



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

85130A

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

May 22, 2024

Board of Directors
Northern Indiana Regional Development Authority
St. Joseph County, Indiana

We have reviewed the audit report of Northern 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 Northern 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

**NORTHERN INDIANA REGIONAL
DEVELOPMENT AUTHORITY**

Financial Statements
with
Additional Information

Years Ended December 31, 2023 and 2022

NORTHERN INDIANA REGIONAL DEVELOPMENT AUTHORITY

CONTENTS

	Pages
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	7-10
Required Supplementary Information	
Budgetary Comparison Report	11
Independent Auditors' Report on Internal Control	12-13
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	14-15



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Northern Indiana Regional Development Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Northern Indiana Regional Development Authority, as of and for the year ended December 31, 2023 and 2022 and the related notes to the financial statements, which collectively comprise Northern 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 Northern 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 Northern 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

Northern 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 Northern 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 Northern 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 Northern 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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 11 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 report for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information as the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management’s Discussion and Analysis that is required by the Government Accounting Standards Board 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, Northern 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 22, 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 22, 2024 on our consideration of Northern 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 Northern Indiana Regional Development Authority’s internal control over financial reporting and compliance.



LWG CPAs & Advisors
Indianapolis, Indiana
April 22, 2024

NORTHERN INDIANA REGIONAL DEVELOPMENT AUTHORITY

STATEMENTS OF FINANCIAL POSITION December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 224,730	\$ 609,104
Restricted cash	531,000	881,000
Certificate of deposit	350,000	-
Accounts receivable	3,439,743	81,286
Prepaid expenses	<u>3,003</u>	<u>2,874</u>
TOTAL ASSETS	<u>4,548,476</u>	<u>1,574,264</u>
LIABILITIES		
Accounts payable	44,265	53,572
Grants payable	<u>3,954,684</u>	<u>881,000</u>
TOTAL LIABILITIES	<u>3,998,949</u>	<u>934,572</u>
NET POSITION		
Unrestricted	240,425	338,123
Restricted	<u>309,102</u>	<u>301,569</u>
TOTAL NET POSITION	<u>\$ 549,527</u>	<u>\$ 639,692</u>

The accompanying notes are an integral part of these statements.

NORTHERN INDIANA REGIONAL DEVELOPMENT AUTHORITY

STATEMENTS OF ACTIVITIES AND CHANGES IN NET POSITION Years Ended December 31, 2023 and 2022

	Amount	
	2023	2022
REVENUES		
Grants received	\$ 7,933,457	\$ 1,151,896
Contributions	-	50,000
	7,933,457	1,201,896
EXPENSES		
Program Services	7,567,398	382,941
Supporting Services		
Legal and professional fees	102,312	86,257
Advertising expense	1,263	-
Insurance expense	5,877	5,664
Management fees	351,765	304,647
Consultants and facilitators	2,540	-
	463,757	396,568
TOTAL SUPPORTING SERVICES		
	8,031,155	779,509
TOTAL EXPENSES		
	(97,698)	422,387
TOTAL OPERATING INCOME		
NON-OPERATING REVENUE		
Interest income	7,533	4,289
	7,533	4,289
TOTAL NON-OPERATING REVENUE		
	(90,165)	426,676
CHANGE IN NET POSITION		
	639,692	213,016
NET POSITION - BEGINNING OF YEAR		
	\$ 549,527	\$ 639,692
NET POSITION - END OF YEAR		

The accompanying notes are an integral part of these statements.

NORTHERN INDIANA REGIONAL DEVELOPMENT AUTHORITY

STATEMENTS OF CASH FLOWS Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Grant proceeds	\$ 4,575,000	\$ 632,941
Contributions	-	50,000
Payments to grantees	(4,493,714)	(207,208)
Payments to suppliers and employees	(473,193)	(547,081)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(391,907)</u>	<u>(71,348)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	7,533	4,289
Purchase of certificate of deposit	(350,000)	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(342,467)</u>	<u>4,289</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(734,374)	(67,059)
CASH, RESTRICTED CASH, AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,490,104</u>	<u>1,557,163</u>
CASH, RESTRICTED CASH, AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 755,730</u>	<u>\$ 1,490,104</u>
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income	\$ (97,698)	\$ 422,387
Decrease (increase) in assets		
Accounts receivable	(3,358,457)	(81,286)
Prepaid expenses	(129)	(85)
Increase (decrease) in liabilities		
Accounts payable and other accruals	(9,307)	(150,428)
Grants payable	3,073,684	175,733
Unearned revenue	-	(437,669)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (391,907)</u>	<u>\$ (71,348)</u>

The accompanying notes are an integral part of these statements.

NORTHERN 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 – Northern Indiana Regional Development Authority (the “RDA”) or the “Authority”) is organized under Indiana Code 36-7.6. In March 2016 House Bill 1001 was signed into law, which allocates \$42 million from the State of Indiana for the RDA. The RDA serves as the fiscal agent responsible for allocating funds from the state’s Regional Cities Initiative grant to fast-track quality of life projects within Northern Indiana. Only the RDA may apply for matching grants and loans from the state-funded Indiana Regional City Fund or the READI program, administered by the Indiana Economic Development Corporation (“IEDC”). It may also accept loans, grants, and other contributions from federal, state, and private sources.

Mission – The RDA was formed to grow the North Central Indiana economy by improving wages and livability. St. Joseph, Elkhart, and Marshall Counties will move forward together as one region to attract and grow the best industries and workers. The region must unify to fight the enemy of declining wages and population stagnation. Together we will capitalize on the significant manufacturing and educational resources already available.

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 organizations without directly receiving equal value in return, the transactions qualify as a non-exchange transaction. On an accrual basis, expenses to grantees are recognized in the fiscal year they are granted. 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.

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

Contributions – The RDA received contributions from multiple organizations to fund operating expenses incurred. These funds are unrestricted.

Management fee – The RDA receives a percentage of grant proceeds to supplement operating expenses incurred. This percentage is discussed and agreed upon by the board of directors. These funds are for the use of administrative costs related to the grants including, but not limited to, implementation, monitoring, and the closing of grants.

NORTHERN INDIANA REGIONAL DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

Years Ended December 31, 2023 and 2022

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

Grants received – The RDA receives substantially all of its support revenue from the State of Indiana. The Indiana Regional Cities Initiative (RCI)’s first phase will provide \$42 million to support regional development. Additionally, the RDA is eligible for an additional \$50 million of grants through the State’s READI grant program. These funds are restricted to grants approved by the RDA and IEDC for state funding. During 2021, the biennial budget bill (HEA 1001) repealed the Indiana Regional Cities Development Fund. The RDA’s RCI account balance was \$700,861, \$300,000 of which was conditionally approved by IEDC for use in the Goshen Mill-Race Pavilion project. The remaining \$400,861 was recorded as part unearned revenue. During 2022, the RDA decided to move \$400,861 from unearned revenue to its operating fund to cover administrative costs associated with the READI program. For the year ended December 31, 2023, projects that received approval from the RDA and IEDC totaled \$335,219,800.

Certificates of deposit – Certificates of deposit are recorded at cost plus accrued interest, which approximates fair value.

Accounts receivable – The RDA had outstanding receivables in the amount of \$3,439,743 and \$81,286 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.

Grants payable – The RDA is committed to pay various organizations via reimbursement based grants. These payments are made when the organization has fulfilled the terms of the grant and submitted for reimbursement from the RDA. See Note 3 for further detail.

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

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 provided by the Indiana Public Deposit Insurance Fund for funds that exceed the FDIC limits. The cash balance at December 31, 2023 and 2022 is held in a demand checking account. Restricted cash is held for approved grant revenue received and designated for specific sub-grants.

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 support services net of expenditures and is available for the use of the RDA. Interest revenue is considered restricted as any expenditures paid from interest earned are subject to approval.

NORTHERN INDIANA REGIONAL DEVELOPMENT AUTHORITY

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

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

Subsequent events – Subsequent events have been evaluated through April 22, 2024, the date of which the financial statements were available for distribution.

(2) Management agreement

The RDA has entered into an agreement with the Michiana Partnership 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 the Directors of the RDA. During the year ended December 31, 2023 and 2022, payments to the Michiana Partnership totaled \$346,884 and \$304,647, respectively.

(3) Commitments

Since the inception of the RDA, there have been contracts awarded for approved projects within Northern Indiana. Sub-recipient agreements are still outstanding as of the audit release date. Current commitments may be subject to change due to sub-recipient contract requirements being met in the future. Because not all awarded contracts have been completed, the RDA has remaining commitments:

	2023	2022
enFocus Fellowship Expansion	\$ 66,665	\$ -
Goshen Pavillion	300,000	300,000
Lundquist Park	181,000	181,000
Mishawaka Fieldhouse	1,749,012	-
Plymouth/Culver Entrepreneurship	400,000	400,000
Portage Place Business	11,210	-
Potawatomi Zoo	411,490	-
Saint Joseph Career Hub	4,883	-
SBE MRG Accelerator	38,967	-
SBERP Intern	2,370	-
Tolson Center for Community Excellence	789,087	-
Total grants payable	\$ 3,954,684	\$ 881,000

NORTHERN INDIANA REGIONAL DEVELOPMENT AUTHORITY

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

(4) Program services

Program services represent grants that were approved for funding. For the year ending December 31, 2023 and 2022, this amount consisted of the following:

	2023	2022
enFocus Fellowship Expansion	\$ 183,332	\$ -
IT Next Path	98,279	-
Marshall County Shell Building	-	382,941
Mishawaka Fieldhouse	1,749,012	-
Portage Place Business	228,993	-
Potawatomi Zoo	1,070,000	-
River District Elkhart	2,251,885	-
Saint Joseph Career Hub	4,883	-
SBE Codeworks Digital Storefront	50,000	-
SBE Momentum	114,733	-
SBE MRG Accelerator	38,967	-
SBERP Intern	16,123	-
Tolson Center for Community Excellence	1,761,191	-
Total program services	\$ 7,567,398	\$ 382,941

(5) Subsequent events

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.

REQUIRED SUPPLEMENTARY INFORMATION

NORTHERN INDIANA REGIONAL DEVELOPMENT AUTHORITY

BUDGETARY COMPARISON REPORT Year Ended December 31, 2023

	<u>Actual</u>	<u>Approved Budget</u>	<u>Variance</u>
REVENUES			
Grants received	\$ 7,933,457	\$ -	\$ 7,933,457
Contributions	-	-	-
TOTAL REVENUES	<u>7,933,457</u>	<u>-</u>	<u>7,933,457</u>
 EXPENSES			
Program Services	7,567,398	-	7,567,398
Supporting Services			
Legal and professional fees	102,312	109,200	(6,888)
Advertising expense	1,263	16,622	(15,359)
Insurance expense	5,877	7,000	(1,123)
Management fees	351,765	346,889	4,876
Consultants and facilitators	2,540	-	2,540
Miscellaneous expenses	-	10,000	(10,000)
TOTAL EXPENSES	<u>8,031,155</u>	<u>489,711</u>	<u>7,541,444</u>
TOTAL OPERATING INCOME	<u>(97,698)</u>	<u>(489,711)</u>	<u>392,013</u>
 NON-OPERATING REVENUE			
Interest income	<u>7,533</u>	<u>-</u>	<u>7,533</u>
TOTAL NON-OPERATING REVENUE	<u>7,533</u>	<u>-</u>	<u>7,533</u>
CHANGE IN NET POSITION	<u>\$ (90,165)</u>	<u>\$ (489,711)</u>	<u>\$ 399,546</u>



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Northern Indiana Regional Development Authority

Report on Internal Control over Financial Reporting

Opinion on Internal Control Over Financial Reporting

We have audited Northern 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). In our opinion, Northern Indiana Regional Development Authority maintained, in all material respects, effective 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).

We also have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Northern Indiana Regional Development Authority, and our report dated April 22, 2024 expressed an unmodified opinion.

Basis for Opinion

We conducted our audit in accordance with GAAS. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Internal Control Over Financial Reporting section of our report. We are required to be independent of Northern 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 opinion.

Responsibilities of Management 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 included in the accompanying Management's Report on Internal Control Over Financial Reporting.

Auditor's Responsibilities for the Audit of Internal Control Over Financial Reporting

Our objectives are to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects and to issue an auditor's report that includes our opinion on internal control over financial reporting. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of internal control over financial reporting conducted in accordance with GAAS will always detect a material weakness when it exists.

In performing an audit of internal control over financial reporting in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Obtain an understanding of internal control over financial reporting, assess the risks that a material weakness exists, and test and evaluate the design and operating effectiveness of internal control over financial reporting based on the assessed risk.

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.



LWG CPAs & Advisors
Indianapolis, Indiana
April 22, 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**

To the Board of Directors
of Northern 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 Northern 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 Northern Indiana Regional Development Authority's basic financial statements, and have issued our report thereon dated April 22, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northern 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 Northern Indiana Regional Development Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Northern 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 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 Northern 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 Northern 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 22, 2024.


LWG CPAs & Advisors
Indianapolis, Indiana
April 22, 2024