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April 14, 2022

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 & Advisors for the period January 1, 2021 to December 31, 2021. 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, 2021, 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 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".

Tammy R. White, CPA
Deputy State Examiner

NORTHEAST INDIANA REGIONAL
DEVELOPMENT AUTHORITY

Financial Statements
with
Additional Information

Years Ended December 31, 2021 and 2020

NORTHEAST INDIANA REGIONAL DEVELOPMENT AUTHORITY

CONTENTS

	Pages
Independent Auditors' Report	1-3
Management's Discussion & Analysis	4-5
Financial Statements	
Statement of Financial Position	6
Statement of Activities and Changes in Net Position	7
Statement of Cash Flows	8
Notes to Financial Statements	9-11
Required Supplementary Information	
Budgetary Comparison Report	12
Independent Auditors' Report on Internal Control	13-14
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	15-16



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Northeast Indiana Regional Development Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Northeast Indiana Regional Development Authority, as of and for the year ended December 31, 2021 and 2020 and the related notes to the financial statements, which collectively comprise Northeast 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 Northeast Indiana Regional Development Authority, as of December 31, 2021 and 2020 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 Northeast 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

Northeast 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 Northeast Indiana Regional Development Authority's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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.
- 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 Northeast 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 management's discussion and analysis on pages 5-6 and the budgetary comparison information on page 12 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 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.

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, 2021, 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 March 8, 2022 expressed an unmodified opinion.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2022 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 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 Northeast Indiana Regional Development Authority's internal control over financial reporting and compliance.



LWG CPAs & Advisors
Indianapolis, Indiana
March 8, 2022

NORTHEAST INDIANA REGIONAL DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION & ANALYSIS Years Ended December 31, 2021, 2020 and 2019

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, 2021, 2020, and 2019. Please read this discussion in conjunction with the RDA's financial statements and the notes to financial statements immediately following this section.

Impact

During 2021, the RDA's Board had no new request for funding.

During 2020, the RDA's Board approved four grants and one grant's status was updated from conditional approval to approved through the Regional Cities Initiative. These grants totaled approximately \$674,000 for projects in the area.

During 2019, the RDA's Board approved one grant of \$423,183 to the Grow Wells County project through the Regional Cities Initiative.

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, 2021, 2020, and 2019.

	2021	2020	2019
Revenues	\$ -	\$ 555,415	\$ 435,878
Program expenses	-	(673,612)	(423,183)
Supporting services	(214,945)	(161,261)	(275,465)
Non-operating revenue	2,012	20,960	142,284
Change in net position	\$ (212,933)	\$ (258,498)	\$ (120,486)

The RDA had a decrease in net position of \$212,933, \$258,498, and 120,486 during 2021, 2020, and 2019 respectively. RDA revenue was derived primarily from grants received. The RDA had \$0, \$673,612, and \$423,183 in program service expenses related to grants that were agreed upon during 2021, 2020, and 2019 respectively.

NORTHEAST INDIANA REGIONAL DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION & ANALYSIS Years Ended December 31, 2021, 2020, and 2019

The following summarizes the RDA's financial position as of December 31, 2021, 2020, and 2019:

	2021	2020	2019
Assets			
Unrestricted cash	\$ 60,502	\$ 220,537	\$ 606,055
Restricted cash	2,104,166	2,435,761	4,608,960
Other assets	92,051	125,818	951
 Total Assets	 \$ 2,256,719	 \$ 2,782,116	 \$ 5,215,966
 Liabilities			
Grants payable	\$ 2,104,166	\$ 2,435,761	\$ 4,608,960
Other liabilities	19,501	370	2,523
 Total Liabilities	 \$ 2,123,667	 \$ 2,436,131	 \$ 4,611,483
 Net Position			
Unrestricted	\$ (209,236)	\$ 5,709	285,167
Restricted	342,288	340,276	319,316
 Total Net Position	 \$ 133,052	 \$ 345,985	 \$ 604,483

The RDA has restricted cash of \$2,104,166, \$2,435,761, and \$4,608,960 as of December 31, 2021, 2020, and 2019, respectively. These funds have been received from the Indiana Economic Development Corporation for approved funding for grants. Other assets includes prepaid expenses and accounts receivable 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.

In December 2021, the RDA was awarded \$50 million to support Northeast Indiana's regional economic development plan as part of the State of Indiana's Regional Economic Acceleration and Development Initiative (READI). The RDA is planning on leveraging the READI funding to support the "Growing the Vision" plan, which showcases over 130 projects from across Northeast Indiana totaling more than \$2 billion of investment.

NORTHEAST INDIANA REGIONAL DEVELOPMENT AUTHORITY

STATEMENTS OF FINANCIAL POSITION December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 60,502	\$ 220,537
Restricted cash	2,104,166	2,435,761
Accounts receivable	7,752	-
Prepaid expenses	<u>84,299</u>	<u>125,818</u>
TOTAL ASSETS	\$ <u>2,256,719</u>	\$ <u>2,782,116</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 19,501	\$ 370
Grants payable	<u>2,104,166</u>	<u>2,435,761</u>
TOTAL LIABILITIES	\$ <u>2,123,667</u>	\$ <u>2,436,131</u>
NET POSITION		
Unrestricted	\$ (209,236)	\$ 5,709
Restricted	<u>342,288</u>	<u>340,276</u>
TOTAL NET POSITION	\$ <u><u>133,052</u></u>	\$ <u><u>345,985</u></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, 2021 and 2020

	Amount		Percent of Revenue	
	2021	2020	2021	2020
REVENUES				
Grants received	\$ -	\$ 516,553	0.0	93.0
Grants received - management fee	-	38,862	0.0	7.0
TOTAL REVENUES	-	555,415	0.0	100.0
EXPENSES				
Program Services				
Steuben County Economic Development Corp.	-	100,000	0.0	18.0
Cass Housing, Inc.	-	200,000	0.0	36.0
The Community Learning Center, Inc.	-	183,000	0.0	32.9
City of Decatur, Indiana	-	50,000	0.0	9.0
Strawberry Valley Cultural Trail	-	140,612	0.0	25.3
TOTAL PROGRAM SERVICES	-	673,612	0.0	121.2
Supporting Services				
Professional fees	171,028	34,135	0.0	6.1
Operating expenses	2,217	2,126	0.0	0.4
Management fee	41,700	125,000	0.0	22.5
TOTAL SUPPORTING SERVICES	214,945	161,261	0.0	29.0
TOTAL EXPENSES	214,945	834,873	0.0	150.2
TOTAL OPERATING INCOME	(214,945)	(279,458)	0.0	(50.2)
NON-OPERATING REVENUE				
Interest income	2,012	20,960	0.0	3.7
TOTAL NON-OPERATING REVENUE	2,012	20,960	0.0	3.7
CHANGE IN NET POSITION	(212,933)	(258,498)	0.0	(46.5)
NET POSITION - BEGINNING OF YEAR	345,985	604,483		
NET POSITION - END OF YEAR	\$ 133,052	\$ 345,985		

The accompanying notes are an integral part of these statements.

NORTHEAST INDIANA REGIONAL DEVELOPMENT AUTHORITY

STATEMENT OF CASH FLOWS Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Grant proceeds	\$ -	\$ 555,415
Payments to grantees	(331,595)	(2,846,811)
Payments to suppliers and employees	(162,047)	(288,281)
	<u>(493,642)</u>	<u>(2,579,677)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	2,012	20,960
	<u>2,012</u>	<u>20,960</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		
NET CHANGE IN CASH AND CASH EQUIVALENTS	(491,630)	(2,558,717)
RESTRICTED CASH, CASH, AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,656,298</u>	<u>5,215,015</u>
RESTRICTED CASH, CASH, AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,164,668</u>	<u>\$ 2,656,298</u>
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ (214,945)	\$ (279,458)
Decrease (increase) in assets		
Accounts receivable	(7,752)	-
Prepaid expenses	41,519	(124,867)
Increase in liabilities		
Accounts payable and other accruals	19,131	(2,153)
Grants payable	(331,595)	(2,173,199)
	<u>(493,642)</u>	<u>(2,579,677)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ (493,642)</u>	<u>\$ (2,579,677)</u>

The accompanying notes are an integral part of these statements.

NORTHEAST INDIANA REGIONAL DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS Years Ended December 31, 2021 and 2020

(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, 2021 and 2020

(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.

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.

(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, 2021 and 2020, payments totaled \$0 and \$250,000, respectively. The 2020 payment was for 2020 management services as well as a prepayment of 2021 through 2023 management services.

NORTHEAST INDIANA REGIONAL DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS Years Ended December 31, 2021 and 2020

(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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Grow Wells County	\$ -	\$ 65,513
North Buffalo Street Redevelopment	1,885,000	1,885,000
Strawberry Valley Cultural Trail	-	10,301
Wabash River Trail	208,865	474,947
Allocable Project Fund	<u>10,301</u>	<u>-</u>
Total grants payable	<u>\$ 2,104,166</u>	<u>\$ 2,435,761</u>

(4) Subsequent events

In December 2021, the RDA was awarded \$50 million through the State of Indiana's READI grant program. As of March 8, 2022, no grants had been awarded to recipients from the RDA and no amounts received from the State of Indiana.

REQUIRED SUPPLEMENTARY INFORMATION

NORTHEAST INDIANA REGIONAL DEVELOPMENT AUTHORITY

BUDGETARY COMPARISON REPORT Year Ended December 31, 2021

	Actual	Budget	Variance
REVENUES			
Grants received	\$ -	\$ -	\$ -
Management fee	-	-	-
TOTAL REVENUES	-	-	-
EXPENSES			
Program Services			
Project Funding	-	-	-
TOTAL PROGRAM SERVICES	-	-	-
Supporting Services			
Legal and professional fees	171,028	19,000	152,028
Operating expenses	2,217	2,000	217
Management fee	41,700	41,700	-
TOTAL SUPPORTING SERVICES	214,945	62,700	152,245
TOTAL EXPENSES	214,945	62,700	152,245
TOTAL OPERATING INCOME	(214,945)	(62,700)	(152,245)
NON-OPERATING REVENUE			
Interest income	2,012	3,000	(988)
TOTAL NON-OPERATING REVENUE	2,012	3,000	(988)
CHANGE IN NET POSITION	\$ (212,933)	\$ (59,700)	\$ (153,233)



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Northeast Indiana Regional Development Authority

Report on Internal Control over Financial Reporting

Opinion on Internal Control Over Financial Reporting

We have audited Northeast Indiana Regional Development Authority's internal control over financial reporting as of December 31, 2021, 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, Northeast Indiana Regional Development Authority maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, 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 Northeast Indiana Regional Development Authority, and our report dated March 8, 2022 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 Northeast 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 [*applicable financial reporting framework, such as 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
March 8, 2022



**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, 2021, 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 March 8, 2022.

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, 2021, 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 March 8, 2022.



LWG CPAs & Advisors
Indianapolis, Indiana
March 8, 2022