9.7
2013	266,984	\$ 10,440,946	\$ 39,107	8.8
2014	267,749	\$ 11,051,009	\$ 41,274	6.7
2015	268,203	\$ 11,763,564	\$ 43,861	4.6
2016	269,484	\$ 11,828,369	\$ 43,893	4.1
2017	269,994	\$ 12,437,967	\$ 46,068	3.3
2018	270,771	\$ 12,908,529	\$ 47,673	3.6
2019	*	*	*	3.4

Cook County, Illinois

Fiscal Year	Population	Personal Income in thousands	Per Capita Personal Income	Unemployment Rate
2010	5,199,166	\$ 229,542,774	\$ 44,150	10.8
2011	5,219,977	\$ 239,238,102	\$ 45,831	10.3
2012	5,240,505	\$ 254,025,111	\$ 48,473	9.3
2013	5,254,885	\$ 261,761,124	\$ 49,813	9.6
2014	5,257,481	\$ 281,725,395	\$ 53,586	7.4
2015	5,247,662	\$ 295,285,559	\$ 56,270	5.7
2016	5,228,455	\$ 297,820,437	\$ 56,961	5.7
2017	5,204,502	\$ 307,302,945	\$ 59,046	5
2018	5,180,493	\$ 322,254,992	\$ 62,205	4
2019	*	*	*	2.9

* 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

	2019			2010		
			Percentage of Total County			Percentage of Total County
<u>Employer</u>	<u>Chicago Employees</u>	<u>Rank</u>	<u>Labor Force</u>	<u>Chicago Employees</u>	<u>Rank</u>	<u>Labor Force</u>
U.S. Government	45,736	1	1.78%	49,573	1	1.88%
Chicago Public Schools	37,731	2	1.47%	40,883	2	1.55%
City of Chicago	31,621	3	1.23%	35,237	3	1.33%
Advocate Aurora Health	25,917	4	1.01%	14,873	7	0.56%
Cook County	22,438	5	0.87%	23,083	5	0.87%
Northwestern Memorial Healthcare	21,264	6	0.83%	-	-	-
Amita Health	20,046	7	0.78%	-	-	-
University of Chicago	18,276	8	0.71%	-	-	-
Amazon.com Inc.	14,610	9	0.57%	-	-	-
United Continental Holdings, Inc.	14,520	10	0.57%	-	-	-
State of Illinois	-	-	-	25,700	4	0.97%
Wal-Mart Stores, Inc.	-	-	-	21,329	6	0.81%
JP Morgan Chase	-	-	-	13,639	8	0.52%
Walgreen Co.	-	-	-	13,122	9	0.50%
Abbott Laboratories	-	-	-	13,000	10	0.49%
	<u>252,159</u>		<u>9.82%</u>	<u>250,439</u>		<u>9.47%</u>

Source: Crain's Chicago Business Largest Employers 2010 and 2019

Percentage of Total County Employment based on Cook County Labor Force figures pulled from LAUS, Bureau of Labor Statistics, US Department of Labor 2019 Labor Force

Northern Indiana Commuter Transportation District
Statistical Information (Unaudited)
Fare Rate Structure
12/31/2019

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

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

(Continued)

FARE INFORMATION

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

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

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

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

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

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Operating Statistics:										
Annual System Trips	3,714,356	3,706,676	3,668,098	3,606,926	3,614,252	3,616,660	3,504,080	3,455,842	3,400,197	3,283,603
Average Weekday System Trips	12,531	12,363	12,205	12,049	12,045	12,056	11,723	11,467	11,352	10,962
Average Saturday System Trips	5,422	5,620	5,799	5,630	5,675	5,538	5,183	5,565	5,264	5,092
Average Sunday System Trips	3,973	4,328	4,301	4,244	4,484	4,343	4,138	4,279	4,075	3,938
Passenger Miles	104,373,404	107,122,936	106,008,032	104,204,092	104,415,740	104,159,808	113,035,111	112,953,766	110,846,662	108,385,897
Assets in Passenger Car Fleet:										
Total Passenger Cars in Fleet	82	82	82	82	82	82	82	82	82	82
Passenger Car Revenue Miles	3,387,037	3,450,855	3,679,324	3,736,383	3,694,590	4,026,813	4,233,598	4,184,136	4,211,197	4,393,966
Passenger Car Revenue Hours	94,747	96,470	108,482	105,928	103,661	112,543	117,214	115,659	124,044	128,077

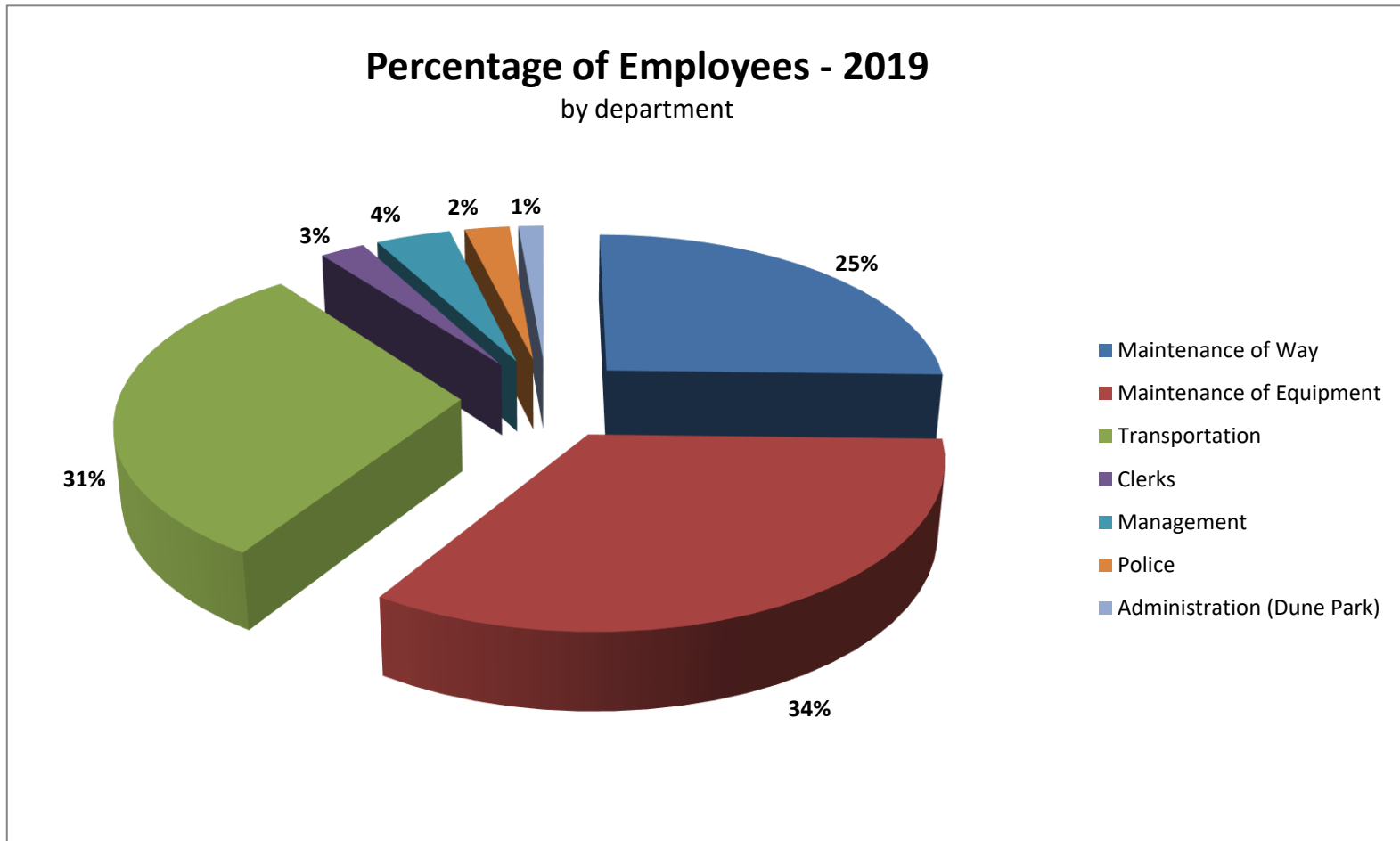
Source: The District's annual *National Transit Database Report*, filed with the Federal Transit Administration

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

	2010		2011		2012		2013		2014	
	<u>Salary</u>	<u>Contract</u>	<u>Salary</u>	<u>Contract</u>	<u>Salary</u>	<u>Contract</u>	<u>Salary</u>	<u>Contract</u>	<u>Salary</u>	<u>Contract</u>
<u>Michigan City Cost Center</u>										
Maintenance of Way	10	57	10	56	12	49	13	53	12	52
Maintenance of Equipment	10	91	10	92	8	93	7	92	9	95
Transportation	6	95	6	93	7	90	6	93	6	90
Clerks	-	10	-	10	-	8	-	8	-	8
Management	7	-	6	-	7	-	8	-	11	-
<u>Dune Park Cost Center</u>										
Police	7	-	7	-	7	-	7	-	7	-
Administration (Dune Park)	<u>12</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>9</u>	<u>-</u>
Subtotal	<u>52</u>	<u>253</u>	<u>51</u>	<u>251</u>	<u>53</u>	<u>240</u>	<u>52</u>	<u>246</u>	<u>54</u>	<u>245</u>
TOTAL LABOR	<u>305</u>		<u>302</u>		<u>293</u>		<u>298</u>		<u>299</u>	
	2015		2016		2017		2018		2019	
	<u>Salary</u>	<u>Contract</u>	<u>Salary</u>	<u>Contract</u>	<u>Salary</u>	<u>Contract</u>	<u>Salary</u>	<u>Contract</u>	<u>Salary</u>	<u>Contract</u>
<u>Michigan City Cost Center</u>										
Maintenance of Way	12	58	18	58	22	59	26	62	29	64
Maintenance of Equipment	10	102	11	92	11	102	11	116	13	110
Transportation	7	106	8	96	9	102	11	105	10	102
Clerks	-	8	-	8	-	8	-	9	-	9
Management	10	-	12	-	13	-	15	-	15	-
<u>Dune Park Cost Center</u>										
Police	8	-	8	-	8	-	9	-	9	-
Administration (Dune Park)	<u>8</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>5</u>	<u>-</u>
Subtotal	<u>55</u>	<u>274</u>	<u>65</u>	<u>254</u>	<u>70</u>	<u>271</u>	<u>77</u>	<u>292</u>	<u>81</u>	<u>285</u>
TOTAL LABOR	<u>329</u>		<u>319</u>		<u>341</u>		<u>369</u>		<u>366</u>	

Source: The District's Payroll Journals

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
Statistical Information (Unaudited)
Percentage of Employees by Department
For the Year Ended December 31, 2019



COMPLIANCE SECTION



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

Board of Trustees
Northern Indiana Commuter
Transportation District
Chesterton, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Northern Indiana Commuter Transportation District as of and for the year ended December 31, 2019, and the related notes to the financial statements, and have issued our report thereon dated March 27, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northern Indiana Commuter Transportation District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northern Indiana Commuter Transportation District's internal control. Accordingly, we do not express an opinion on the effectiveness of Northern Indiana Commuter Transportation District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northern Indiana Commuter Transportation District's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting 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

Indianapolis, Indiana
March 27, 2020

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

Board of Trustees
Northern Indiana Commuter
Transportation District
Chesterton, Indiana

Report on Compliance for Each Major Federal Program

We have audited Northern Indiana Commuter Transportation District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended December 31, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
March 27, 2020

NORTHERN INDIANA COMMUTER TRANSPORTATION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2019

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: 20.301- Railroad Safety 20.325- Consolidated Rail Infrastructure and Safety Improvements	
Dollar threshold used to distinguish between type A and type B programs:	\$755,992	
Auditee qualified as low-risk auditee?	___X___ yes	_____ no

SECTION II - FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

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