2026 AAPA Lighthouse Award Submission – Finance

Ports of Indiana Project Title: "Hyper-Growth Financial Initiative"

Bold strategy to expand financial resources to drive major growth

June 12, 2026



Beacon of Excellence Statement: Ports of Indiana transformed finance into a strategic growth engine by pairing its first-ever A3 investment-grade bond rating with a three-year overhaul of financial management, revenue diversification, and capital planning. That work helped grow FY2025 revenue to $30 million—12.6% above FY2024 and more than double FY2020—while total assets reached $338 million, also double FY2020. In a sector where only 25 of 326 U.S. ports have bond ratings, Ports of Indiana's achievement stands out not only for earning an investment-grade rating in its first assessment, but for using that stronger financial position to secure approval to pursue the first new port development in 40 years. The initiative reflects excellence across multiple award dimensions by combining measurable financial results, innovative management practices, strategic adaptability, and a self-funded model for long-term public infrastructure growth.

1. Background, Purpose, and Goals

Ports of Indiana is a statewide port authority operating three maritime facilities that connect Indiana businesses to global markets through multimodal transportation, industrial development, and supply chain infrastructure. As the organization evaluated future large-scale capital needs, leadership recognized that long-term growth would require more than strong operations; it would require greater access to capital, more diversified revenue streams, and a financial structure capable of supporting both infrastructure expansion and commercial partnerships. Because Ports of Indiana had never pursued a public bond rating, the organization lacked an independent market assessment of its credit strength and had limited ability to evaluate the full range of financing tools available for major infrastructure investment and economic development. At the same time, leadership saw an opportunity to pair stronger financial positioning with new rail revenue at two ports, new stevedoring revenue through a joint-venture partnership, shared infrastructure investment with port companies, and more disciplined internal financial management.

To address that challenge, Ports of Indiana launched an innovative finance strategy and initiated its first-ever Moody's bond rating assessment as part of a broader finance strategy designed to strengthen the balance sheet, expand revenue diversity, and support long-term growth. The initiative was designed to accomplish several interrelated objectives:

- validate the organization's financial strength through a rigorous third-party review;
- establish a credible foundation for long-term, fixed-rate, investment-grade financing;
- improve flexibility and certainty in capital planning for future large-scale projects;
- increase commercial growth through new rail operator revenue at Burns Harbor and Mount Vernon as well as a joint-venture partnership revenue stream through Indiana River and Rail;
- expand non-operating revenue through strategic management of grant reimbursements and insurance recoveries;
- improve investment earnings through a laddered investment strategy; and,
- create a more robust, transparent internal budgeting and reporting structure through monthly dashboards and recurring financial meetings.

In short, the effort was not simply about obtaining a rating; it was about transforming financial readiness, revenue strategy, and operating discipline into a sustained competitive advantage.

This broader framing matters because the finance initiative was conceived not as a standalone treasury exercise, but as a platform for operational growth, port tenant engagement, and long-term public value. The organization's goals were therefore both financial and strategic:

- increase resilience in uncertain market conditions;
- improve the ability to match capital tools to project needs; support commercially relevant infrastructure such as rail and cargo handling assets;

- create stronger visibility into monthly performance through dashboard reporting; and,
- ensure that leadership, operating teams, and commissioners were working from a common financial picture.

By linking these objectives, Ports of Indiana positioned finance as an active enabler of development rather than a reactive administrative function.

2. Implementation and Resources

Implementation began with a deliberate decision to diversify revenue, build capital resources, improve financial management, and assess capital market readiness before borrowing was immediately required. Working closely with its financial advisor, Ports of Indiana prepared for a comprehensive Moody's review by assembling and validating detailed financial, operational, and governance information. The process involved developing significant financial growth and demonstrating a disciplined picture of historical performance, legal and organizational structure, customer and tenant diversity, debt capacity, and long-term capital priorities. Finance and executive leadership worked in close coordination to ensure the rating agency received a transparent, well-supported, and forward-looking assessment of the organization's risk profile and strategic direction.
That disciplined preparation produced a powerful result: Moody's assigned Ports of Indiana an A3 rating, equivalent to A- on the Standard & Poor's scale and firmly within investment-grade territory. The rating affirmed the organization's sound financial management, resilient operating profile, and capacity to support future capital deployment. More importantly, it reflected a much broader transformation in how the organization manages finance.

Implementing Change
Over a three-year period, Ports of Indiana completed a substantial overhaul of financial management practices, personnel, and policies, including stronger budgeting tools for operating and capital expenditures, new standard operating procedures, purchase authorization policies, increased internal controls, a strengthened finance team with advanced credentials including CPAs and MBAs, and fiscally minded entrepreneurial leadership. The organization also implemented new financial management and data systems and embraced technology and system tools to improve reporting, analysis, and accountability.

New Profit-Sharing Agreements
Ports of Indiana expanded new rail operator revenue at the Burns Harbor and Mount Vernon ports and advanced a separate profit-sharing agreement with SRTI to create Indiana River and Rail at the Jeffersonville and Mount Vernon ports, generating an additional and distinct revenue stream through a shared-upside commercial structure. As part of the agreement with SRTI, depreciation on a new grant-funded crane and bonded storage yard is incorporated into the profit-share model, creating a more durable and strategically aligned financial framework.

New Internal Processes

The organization also implemented a more streamlined and robust capital and operating budget process, supported by monthly financial dashboards and recurring financial meetings with Port Directors, the Executive Team, and designated commissioners. Together, the rating initiative, the financial-management overhaul, the new rail operator revenue, the Indiana River and Rail partnership, and stronger systems and controls produced measurable improvements in capital readiness, reporting discipline, and revenue alignment while establishing a stronger platform for long-term growth.

Implementation also required disciplined coordination of people, systems, and timing. Finance leadership aligned internal reporting, capital planning, and operating review practices so that the information shared with external stakeholders reflected the same rigor being used internally to guide decisions. The budgeting process was strengthened to better align strategic priorities, operating realities, and capital sequencing, while monthly dashboards created a more timely and consistent mechanism for monitoring liquidity, revenue, expenditures, reimbursements, and project-related activity. Regular financial meetings with Port Directors, the Executive Team, and designated commissioners ensured that this information was not only available but also actively used for accountability, issue resolution, and decision support. In this way, the initiative improved both external market readiness and internal management discipline.

New Bonding Assessment

The initiative also required Ports of Indiana to address several practical implementation challenges. Because this was the organization's first external credit assessment, leadership had to build a more comprehensive and consistent presentation of financial, operational, and governance information than had previously been required solely for internal management purposes. That meant aligning data across ports and functions, strengthening reporting discipline, and ensuring that capital priorities, operating assumptions, and strategic plans were communicated consistently. At the same time, the organization was introducing new management routines—including monthly dashboards, recurring financial review meetings, and a more rigorous budget process—while also advancing revenue partnerships and shared infrastructure investments. Successfully integrating these efforts required sustained coordination across leadership, finance, and operations, but it also laid the groundwork for stronger long-term execution.

3. Innovation and Relevance

This innovative initiative redefined "Finance" as a proactive growth strategy rather than a back-office function. For Ports of Indiana, Moody's assessment was more than a credit exercise; it was one component of a broader model that combined capital market readiness, revenue diversification, disciplined cash and investment management, and collaborative infrastructure delivery. In an industry where many ports rely on limited funding sources or postpone formal credit evaluation until a transaction is imminent, Ports of Indiana chose to build financial credibility in advance while simultaneously strengthening the balance sheet

through diversified rail revenue, new joint-venture stevedoring partnerships, a strategic laddered investment approach, enhanced non-operating revenue from insurance claims and federal grant reimbursements, and shared infrastructure investment with tenant operators. As shown in the Appendices, this diversification strategy produced a broader, more resilient revenue mix over time. That forward-looking approach increased agility, improved decision-making, and positioned the organization to act with confidence when transformational opportunities arise. In practical terms, the initiative converted financial management into a measurable engine for commercial growth, stronger asset utilization, and more timely leadership decision support.

Replicable Components

The initiative is equally relevant to the broader port industry because it addresses one of the sector's most pressing challenges: funding major infrastructure responsibly while preserving long-term financial resilience. Ports of Indiana's approach demonstrates that stronger credit positioning is most powerful when integrated with practical operating tools and commercial structures. The Indiana River and Rail partnership shows how ports can generate new revenue through profit-sharing arrangements that also account for depreciation on assets, such as cranes and bonded storage yards, creating a more complete and sustainable economic model. Likewise, a streamlined budget process, recurring financial dashboards, and routine financial review meetings translate strategy into disciplined execution.

These combined strategies contributed to a more diversified revenue profile, strengthening the organization's resilience and relevance as a public port model. Only 25 of the 326 ports in the United States have bond ratings, and Ports of Indiana earned an A3 rating in its first-ever assessment based on its recent financial performance. That distinction places the organization in a highly selective tier of U.S. ports and sends a strong signal to investors, lenders, partners, and public stakeholders that Ports of Indiana operates with the financial discipline, governance, and strategic clarity required to support long-term growth.

Multitiered Strategy

Another important dimension of innovation is how Ports of Indiana integrated revenue generation, asset strategy, and governance into a coherent model. Rather than treating rail growth, grant-funded assets, tenant partnerships, reimbursement recovery, and investment income as separate finance topics, the organization deliberately aligned them as complementary levers within a single balance-sheet strategy. That alignment improved visibility into how individual financial decisions—whether related to partnerships, depreciation treatment, investment maturity structure, or shared capital commitments—could contribute to broader institutional strength. For judges evaluating relevance, this is significant because it demonstrates not just a successful outcome, but a transferable management approach that other ports could adapt to their own scale and market context.

4. Results, Evidence, and Impact

The most immediate and measurable result of this initiative was Ports of Indiana's receipt of an A3 investment-grade rating from Moody's. As a result, Ports of Indiana was able to secure approval from the Governor to pursue development of Indiana's first a new port in 40 years. Moody's rating assessment delivered independent validation of the organization's credit quality and established a foundation for future bond issuance. With this rating, Ports of Indiana can pursue long-term, fixed-rate, investment-grade bonds to finance major capital needs and economic development opportunities. The rating is also expected to broaden the potential investor base, improve financing flexibility, and support more favorable borrowing terms than would be available without an external investment-grade assessment.

The impact extends well beyond the rating itself. Over a three-year period, major innovations in financial management, revenue diversification, and capital strategies materially strengthened Ports of Indiana's financial performance and readiness to execute capital projects that support tenant growth, multimodal competitiveness, and statewide economic development. FY2025 revenue reached $30 million, up 12.6% from $26.9 million in 2024 and more than double the revenue in FY2020. As of FY2025, total assets reached $338 million, an increase of 4.2% over the prior year and double the organization's asset base in FY2020. These gains were driven by a comprehensive financial transformation that included a complete overhaul of financial management practices, personnel, and policies; stronger budgeting tools for operating and capital expenditures; new standard operating procedures; purchase authorization policies; increased internal controls; a new finance team with advanced degrees, including CPAs and MBAs; and fiscally minded entrepreneurial leadership. The organization also implemented new financial management and data systems, embraced technology and new systems tools, diversified revenue by identifying new opportunities in existing business lines, executed two new rail agreements, formed the Indiana River and Rail joint venture for the river terminals, shifted from PPI-based pricing to annual escalators, and implemented a laddered investment strategy that capitalized on the rate environment.

Additional gains came from expanded use of federal grant programs, the pursuit of major insurance claims related to tornado cleanup and river flooding, a more strategic insurance approach that ensured appropriate coverage while mitigating high premiums, and shared tenant investment partnerships that aligned commercial growth with capital deployment. Collectively, these outcomes demonstrate measurable progress in revenue diversification, balance-sheet strength, capital coordination, and the organization's capacity to fund growth with greater discipline and flexibility. As a result of this improved financial performance and new bond rating, the Governor granted Ports of Indiana's request to pursue development of the state's new port facility in Mount Vernon—the first time in 40 years that Ports of Indiana has pursued development of a new port site, and the first time the organization has proposed doing so as a completely self-funded development without any state or local government funding. Analysis of the new port site is now underway.

The practical significance of these results is that Ports of Indiana is stronger today in ways that directly affect its ability to serve customers, tenants, and the regional industry. A healthier balance sheet, larger and more diversified revenue streams, and stronger monthly visibility into performance improve the organization's ability to prioritize infrastructure, respond to opportunities, and manage risk. Growth in non-operating revenue from grant reimbursements and insurance recoveries added flexibility that can be reinvested into operations and capital needs, while the laddered investment strategy enhanced earnings without sacrificing disciplined stewardship. The 14.5% compound annual growth rate in the balance sheet from 2019 through 2025 provides a concise quantitative indicator of this broader strengthening. Equally important, the initiative generated qualitative benefits: improved confidence among leadership, stronger alignment between finance and operations, and a clearer demonstration to external partners that Ports of Indiana has the management capacity to execute complex, long-term initiatives. Taken together, these quantitative and qualitative outcomes show not only financial improvement but also stronger institutional capability and readiness for future expansion.

Before this initiative, Ports of Indiana had strong underlying operations and financial stewardship, but lacked an independent investment-grade rating, a fully developed external credit profile, and the same degree of structured, recurring financial visibility across leadership. Capital planning, therefore, relied more heavily on internal analysis without the benefit of formal market validation, and several revenue-enhancing tools were not yet operating in an integrated way. After the initiative, the organization had secured an A3 investment-grade rating, established a stronger platform for long-term financing, implemented a recurring dashboard and review process, expanded direct rail operator revenue at Burns Harbor and Mount Vernon, created a separate Indiana River and Rail partnership revenue stream, increased non-operating revenue, and aligned partnership, investment, and infrastructure decisions more deliberately within a unified balance-sheet strategy. That before-and-after shift demonstrates not just improvement in isolated metrics, but a clear advancement in overall financial capability, readiness, and resilience.

5. Integration, Adaptability, and Scalability

This initiative is fully integrated with Ports of Indiana's existing financial management, capital planning, and economic development practices. Rather than serving as a one-time accomplishment, Moody's assessment now functions as a strategic tool for evaluating financing options, sequencing investments, and aligning capital needs with the most effective funding structures. It also strengthens the organization's ability to communicate financial readiness to stakeholders and make future debt decisions with greater discipline, credibility, and transparency.

The model is both adaptable and scalable. As market conditions, freight flows, tenant needs, and infrastructure demands evolve, Ports of Indiana is now positioned to respond with financing strategies that are credible, flexible, and investment-ready. The organization's laddered investment strategy, recurring financial dashboard reviews, strengthened capital

and operating budget processes, direct rail operator revenue model at Burns Harbor and Mount Vernon, and separate Indiana River and Rail partnership revenue stream create a repeatable management framework that can scale with future growth. Together, these strategies offer a practical roadmap for ports seeking to expand financial capacity, increase revenue diversity, and advance economic growth while maintaining disciplined governance. Scalability is especially important because the underlying framework does not depend on a single transaction or one-time event. It is built on management practices that can be repeated and adapted: disciplined external validation, diversified revenue strategy, structured investment management, coordinated infrastructure planning, and recurring cross-functional review. As new cargo opportunities, tenant needs, grant-funded assets, or market conditions emerge, Ports of Indiana can apply the same framework to evaluate how each decision affects liquidity, long-term obligations, revenue contribution, and strategic fit. This makes the initiative highly durable and broadly replicable for other public ports seeking to strengthen financial capacity without sacrificing accountability or operational relevance.

6. Stakeholder Engagement and Collaboration

Stakeholder engagement was fundamental to the initiative's success. Internally, the effort required close coordination among executive leadership, finance staff, and operational leadership to assemble information, articulate strategy, and navigate a rigorous external review process. The initiative also depended on strong collaboration with the organization's financial advisor, whose guidance helped frame the rating process, position Ports of Indiana effectively in the capital markets, and translate the outcome into an actionable financing strategy.

Externally, Ports of Indiana engaged Moody's as an independent evaluator and SRTI as a strategic commercial partner. Moody's review required transparency, responsiveness, and confidence in the organization's governance and financial practices. At the same time, collaboration with operational and tenant partners supported Ports of Indiana's role as rail operator at the Burns Harbor and Mount Vernon ports, while the separate profit-sharing agreement with SRTI reflected that same spirit of collaboration at Jeffersonville and Mount Vernon through Indiana River and Rail. That broader collaborative model also includes shared infrastructure investment with tenant operators, aligning capital deployment with business growth and operational needs. Internally, the addition of monthly financial dashboards and regular financial meetings with Port Directors, the Executive Team, and designated commissioners strengthened decision-making, accountability, and alignment across the organization. Together, these efforts enhanced execution capacity, increased financial transparency, and demonstrated how financial strategy, internal governance, and commercial partnership can work together to expand port competitiveness and regional economic impact.

This collaborative structure delivered value by creating a shared understanding of both financial opportunity and financial responsibility. Port Directors could see how financial strategy supported local business growth; executive leadership could evaluate tradeoffs

across the system; commissioners gained a more regular window into performance and capital readiness; and external partners had clearer evidence that Ports of Indiana was prepared to manage joint investments responsibly. The Indiana River and Rail arrangement is a particularly strong example of this collaborative philosophy in practice, pairing commercial alignment with shared infrastructure thinking and a profit-sharing model that connects asset use, depreciation, and revenue generation. As a result, stakeholder engagement was not peripheral to the initiative—it was one of the mechanisms that enabled the financial outcomes.

7. Conclusion

Ports of Indiana's first-ever Moody's bond rating assessment and resulting A3 investment-grade rating mark a defining milestone in the organization's financial evolution. But the achievement extends beyond the rating itself. Over a three-year period, Ports of Indiana implemented major innovations in financial management, revenue diversification, and capital strategies, resulting in measurable, transformational outcomes. FY2025 revenue reached $30 million, up 12.6% from $26.9 million in 2024 and more than double the revenue in FY2020. As of FY2025, total assets reached $338 million, up 4.2% over the prior year and double the organization's asset base in FY2020. Only 25 of the 326 ports in the United States have bond ratings, and Ports of Indiana earned its A3 rating in its first assessment based on recent financial performance. The results were driven by a comprehensive financial transformation that included a complete overhaul of financial management practices, personnel, and policies; stronger budgeting tools for OpEx and CapEx; new SOPs; purchase authorization policies; increased internal controls; a strengthened finance team with advanced degrees including CPAs and MBAs; fiscally minded entrepreneurial leadership; implementation of new financial management and data systems; and broader use of technology and systems tools.

At the same time, Ports of Indiana diversified revenue by identifying new opportunities in existing business lines, implementing two new rail agreements, establishing the Indiana River and Rail joint venture for the river terminals, shifting from PPI-based pricing to annual escalators, and executing a strategic laddered investment strategy that capitalized on the current rate environment. The organization also expanded its use of federal grant programs, pursued major insurance claims tied to tornado cleanup and river flooding, developed a more strategic insurance approach that ensured appropriate coverage while mitigating high premiums, and strengthened tenant investment partnerships. As a result of this improved financial performance and new bond rating, the Governor granted Ports of Indiana's request to pursue development of the state's new port facility in Mount Vernon—the first time in 40 years that Ports of Indiana has pursued a completely new port development, and the first time it has proposed doing so as a fully self-funded project without state or local government support. Analysis of the new port site is now underway. Together, these combined efforts positioned Ports of Indiana as a strong, disciplined, and highly replicable model for how public ports can build financial capacity, strengthen competitiveness, and create lasting value for the communities and industries they serve.

For an award focused on excellence in port finance, this initiative stands out for demonstrating both technical achievement and strategic leadership. Ports of Indiana did not simply obtain a rating; it used that process to build a stronger financial system—one that improves capital readiness, broadens revenue, deepens accountability, and reinforces collaboration across internal and external stakeholders. The result is a finance model that is measurable, innovative, and directly relevant to the evolving needs of public ports. It offers a compelling example of how disciplined financial management can create real operational capacity, support tenant growth, and strengthen a port's long-term economic impact.

Financial Performance Exhibits







