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April 29, 2020

Board of Directors  
Northeast Indiana Regional Development Authority  
200 East Main Street, Suite 910  
Fort Wayne, IN 46802

We have reviewed the audit report of the Northeast Indiana Regional Development Authority, which was opined upon by LWG CPAs and Advisors for the period January 1, 2019 to December 31, 2019. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of Northeast Indiana Regional Development Authority as of December 31, 2019, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, the audit report was prepared in accordance with the guidelines established by the 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 blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA  
State Examiner

**NORTHEAST INDIANA REGIONAL  
DEVELOPMENT AUTHORITY**

Financial Statements  
with  
Additional Information

Years Ended December 31, 2019 and 2018

# NORTHEAST INDIANA REGIONAL DEVELOPMENT AUTHORITY

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Northeast Indiana Regional Development Authority

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Northeast Indiana Regional Development Authority, which comprise the statements of net position as of December 31, 2019 and 2018, 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.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northeast Indiana Regional Development Authority as of December 31, 2019 and

2018, and the results of its activities and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Report on Internal Control over Financial Reporting*

We also have audited, in accordance with auditing standards generally accepted in the United States of America, Northeast Indiana Regional Development Authority's internal control over financial reporting as of December 31, 2019, 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 14, 2020 expressed an unmodified opinion.

*Other Matters*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-4 and budgetary comparison information on page 11, be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Reporting Required by Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated April 14, 2020 on our consideration of Northeast 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Northeast Indiana Regional Development Authority's internal control over financial reporting and compliance.



LWG CPAs & Advisors  
Indianapolis, Indiana  
April 14, 2020

# NORTHEAST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION & ANALYSIS Years Ended December 31, 2019, 2018 and 2017

The following discussion and analysis of Northeast Indiana Regional Development Authority's (the "RDA") financial performance provides an introduction and overview of the RDA's financial activities for the year ended December 31, 2019, 2018, and 2017. Please read this discussion in conjunction with the RDA's financial statements and the notes to financial statements immediately following this section.

### Impact

During 2019, the RDA's Board approved one grant to the Grow Wells County project through the regional cities initiative.

During 2018, the RDA's Board had no new requests for funding.

During 2017, the RDA's Board heard 23 separate requests for funding from eight different counties in the region. Of these 23, 17 had been approved by the RDA's Board and six had been conditionally approved by the state by the end of 2017. The total project investment for the 23 projects presented to the RDA is more than \$256 Million. Of that total amount, only \$39.8 Million is from Regional Cities Initiative funding, representing 15.6% of the total project cost. The breakdown of the remaining funding sources is 57.9% private, 23% other public, and 19.1% State of Indiana (of which 15.6% is derived from the Regional Cities Initiative). The aggregate totals of all fourteen projects meet or approach the goals established for the Regional Cities project of at least 60% private investment, 20% other public investment and no more than 20% State of Indiana investment.

The Regional Development Plan for Northeast Indiana (Road to One Million) contains 38 separate projects in four separate major thematic subdivisions. These four divisions, Connecting to Nature, Connecting to Community, Connecting to Culture and Connecting to Ideas each have projects listed as Vision projects, Near-term wins and Longer-term Portfolio projects. These projects represent a "snapshot" of the regionally impactful projects that were ready to be presented to the State of Indiana as part of the Regional Cities Initiative application, but as with any snapshot, tell only a portion of the story. Other projects that were either unknown during the preparation process, or emerged as transformative, viable quality of place projects after the submission of the RDP plan, have also been considered by the RDA's Board and staff.

### Financial Highlights

The following is a summary of the change in net position for the years ended December 31, 2019, 2018, and 2017.

	2019	2018	2017
Revenues	\$ 435,878	\$ 12,248,970	\$ 14,669,243
Program expenses	(423,183)	(11,882,906)	(14,246,081)
Supporting services	(275,465)	(293,948)	(304,072)
Non-operating revenue	142,284	105,054	62,670
Change in net position	\$ <u>(120,486)</u>	\$ <u>177,170</u>	\$ <u>181,760</u>

# NORTHEAST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## MANAGEMENT'S DISCUSSION & ANALYSIS Years Ended December 31, 2019, 2018, and 2017

The RDA had a decrease in net position of \$120,486 during 2019 and positive changes in net position of \$177,170 and \$181,760 for 2018 and 2017, respectively. RDA revenue was derived primarily from grants received. The RDA had \$423,183, \$11,882,906 and \$14,246,081 in program service expenses related to grants that were agreed upon during 2019, 2018, and 2017 respectively. The RDA received additional funding for support services related to operating and managing daily activities.

The following summarizes the RDA's financial position as of December 31, 2019, 2018, and 2017:

	2019	2018	2017
<b>Assets</b>			
Unrestricted cash	\$ 606,055	\$ 726,313	\$ 531,231
Restricted cash	4,608,960	13,364,426	20,587,877
Accounts receivable & other assets	951	775	133,011
Total Assets	\$ 5,215,966	\$ 14,091,514	\$ 21,252,119
<b>Liabilities</b>			
Grants payable	\$ 4,608,960	\$ 13,364,426	\$ 20,696,186
Other liabilities	2,523	2,119	8,134
Total Liabilities	\$ 4,611,483	\$ 13,366,545	\$ 20,704,320
<b>Net Position</b>			
Unrestricted	\$ 285,167	\$ 547,937	475,821
Restricted	319,316	177,032	71,978
Total Net Position	\$ 604,483	\$ 724,969	\$ 547,799

The RDA has restricted cash of \$4,608,960, \$13,364,426 and \$20,587,877 as of December 31, 2019, 2018, and 2017, respectively. These funds have been received from the Indiana Economic Development Corporation for approved funding for grants. Accounts receivable includes amounts due from the IEDC for grants approved but not yet received.

### **The Future**

The RDA is working to create sustainable funding sources that would enable the RDA to continue to provide lasting impacts to quality of place projects in Northeast Indiana. Funding sources being considered include private and public funds through multiple revenue streams.

# NORTHEAST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## STATEMENTS OF FINANCIAL POSITION December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 606,055	\$ 726,313
Restricted cash	4,608,960	13,364,426
Prepaid expenses	<u>951</u>	<u>775</u>
<b>TOTAL ASSETS</b>	<u>\$ 5,215,966</u>	<u>\$ 14,091,514</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 2,523	\$ 2,119
Grants payable	<u>4,608,960</u>	<u>13,364,426</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 4,611,483</u>	<u>\$ 13,366,545</u>
<b>NET POSITION</b>		
Unrestricted	\$ 285,167	\$ 547,937
Restricted	<u>319,316</u>	<u>177,032</u>
<b>TOTAL NET POSITION</b>	<u>\$ 604,483</u>	<u>\$ 724,969</u>

The accompanying notes are an integral part of these statements.

# NORTHEAST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION Years Ended December 31, 2019 and 2018

	Amount		Percent of Revenue	
	2019	2018	2019	2018
<b>REVENUES</b>				
Grants received	\$ 423,183	\$ 11,882,906	97.1	97.0
Grants received - management fee	12,695	366,064	2.9	3.0
TOTAL REVENUES	435,878	12,248,970	100.0	100.0
<b>EXPENSES</b>				
Program Services				
Grow Wells County	423,183	-	97.1	0.0
Strawberry Valley Cultural Trail	-	(140,611)	0.0	(1.1)
UB Block Project	-	1,607,978	0.0	13.1
Landing Redevelopment Project	-	4,268,423	0.0	34.8
Fort Wayne Riverfront Project	-	5,170,480	0.0	42.2
Eagles Theatre Project	-	976,636	0.0	8.0
TOTAL PROGRAM SERVICES	423,183	11,882,906	97.1	97.0
Supporting Services				
Legal and professional fees	23,358	42,151	5.4	0.3
Operating expenses	2,107	1,797	0.5	0.0
Management fee	250,000	250,000	57.2	2.1
TOTAL SUPPORTING SERVICES	275,465	293,948	63.1	2.4
TOTAL EXPENSES	698,648	12,176,854	160.2	99.4
TOTAL OPERATING INCOME	(262,770)	72,116	(60.2)	0.6
<b>NON-OPERATING REVENUE</b>				
Interest income	142,284	105,054	32.6	0.8
TOTAL NON-OPERATING REVENUE	142,284	105,054	32.6	0.8
CHANGE IN NET POSITION	(120,486)	177,170	(27.6)	1.4
NET POSITION - BEGINNING OF YEAR	724,969	547,799		
NET POSITION - END OF YEAR	\$ 604,483	\$ 724,969		

The accompanying notes are an integral part of these statements.

# NORTHEAST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## STATEMENT OF CASH FLOWS Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Grant proceeds	\$ 435,878	\$ 12,360,528
Payments to grantees	(9,178,649)	(19,214,666)
Payments to suppliers and employees	(275,237)	(279,285)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(9,018,008)	(7,133,423)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	142,284	105,054
NET CASH PROVIDED BY INVESTING ACTIVITIES	142,284	105,054
NET CHANGE IN CASH AND CASH EQUIVALENTS	(8,875,724)	(7,028,369)
RESTRICTED CASH, CASH, AND CASH EQUIVALENTS, BEGINNING OF YEAR	14,090,739	21,119,108
RESTRICTED CASH, CASH, AND CASH EQUIVALENTS, END OF YEAR	\$ 5,215,015	\$ 14,090,739
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ (262,770)	\$ 72,116
Decrease (increase) in assets		
Accounts receivable	-	111,558
Prepaid expenses	(176)	20,678
Increase in liabilities		
Accounts payable and other accruals	404	(6,015)
Grants payable	(8,755,466)	(7,331,760)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (9,018,008)	\$ (7,133,423)

The accompanying notes are an integral part of these statements.

# NORTHEAST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Years Ended December 31, 2019 and 2018

### (1) Summary of significant accounting policies

Nature of activities – Northeast Indiana Regional Development Authority (the “RDA”) 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 Northeast Indiana. Only the RDA may apply for matching grants and loans from the state-funded Indiana Regional City Fund, 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 apply for funds that seek to make Indiana a magnet for talent attraction by funding transformative quality of place projects. The RDA is charged with implementing funds to best reach the goals of increasing economic growth, increasing population growth, and enhancing the region’s national brand identity. The RDA chooses projects that will have the most transformative effect in the 11-county region of Adams, Allen, DeKalb, Huntington, Kosciusko, LaGrange, Noble, Steuben, Wabash, Wells, and Whitley 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 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.

Management fee – The RDA receives 3% of approved grant funds to supplement operating expenses incurred. 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.

Grants received – The RDA receives substantially all of its support revenue from the State of Indiana. The Indiana Regional Cities Initiative’s first phase will provide \$42 million to support regional development. These funds are restricted to grants approved by the RDA and IEDC for state funding.

# NORTHEAST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Years Ended December 31, 2019 and 2018

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

Grants payable – The RDA is committed to pay various organizations via reimbursement based grants. These payments are made when the organization had 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 RDA 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 and restricted cash– 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. 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 supporting services net of expenditures and is available for the use of the RDA. Interest income is considered restricted as any expenditures paid from interest earned is subject to approval by the IEDC.

### **(2) Management agreement**

The RDA has entered into an agreement 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, 2019 and 2018, payments totaled \$250,000 each year.

# NORTHEAST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS Years Ended December 31, 2019 and 2018

### (3) Commitments

Since the inception of the RDA, there have been contracts awarded for approved projects within Northeast Indiana. The RDA has the following commitments for grants awarded but not yet completed, as of December 31, 2019 and 2018:

	2019	2018
Grow Wells County	\$ 196,953	\$ -
NE IN Youth Development	-	132,580
Regional Trails Fort Wayne	411,988	411,988
Kendallville Outdoor Recreation Center	-	137,200
Michiana Event Center	354	354
North Buffalo Street Redevelopment	1,885,000	3,500,000
Posterity Scholar House	173,893	1,242,090
South Adams Trails	-	498,000
Strawberry Valley Cultural Trail	8,741	8,741
Wabash River Trail	941,031	941,031
UB Block Project	80,399	1,607,978
Fort Wayne Riverfront Project	880,633	3,877,860
Eagles Theatre Project	-	976,636
Allocable Project Fund	29,968	29,968
Total grants payable	\$ 4,608,960	\$ 13,364,426

### (4) Subsequent events

Subsequent events have been evaluated through the date of the Independent Auditor's Report, the date of which the financial statements were available for distribution.

## **REQUIRED SUPPLEMENTARY INFORMATION**

# NORTHEAST INDIANA REGIONAL DEVELOPMENT AUTHORITY

## BUDGETARY COMPARISON REPORT Year Ended December 31, 2019

	Actual	Budget	Variance
<b>REVENUES</b>			
Grants received	\$ 423,183	\$ 759,414	\$ (336,231)
Management fee	12,695	1,557	11,138
TOTAL REVENUES	435,878	760,971	(325,093)
<b>EXPENSES</b>			
Program Services			
Project Funding	423,183	936,446	(513,263)
TOTAL PROGRAM SERVICES	423,183	936,446	(513,263)
Supporting Services			
Legal and professional fees	23,358	27,000	(3,642)
Operating expenses	2,107	2,000	107
Management fee	250,000	250,000	-
TOTAL SUPPORTING SERVICES	275,465	279,000	(3,535)
TOTAL EXPENSES	698,648	1,215,446	(516,798)
TOTAL OPERATING INCOME	(262,770)	(454,475)	191,705
<b>NON-OPERATING REVENUE</b>			
Interest income	142,284	45,000	97,284
TOTAL NON-OPERATING REVENUE	142,284	45,000	97,284
CHANGE IN NET POSITION	\$ (120,486)	\$ (409,475)	\$ 288,989



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Northeast Indiana Regional Development Authority

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

We have audited Northeast Indiana Regional Development Authority's internal control over financial reporting as of December 31, 2019, 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 audits 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, Northeast Indiana Regional Development Authority maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on 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 Northeast Indiana Regional Development Authority, and our report dated April 14, 2020 expressed an unmodified opinion.



LWG CPAs & Advisors  
Indianapolis, Indiana  
April 14, 2020



**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  
Northeast 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 Northeast Indiana Regional Development Authority as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Northeast Indiana Regional Development Authority's basic financial statements, and have issued our report thereon dated April 14, 2020.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Northeast 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 Northeast Indiana Regional Development Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Northeast 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 Northeast 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 Northeast Indiana Regional Development Authority as of and for the year ended December 31, 2019, 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 14, 2020.



LWG CPAs & Advisors  
Indianapolis, Indiana  
April 14, 2020