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State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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May 15, 2025

Board of Directors
North Central Indiana Regional Planning Council, Inc.
Miami County, Indiana

We have reviewed the audit report of the North Central Indiana Regional Planning Council, Inc., which was opined upon by Rea Logan & Co., LLC, Independent Public Accountants, for the period January 1, 2023 to December 31, 2023. Per the *Independent Accountant's Audit Report*, the financial statements included in the report present fairly the financial condition of the North Central Indiana Regional Planning Council, Inc. as of December 31, 2023, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Rea Logan & Co., LLC, prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

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

Tammy R. White, CPA
Deputy State Examiner

**NORTH CENTRAL INDIANA
REGIONAL PLANNING COUNCIL, INC.
PERU, INDIANA**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

**NORTH CENTRAL INDIANA
REGIONAL PLANNING COUNCIL, INC.
PERU, INDIANA**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

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INDEPENDENT ACCOUNTANT'S AUDIT REPORT

**To the Board of Directors of
North Central Indiana Regional Planning Council, Inc.
Peru, Indiana**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of North Central Indiana Regional Planning Council, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—income tax basis as of December 31, 2023, and the related statements of revenues, expenses, and changes of net assets—income tax basis, functional expenses—income tax basis, and cash flows—income tax basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the assets, liabilities, and net assets of North Central Indiana Regional Planning Council, Inc. as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with the income tax basis of accounting.

Basis for Opinion

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of North Central Indiana Regional Planning Council, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about North Central Indiana Regional Planning Council, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2024, on our consideration of North Central Indiana Regional Planning Council, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of North Central Indiana Regional Planning Council, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Central Indiana Regional Planning Council, Inc.'s internal control over financial reporting and compliance.

Rea Logan & Co., LLC

Peru, Indiana

September 20, 2024

NORTH CENTRAL INDIANA REGIONAL PLANNING COUNCIL, INC.
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS – INCOME TAX BASIS
AS OF DECEMBER 31, 2023

CURRENT ASSETS:

Cash and cash equivalents	\$ 304,901
Total Current Assets	<u>304,901</u>

PROPERTY AND EQUIPMENT:

Equipment	29,395
Less accumulated depreciation	<u>15,769</u>
Total Property and Equipment	<u>13,626</u>

OTHER ASSETS:

Certificates of Deposit	<u>287,925</u>
Total Other Assets	<u>287,925</u>

TOTAL ASSETS	<u><u>\$ 606,452</u></u>
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LIABILITIES AND NET ASSETS

LIABILITIES:**Current Liabilities:**

Credit Card Payable	\$ 3,054
Total Current Liabilities	<u>3,054</u>

NET ASSETS:

Without donor restrictions	<u>603,398</u>
Total Net Assets	<u>603,398</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 606,452</u></u>
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NORTH CENTRAL INDIANA REGIONAL PLANNING COUNCIL, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS –
INCOME TAX BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support, Revenues, and Gains:			
County contributions	\$ 174,138	\$ -	\$ 174,138
Economic development planning dues	21,000	-	21,000
Grant administration fees	151,810	-	151,810
Grant income	47,217	-	47,217
READI grant income	3,486,558	-	3,486,558
Partner support	7,500	-	7,500
Total Support, Revenues, and Gains:	3,888,223	-	3,888,223
Expenses:			
NCIEDP	18,259	-	18,259
NCIRPC	270,416	-	270,416
READI	3,402,408	-	3,402,408
Total Program Services	3,691,083	-	3,691,083
Management	73,666	-	73,666
Total Support Services	73,666	-	73,666
Total Functional Expenses	3,764,749	-	3,764,749
CHANGE IN NET ASSETS	123,474	-	123,474
NET ASSETS - January 1	479,924	-	479,924
NET ASSETS - December 31	\$ 603,398	\$ -	\$ 603,398

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

NORTH CENTRAL INDIANA REGIONAL PLANNING COUNCIL, INC.
STATEMENT OF FUNCTIONAL EXPENSES – INCOME TAX BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Program Services</u>			<u>Support Services</u>	<u>Total</u>
	<u>NCIEDP</u>	<u>NCIRPC</u>	<u>READI</u>	<u>Management</u>	
Salaries and wages	\$ -	\$ 156,496	\$ 24,459	\$ 36,757	\$ 217,712
Payroll taxes	-	12,380	1,871	2,895	17,146
Employee benefits	-	10,232	1,319	1,283	12,834
Total Salaries and Wages and Related Expenses	<u>-</u>	<u>179,108</u>	<u>27,649</u>	<u>40,935</u>	<u>247,692</u>
Bank service fees	-	-	-	136	136
Education projects	783	175	-	-	958
Contracted services	3,150	3,651	4,785	27,141	38,727
Dues and subscriptions	-	4,855	-	6,275	11,130
Insurance	-	-	-	1,816	1,816
Internet	-	1,501	-	375	1,876
Miscellaneous	-	2,287	-	2,288	4,575
Office supplies	-	6,242	-	1,560	7,802
Postage	-	-	-	545	545
Printing and copying	-	-	-	792	792
READI projects	-	-	3,346,248	-	3,346,248
Site selection visits	10,826	-	-	-	10,826
Special projects	-	57,133	-	-	57,133
Study grants	2,500	-	-	-	2,500
Telephone	-	-	-	2,160	2,160
Travel and meetings	1,000	15,464	-	1,995	18,459
Web site maintenance	-	-	-	2,872	2,872
Indirect expenses allocated to READI	-	-	23,726	(23,726)	-
Total Expenses Before Depreciation and Amortization	<u>18,259</u>	<u>270,416</u>	<u>3,402,408</u>	<u>65,164</u>	<u>3,756,247</u>
Depreciation and amortization	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,502</u>	<u>8,502</u>
Total Expenses - Exhibit B	<u>\$ 18,259</u>	<u>\$ 270,416</u>	<u>\$ 3,402,408</u>	<u>\$ 73,666</u>	<u>\$ 3,764,749</u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

NORTH CENTRAL INDIANA REGIONAL PLANNING COUNCIL, INC.
STATEMENT OF CASH FLOWS – INCOME TAX BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 123,474
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	8,502
Change in assets and liabilities:	
Credit Card Payable	<u>2,956</u>
Net Cash Provided By Operating Activities	<u>134,932</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment	(2,033)
Investment in Certificates of Deposit	<u>(287,925)</u>
Net Cash (Used) By Investing Activities	<u>(289,958)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(155,026)
CASH AND CASH EQUIVALENTS - beginning of year	<u>459,927</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 304,901</u>

See Independent Auditor's Report and Accompanying Notes to Financial Statements.

NORTH CENTRAL INDIANA REGIONAL PLANNING COUNCIL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Description of Organization – The North Central Indiana Regional Planning Council (NCIRPC) is a non-profit community development agency serving the communities throughout Cass, Clinton, Fulton, Howard, Miami and Tipton (Indiana) counties, with an approximate population of 224,588 in 34 separate units of local government across the region.

Program Activities:

North Central Indiana Economic Development Partnership, Inc. (NCIEDP): NCIEDP is comprised of the local economic development organizations within the North Central region. NCIEDP is dedicated to improving the economy of North Central Indiana by attracting and retaining new businesses. Its partners come from many different fields, including: economic development, business, industry, utilities workforce development, labor, education, and state and local elected officials.

North Central Indiana Regional Planning Council, Inc. (NCIRPC): NCIRPC serves local communities with the purpose of building stronger local communities and regional economies by enhancing the quality of life throughout the region. NCIRPC engages with local governments, economic development organizations, non-profits and community leaders to provide programs and services targeted to meet the unique needs of each community and to provide mutual benefit throughout the region.

READI: In 2021, the state Indiana launched the Regional Economic Acceleration and Development Initiative (READI), an initiative that allocated \$500 million in state appropriations from federal funds to 17 regions within the state of Indiana to promote strategic investments in Indiana's 92 counties. The North Central Indiana Regional Planning Council, Inc. was awarded \$30 million in grant funds to support projects in all six member counties that are focused on developing diverse housing alternatives, continuing to improve quality of life/place assets, delivering 21st century workforce development, improving broadband connectivity, and expanding quality of employment opportunity. The grant terms require all funds for approved projects to be disbursed by December 31, 2026.

The significant accounting policies followed by North Central Indiana Regional Planning Council, Inc. are as follows:

Basis of Accounting – The accompanying financial statements have been prepared on the income tax basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Basis of Presentation – The Organization reports information regarding its financial position and activities according to two classes of net assets, which are classified as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donors stipulate that resources be maintained in perpetuity.

Use of Estimates – The preparation of financial statements, in conformity with the income tax basis of accounting, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents – For purposes of the Statement of Assets, Liabilities, and Net Assets – Income Tax Basis, cash and cash equivalents consist of cash and other highly liquid resources, such as investments in certificates of deposit and money market funds, with an original maturity of three months or less when purchased.

NORTH CENTRAL INDIANA REGIONAL PLANNING COUNCIL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

Property and Equipment – Property and equipment are stated at cost, if purchased, or at fair market value at the date of gift. The Organization depreciates its property and equipment using the Modified Accelerated Cost Recovery System (MACRS) for both financial reporting and tax purposes over their estimated useful lives. Additions with a cost or fair market value of less than \$2,500 are expensed. Maintenance and repairs are expensed as incurred. Depreciation expense for the year ended December 31, 2023 was \$8,502.

Revenue and Support – Revenue and support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted revenue is reported as an increase in net assets with donor restrictions.

Expense Allocation – The costs of providing various programs and other activities has been categorized on a functional basis in the Statement of Revenues, Expenses, and Other Changes in Net Assets – Income Tax Basis. The Statement of Functional Expenses – Income Tax Basis presents the natural classification of expenses that are allocated to program or support functions of the Organization. Allocated expenses primarily consist of salaries, wages, and related expenses, travel and meetings, contracted services, web site maintenance, and office supplies. Salaries and related expenses are allocated on salary and wage analysis, and all other expenses are allocated on the basis of time and effort required for program or support services.

Advertising – The Organization’s policy is to expense advertising costs as the costs are incurred.

Income Tax Status – The Organization is exempt from federal and state income taxes under Code Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. In preparation of tax returns, tax positions are taken based on interpretation of federal, state, and local income tax laws. Management periodically reviews and evaluates the status of uncertain tax positions and makes estimates of amounts, including interest and penalties, ultimately due and owed. No amounts have been identified, or recorded, as uncertain tax positions.

NOTE 2 – CONCENTRATIONS OF CREDIT RISK:

The Organization maintains all cash balances at one financial institution located in Miami County. The balances are covered by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 (per institution). As of December 31, 2023 the uninsured balance was \$342,826.

NOTE 3 – CONCENTRATION OF REVENUE SOURCES:

The Organization’s market is concentrated in the Cass, Clinton, Fulton, Howard, Miami, and Tipton County, Indiana geographical area. More than 45% of the Organization’s annual revenue is derived from county contributions and county economic development planning dues. The loss or substantial decrease in funding from these sources could diminish the Organization’s ability to maintain its operation.

County contributions	\$ 174,138	43.35%
Economic development planning dues	21,000	5.23%
Grant administration fees	151,810	37.80%
Grant income	47,217	11.76%
Partner support	7,500	1.86%
	<u>\$ 401,665</u>	<u>100.00%</u>

NORTH CENTRAL INDIANA REGIONAL PLANNING COUNCIL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 4 – LIQUIDITY AND AVAILABILITY:

The following reflects the Organization’s financial assets as of December 31, 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions and board designations within one year of the date of the statement of assets, liabilities, and net assets – income tax basis. Amounts with board designations not available include amounts set aside for program related activity that could be drawn upon if the governing board approves that action. Amounts appropriated from either donor-restricted or board-designated categories for general expenditures within one year of the date of the Statement of Assets, Liabilities, and Net Assets – income tax basis are considered available.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of assets, liabilities, and net assets – income tax basis, comprise of the following at December 31:

Cash and cash equivalents	\$	304,901
Certificates of deposit		287,925
Total financial assets at year-end		592,826
Contractual or donor-imposed restrictions:		
Restricted to time or expenditure for specific purpose:		
Less:		-
Board designations:		
Less: designated funds (Note 5)		(367,411)
Financial assets available to meet cash needs for general expenditures within one year		\$ 225,415

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Board of Directors designates specific financial assets to be used in a particular manner, or in a future period, and must maintain sufficient resources to meet those requirements. Therefore, certain financial assets may not be available for general expenditure within one year.

As part of the Organization’s reserve policy, surplus funds are set aside as board designated operating reserves with the intent of providing an internal source of funds to offset unforeseen expenditures or losses in funding. At minimum, the operating reserve is to equal 3 months of average monthly operating expenses. The operating reserve is reviewed periodically by the board and the policy allows for additional surplus funds beyond the minimum to be set aside as the board deems necessary.

NOTE 5 – BOARD DESIGNATED NET ASSETS:

Board designated net assets as of December 31, 2023 consist of the following:

NCIRPC operating reserve	\$	287,925
NCIEDP program funds		79,486
Total board designated funds		\$ 367,411

NORTH CENTRAL INDIANA REGIONAL PLANNING COUNCIL, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6 – RELATED PARTY TRANSACTIONS:

The Organization was established to serve the communities throughout Cass, Clinton, Fulton, Howard, Miami, and Tipton (Indiana) counties as a community development agency. Each county is a member of the agency and is represented on the board of directors by individuals from their respective county in accordance with the Organization's by-laws. Each county is required to commit financially each year to the Organization an amount established by the board of member counties to maintain voting privileges for their respective individuals. For the year ended December 31, 2023, the member county contributions were as follows:

Howard county	\$ 64,439
Cass county	28,924
Miami county	27,782
Clinton county	25,460
Fulton county	15,697
Tipton county	<u>11,836</u>
Total county contributions	<u>\$ 174,138</u>

NOTE 7 – RETIREMENT PLAN

The Organization implemented a SIMPLE IRA for regular employees in September 2020 for employees that are eligible to make salary deferrals after six months of employment and the Organization will match employee contributions up to three percent of gross salary. The Organization's retirement plan contribution expense in 2023 was \$5,634.

NOTE 8 – SUBSEQUENT EVENTS:

The Organization evaluates events and transactions that occur after year end for the potential recognition or disclosure in the financial statements. These subsequent events have been considered through the report date, which is the date the financial statements were available to be issued.

In 2023, the state Indiana announced READI 2.0 as an expansion of the Regional Economic Acceleration and Development Initiative (READI), allocating an additional \$500 million in state appropriations to 15 regions within the state of Indiana to continue to promote strategic investments in Indiana's 92 counties. In 2024, the North Central Indiana Regional Planning Council, Inc. was awarded \$35 million in grant funds from READI 2.0 to support projects in all six member counties that will be focused on accelerating leadership in innovation investment and advanced manufacturing and technological innovation by growing a skilled workforce; enriching the region with quality-of-life assets, such as housing and childcare; and supporting entrepreneurship and small business.

NORTH CENTRAL INDIANA REGIONAL PLANNING COUNCIL, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTER/PROGRAM CLUSTER TITLE</u>	<u>ASSISTANCE LISTING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF TREASURY</u>		
Passed through from Indiana Economic Development Corporation:		
Coronavirus State and Local Recovery Funds	21.027	\$3,402,408
<u>U.S. DEPARTMENT OF DEPARTMENT OF AGRICULTURE</u>		
Rural Community Development Initiative	10.446	<u>38,058</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u><u>\$3,440,466</u></u>

NOTE 1 – BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of North Central Indiana Regional Planning Council, Inc. and is presented on the income tax basis of accounting. The information in the schedule is presented in accordance with the requirements of OMB Uniform Guidance at 2 CFR 200, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on the income tax basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited to reimbursement.

NOTE 3 – INDIRECT COST RATE:

The North Central Indiana Regional Planning Council, Inc. has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

CERTIFIED PUBLIC ACCOUNTANTS



Member of American Institute and Indiana CPA Society

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

**TO THE BOARD OF DIRECTORS
NORTH CENTRAL INDIANA REGIONAL PLANNING COUNCIL, INC.
Peru, 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 North Central Indiana Regional Planning Council, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—income tax basis as of December 31, 2023, and the related statements of revenues, expenses, and changes in net assets—income tax basis, and cash flows—income tax basis for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 20, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rea Logan & Co., LLC

Peru, Indiana

September 20, 2024

CERTIFIED PUBLIC ACCOUNTANTS



Member of American Institute and Indiana CPA Society

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**TO THE BOARD OF DIRECTORS
NORTH CENTRAL INDIANA REGIONAL PLANNING COUNCIL, INC.
Peru, Indiana**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited North Central Indiana Regional Planning Council, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of North Central Indiana Regional Planning Council, Inc.'s major federal programs for the year ended December 31, 2023. North Central Indiana Regional Planning Council, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, North Central Indiana Regional Planning Council, Inc. 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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on North Central Indiana Regional Planning Council, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered

material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about North Central Indiana Regional Planning Council, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

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

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

Rea Logan & Co., LLC

Peru, Indiana

September 20, 2024

