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May 16, 2024

Board of Directors  
Our Southern Indiana Regional Development Authority  
Floyd County, Indiana

We have reviewed the audit report of Our Southern Indiana Regional Development Authority which was opined upon by LWG CPAs & Advisors, Independent Public Accountants, for the period January 1, 2023 to December 31, 2023. Per the *Independent Auditors' Report*, the financial statements included in the report present fairly the financial condition of the Our Southern Indiana Regional Development Authority 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, LWG CPAs & Advisors 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.

A handwritten signature in black ink that reads "Tammy R. White". The signature is written in a cursive style.

Tammy R. White, CPA  
Deputy State Examiner

Our Southern Indiana Regional Development  
Authority

Financial Statements

Years Ended December 31, 2023 and 2022

# OUR SOUTHERN INDIANA REGIONAL DEVELOPMENT AUTHORITY

## CONTENTS

	<b>Pages</b>
Independent Auditors' Report	1-3
Financial Statements	
Statements of Financial Position	4
Statements of Activities and Changes in Net Position	5
Statements of Cash Flows	6
Notes to Financial Statements	7-9
Independent Auditors' Report on Internal Controls	10-11
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	12-13



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Our Southern Indiana Regional Development Authority

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Our Southern Indiana Regional Development Authority, as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements, which collectively comprise Our Southern Indiana Regional Development Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of Our Southern Indiana Regional Development Authority, as of December 31, 2023 and 2022 and the related statements of activities and changes in net position, and cash flows, for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Our Southern Indiana Regional Development Authority 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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Our Southern Indiana Regional Development Authority's ability to continue as a going concern for one year after the date that the financial statements are issued.

## Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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 Our Southern Indiana Regional Development Authority'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 Our Southern Indiana Regional Development Authority's ability to continue as a going concern for a reasonable period of time.

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

### Required Supplementary Information

Management has omitted the Management's Discussion and Analysis and the Budgetary Comparison Schedule that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

## Report on Internal Control over Financial Reporting

We also have audited, in accordance with auditing standards generally accepted in the United States of America, Our Southern Indiana Regional Development Authority's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated April 30, 2024 expressed an unmodified opinion.

## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 30, 2024 on our consideration of Our Southern Indiana Regional Development Authority'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 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 Our Southern Indiana Regional Development Authority's internal control over financial reporting and compliance.



LWG CPAs & Advisors  
Indianapolis, Indiana  
April 30, 2024

**OUR SOUTHERN INDIANA REGIONAL  
DEVELOPMENT AUTHORITY**

**STATEMENT OF FINANCIAL POSITION**

**December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,858	\$ 12,969
Accounts receivable	<u>1,836,005</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>1,842,863</u>	<u>12,969</u>
<b>LIABILITIES</b>		
Accounts payable	13,122	6,106
Grants payable	<u>2,148,277</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>2,161,399</u>	<u>6,106</u>
<b>TOTAL NET POSITION</b>	<u>\$ (318,536)</u>	<u>\$ 6,863</u>

The accompanying notes are an integral part of these statements

**OUR SOUTHERN INDIANA REGIONAL  
DEVELOPMENT AUTHORITY**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION**  
**Years Ended December 31, 2023 and 2022**

			Percent	
	2023	2022	2023	2022
<b>REVENUES</b>				
Grants received	\$ 18,680,232	\$ 250,000	100.0	100.0
<b>EXPENSES</b>				
Program Services	18,535,510	24,000	99.2	9.6
Supporting Services				
Grant Administration	390,000	175,000	2.1	70.0
Professional Services	80,121	41,728	0.4	16.7
Office Expenses	-	2,409	0.0	1.0
TOTAL SUPPORTING SERVICES	470,121	219,137	2.5	87.7
TOTAL EXPENSES	19,005,631	243,137	101.7	97.3
OPERATING INCOME (LOSS)	(325,399)	6,863	(1.7)	2.7
CHANGE IN NET POSITION	(325,399)	6,863	(1.7)	2.7
NET POSITION - BEGINNING OF YEAR	6,863	-		
NET POSITION - END OF YEAR	\$ (318,536)	\$ 6,863		

The accompanying notes are an integral part of these statements.

# OUR SOUTHERN INDIANA REGIONAL DEVELOPMENT AUTHORITY

## STATEMENT OF CASH FLOWS Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Grant proceeds	\$ 16,844,227	\$ 250,000
Payments to grantees	(16,387,233)	(24,000)
Payments to others	<u>(463,105)</u>	<u>(213,031)</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 <u>(6,111)</u>	 <u>12,969</u>
 NET CHANGE IN CASH AND CASH EQUIVALENTS	 (6,111)	 12,969
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	 <u>12,969</u>	 <u>-</u>
 CASH AND CASH EQUIVALENTS, END OF YEAR	 <u>\$ 6,858</u>	 <u>\$ 12,969</u>
 <b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income	\$ (325,399)	\$ 6,863
Decrease (increase) in assets		
Accounts receivable	(1,836,005)	-
Increase (decrease) in liabilities		
Accounts payable and other accruals	7,016	6,106
Grants payable	<u>2,148,277</u>	<u>-</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 <u>\$ (6,111)</u>	 <u>\$ 12,969</u>

The accompanying notes are an integral part of these statements.

# OUR SOUTHERN INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

Years Ended December 31, 2023 and 2022

### (1) Summary of significant accounting policies

Nature of Activities – Our Southern Indiana Regional Development Authority (the “RDA” or the “Authority”) is organized under Indiana Code 37-7.6. The RDA serves as the fiscal agent responsible for allocating funds from the state’s Regional Economic Acceleration and Development Initiative (READI) grant to fast-track quality of life projects within the region. READI is administered by the Indiana Economic Development Council (“IEDC”). It may also accept loans, grants, and other contributions from federal, state, and private sources.

Mission – The purpose of the RDA is two-fold and is focused on capitalizing regionally significant development projects. The RDA can acquire, construct, equip, own, lease, and finance projects and facilities to or for the benefit of eligible political subdivisions. It can also fund and develop projects that enhances the region with the goal of attracting people or business. The RDA focuses on projects that will have the most effect in the five county region of Clark, Floyd, Jefferson, Scott and Washington counties.

Non-Exchange Transactions – Governmental Accounting Standards Board (“GASB”) No. 33 defines a non-exchange transaction, as a governmental unit that gives (or receives) value without directly receiving (or giving) equal value in return. Because the RDA distributes money to local governmental units without directly receiving equal value in return, the transactions qualify as a non-exchange transaction. The RDA records income and expense for grants as amounts are approved by the IEDC to be disbursed. Amounts remaining to be reimbursed to grantees are considered grants payable.

Basis of Presentation – The financial statements of the RDA have been prepared on the accrual basis of accounting and using the economic resources measurement focus. Accordingly, the RDA recognizes revenue in the period earned and expenses in the period incurred. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

Cash and Cash Equivalents – The RDA considers all investments with maturities of three months or less, when purchased, to be cash equivalents. At times, such cash may be in excess of the FDIC insurance limit. However, additional coverage is provide by the Indiana Public Deposit Insurance Fund for funds that exceed the FDIC limits.

Grant Income – The RDA receives substantially all of its support revenue from the State of Indiana. The Indiana Regional Economic Acceleration and Development Initiative (READI) will provide up to \$50 million to support regional development to Our Southern Indiana Regional Development Authority. These funds are restricted to grants approved by IEDC for state funding. During the years ended December 31, 2023 and 2022, the RDA received grants of \$18,680,232 and \$250,000, respectively.

# OUR SOUTHERN INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

Years Ended December 31, 2023 and 2022

### (1) Summary of significant accounting policies (cont.)

Program Services – Program services represent grants approved by the RDA. During the years ended December 31, 2023 and 2022, grants approved were \$18,535,510 and \$24,000, respectively.

Operating and Non-Operating Revenue – The principal operating revenue of the RDA is grant revenue. Operating expenses for the RDA include program services and supporting services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Net Position – Net position is comprised of the net earnings from operating and non-operating revenues, expenses and capital contributions. Net position is considered unrestricted for amounts received for supporting services net of expenditures and is available for the use of the RDA.

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

Accounts Receivable – The RDA had outstanding receivables in the amount of \$1,836,005 and \$0 as of December 31, 2023 and 2022, respectively. The amount is receivable from IEDC and is a reimbursement for administrative costs associated with the READI program. The recording of an allowance for doubtful accounts is not considered necessary as of December 31, 2023 and 2022.

Subsequent Events – Subsequent events have been evaluated through April 30, 2024, the date of which the financial statements were available to be issued..

### (2) Management agreement

The RDA has entered into an agreement with River Hills Economic Development District and Regional Planning Commission to facilitate the administrative functions of the RDA. This includes any functions which are reasonably necessary to accomplish the purposes of the RDA subject to the oversight and approval of the board of directors of the RDA.

During the years ended December 31, 2023 and 2022, payments to River Hills Economic Development District and Regional Planning Commission totaled \$390,000 and \$175,000, respectively.

# OUR SOUTHERN INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Years Ended December 31, 2023 and 2022

### (3) Subsequent events

The RDA has entered into agreements with subrecipients in 2024 totaling \$508,500.

In 2024, the RDA was awarded \$45 million from the State of Indiana through the READI 2.0 program. This program was part of the State of Indiana's governor's 2023 Next Level Agenda and was approved by the Indiana General Assembly. The RDA was required to submit a proposal to the State of Indiana which was approved in 2024.

### (4) Commitments

During 2023 and 2022, the RDA entered into agreements with various entities for projects. The RDA does not consider funds received and disbursed as income and expense until the IEDC reviews and approves the requested expenditures. The following is a list of outstanding commitments for projects that were signed into agreement during the years ended December 31, 2023 and 2022.

	2023	2022
Borden-Sellersburg Reg. WW Cooperative	\$ 1,500,000	\$ -
City of Jeffersonville - WWTP	5,255,247	-
City of Madison - Connector Trail	440,000	-
City of Madison - Music City Amphitheater	230,874	-
City of Salem - Lake Salinda Recreational Facility	280,000	-
Hanover College - Vet Teaching Center	5,900,000	-
Madison-Milton Bridge Gateway and Illumination	23,387	718,342
Mulberry Street Arts Corridor and Neighborhood Market	37,982	916,984
N. Shelby Street Housing	250,000	-
Novaparke Innovation and Technology Campus	4,200,000	4,200,000
Ohio Theater	250,000	-
Origin Park Phase 1	3,305,000	3,305,000
Salem Airport	253,800	-
Sellersburg Family Scholar House	1,890,000	-
So. Indiana Youth Sports Complex	635,500	-
South Monon Freedom Trail	4,070,000	-
Star Valley Destinations	500,000	-
The One Fund	66,977	125,000
Town of Clarksville Redevelopment Commission	4,000,000	-
	\$ 33,088,767	\$ 9,265,326
Total		



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Our Southern Indiana Regional Development Authority

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

We have audited Our Southern Indiana Regional Development Authority's internal control over financial reporting as of December 31, 2023, based on criteria established in the Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

### *Management's Responsibility for Internal Control over Financial Reporting*

Management is responsible for designing, implementing, and maintaining effective internal control over financial reporting, and for its assessment about the effectiveness of internal control over financial reporting as described in its report on the same.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on the entity's internal control over financial reporting based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

An audit of internal control over financial reporting involves performing procedures to obtain audit evidence about whether a material weakness exists. The procedures selected depend on the auditor's judgement, including the assessment of the risks that a material weakness exists. An audit includes obtaining an understanding of internal control over financial reporting and testing and evaluating the design and operating effectiveness of internal control over financial reporting based on the assessed risk

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

*Definition and Inherent Limitations of Internal Control over Financial Reporting*

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

*Opinion*

In our opinion, Our Southern Indiana Regional Development Authority maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the criteria established in the Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)

*Report on Financial Statements*

We also have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Our Southern Indiana Regional Development Authority, and our report dated April 30, 2024 expressed an unmodified opinion.



LWG CPAs & Advisors  
Indianapolis, Indiana  
April 30, 2024



**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***

*Independent Auditor's Report*

The Governing Body  
Our Southern Indiana Regional Development Authority

We have audited, 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, the financial statements of Our Southern Indiana Regional Development Authority as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Our Southern Indiana Regional Development Authority's basic financial statements, and have issued our report thereon dated April 30, 2024.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Our Southern Indiana Regional Development Authority'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Our Southern Indiana Regional Development Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Our Southern Indiana Regional Development Authority'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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Our Southern Indiana Regional Development Authority'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 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 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.

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

In addition to the audit of the financial statements of Our Southern Indiana Regional Development Authority as of and for the year ended December 31, 2023, and the related notes to the financial statements, we were also engaged to perform an audit of internal control. We have issued our opinion on internal control in our report dated April 30, 2024.



LWG CPAs & Advisors  
Indianapolis, Indiana  
April 30, 2024