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September 23, 2022

Board of Directors
Indiana Resource Center for Families with Special Needs, Inc.
d/b/a In*Source
701 N Niles Avenue, Suite 110
South Bend, IN 46617

We have reviewed the report of Indiana Resource Center for Families with Special Needs, Inc. d/b/a In*Source, which was opined upon by Cullar & Associates, PC, Independent Public Accountants, for the period July 1, 2020 to June 30, 2021. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Indiana Resource Center for Families with Special Needs, Inc. d/b/a In*Source, as of June 30, 2021 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Cullar & Associates, PC 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 cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

FINANCIAL AND COMPLIANCE REPORT

INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.
D/B/A IN*SOURCE

June 30, 2021 and 2020

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

To the Board of Directors
Indiana Resource Center for Families With Special Needs, Inc.
South Bend, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of Indiana Resource Center for Families With Special Needs, Inc., which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. 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 audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Indiana Resource Center for Families With Special Needs, Inc. as of June 30, 2021 and 2020,

and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2022 on our consideration of Indiana Resource Center for Families With Special Needs, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Indiana Resource Center for Families With Special Needs, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Indiana Resource Center for Families With Special Needs, Inc.'s internal control over financial reporting and compliance.

Cullen & Associates, P.C.

South Bend, Indiana
February 17, 2022

INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets:		
Cash and cash equivalents	\$ 7,466	\$ 71,153
Grants and contracts receivable	161,903	98,643
Prepaid expenses	28,505	21,393
Property and equipment	<u>23,962</u>	<u>2,614</u>
<i>Total assets</i>	<u>\$ 221,836</u>	<u>\$ 193,803</u>
 Liabilities and Net Assets:		
Liabilities:		
Note payable, bank	\$ 32,900	\$ -
Accounts payable and accrued liabilities	50,295	87,008
Capital lease obligation	<u>8,047</u>	<u>2,663</u>
<i>Total liabilities</i>	<u>91,242</u>	<u>89,671</u>
 Net Assets - without donor restrictions and in total	 <u>130,594</u>	 <u>104,132</u>
 <i>Total liabilities and net assets</i>	 <u>\$ 221,836</u>	 <u>\$ 193,803</u>

The accompanying notes are an integral part of these financial statements.

INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenue, Support, and Gains:		
Government-funded grants and contracts:		
Collaborative Parent Involvement Project	\$ 1,549,545	\$ 1,539,171
Parent Training and Information Center	415,955	399,800
Family Employment Awareness Training	11,750	3,000
Project Launch	17,500	9,023
Parent Technical Assistance Center	13,445	31,200
PreETS	3,538	-
Contributions and other	10,245	19,727
Special events	11,528	5,174
<i>Total revenue, support, and gains</i>	<u>2,033,506</u>	<u>2,007,095</u>
Expenses:		
Program services expenses:		
Collaborative Parent Involvement Project	1,430,432	1,438,981
Parent Training	385,389	374,990
Family Employment Awareness Training	3,460	1,367
Parent Technical Assistance Center	6,479	13,285
Project Launch	11,054	3,080
PreETS	20,398	-
<i>Total program services expenses</i>	<u>1,857,212</u>	<u>1,831,703</u>
Supporting services expenses:		
Management and general	146,564	131,320
Fundraising	3,268	271
<i>Total supporting services expenses</i>	<u>149,832</u>	<u>131,591</u>
<i>Total expenses</i>	<u>2,007,044</u>	<u>1,963,294</u>
Change in net assets -without donor restrictions		
and in total	26,462	43,801
Net assets - without donor restrictions and in total,		
beginning of year	<u>104,132</u>	<u>60,331</u>
<i>Net assets - without donor restrictions and in total,</i>		
<i>end of year</i>	<u>\$ 130,594</u>	<u>\$ 104,132</u>

The accompanying notes are an integral part of these financial statements.

INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021

	Collaborative Parent <u>Involvement</u>	Parent Parent <u>Training</u>	Family Employment Awareness <u>Training</u>	Parent Technical Assistance <u>Center</u>	Project Launch	PreETS	Management and General	Fund- raising	Totals
Personnel:									
Salaries and wages	\$ 975,716	\$ 248,379	\$ 3,076	\$ 5,750	\$ 9,795	\$ 18,071	\$ 84,475	\$ -	\$ 1,345,262
Retirement	51,141	13,032	127	288	488	904	4,423	-	70,403
Other benefits	164,705	27,839	-	-	-	-	13,603	-	206,147
Payroll taxes	<u>74,101</u>	<u>19,287</u>	<u>247</u>	<u>441</u>	<u>771</u>	<u>1,423</u>	<u>6,462</u>	-	<u>102,732</u>
<i>Total personnel</i>	1,265,663	308,537	3,450	6,479	11,054	20,398	108,963	-	1,724,544
Travel	2,583	350	-	-	-	-	449	-	3,382
Occupancy	35,481	16,439	-	-	-	-	2,394	-	54,314
Communications	32,413	5,747	-	-	-	-	-	-	38,160
Equipment use	3,404	887	-	-	-	-	-	-	4,291
Printing	15,820	181	-	-	-	-	-	-	16,001
Office supplies	15,215	8,712	10	-	-	-	47	-	23,984
Postage	1,310	565	-	-	-	-	62	-	1,937
Literature	283	69	-	-	-	-	-	-	352
Professional fees	-	-	-	-	-	-	16,275	-	16,275
Contracted services	37,382	35,285	-	-	-	-	16,244	-	88,911
Training and conferences	-	7,580	-	-	-	-	-	-	7,580
Interest	496	125	-	-	-	-	1,047	-	1,668
Depreciation	3,452	863	-	-	-	-	-	-	4,315
Other	<u>16,930</u>	<u>49</u>	-	-	-	-	<u>1,083</u>	<u>3,268</u>	<u>21,330</u>
<i>Totals</i>	<u>\$ 1,430,432</u>	<u>\$ 385,389</u>	<u>\$ 3,460</u>	<u>\$ 6,479</u>	<u>\$ 11,054</u>	<u>\$ 20,398</u>	<u>\$ 146,564</u>	<u>\$ 3,268</u>	<u>\$ 2,007,044</u>

The accompanying notes are an integral part of these financial statements.

INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2020

	Collaborative Parent <u>Involvement</u>	Parent Parent <u>Training</u>	Family Employment Awareness <u>Training</u>	Parent Technical Assistance <u>Center</u>	Project Launch	Management and General	Fund- raising	Totals
Personnel:								
Salaries and wages	\$ 962,480	\$ 245,796	\$ 127	\$ 10,149	\$ 1,864	\$ 73,647	\$ -	\$ 1,294,063
Retirement	50,304	12,731	7	491	110	3,841	-	67,484
Other benefits	149,249	31,699	-	-	-	15,156	-	196,104
Payroll taxes	<u>73,743</u>	<u>19,262</u>	<u>10</u>	<u>790</u>	<u>146</u>	<u>5,634</u>	-	<u>99,585</u>
<i>Total personnel</i>	1,235,776	309,488	144	11,430	2,120	98,278	-	1,657,236
Stipends	1,200	-	-	-	-	-	-	1,200
Travel	29,362	11,214	823	1,838	810	293	-	44,340
Occupancy	35,829	15,834	400	-	-	1,968	-	54,031
Communications	39,372	6,859	-	-	-	-	-	46,231
Equipment use	11,331	2,572	-	-	-	-	-	13,903
Printing	3,162	723	-	-	-	-	-	3,885
Office supplies	32,204	8,268	-	17	150	-	-	40,639
Postage	4,609	675	-	-	-	134	-	5,418
Literature	279	63	-	-	-	-	-	342
Professional fees	-	-	-	-	-	16,025	-	16,025
Contracted services	25,216	14,730	-	-	-	10,400	-	50,346
Training and conferences	11,604	2,436	-	-	-	-	-	14,040
Interest	597	141	-	-	-	3,554	-	4,292
Depreciation	8,440	1,987	-	-	-	-	-	10,427
Other	-	-	-	-	-	668	271	939
<i>Totals</i>	<u>\$ 1,438,981</u>	<u>\$ 374,990</u>	<u>\$ 1,367</u>	<u>\$ 13,285</u>	<u>\$ 3,080</u>	<u>\$ 131,320</u>	<u>\$ 271</u>	<u>\$ 1,963,294</u>

The accompanying notes are an integral part of these financial statements.

INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2021 and 2020

Change in Cash and Cash Equivalents:	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Cash received from government-funded grants and contracts	\$ 1,948,473	\$ 2,083,636
Cash received from others	21,773	24,901
Cash for salaries, benefits, and payroll taxes	(1,775,735)	(1,634,722)
Cash paid to vendors and others	(269,151)	(320,368)
Interest paid	<u>(1,668)</u>	<u>(4,292)</u>
<i>Net cash provided by (used in) operating activities</i>	<u>(76,308)</u>	<u>149,155</u>
Cash Flows from Investing Activities:		
Purchase of property and equipment	<u>(16,300)</u>	<u>-</u>
Cash Flows from Financing Activities:		
Net borrowings (payments) on note payable, bank	32,900	(68,600)
Payments on capital lease obligations	<u>(3,979)</u>	<u>(10,073)</u>
<i>Net cash provided by (used in) financing activities</i>	<u>28,921</u>	<u>(78,673)</u>
Net change in cash and cash equivalents	(63,687)	70,482
Cash and cash equivalents, beginning of year	<u>71,153</u>	<u>671</u>
<i>Cash and cash equivalents, end of year</i>	<u>\$ 7,466</u>	<u>\$ 71,153</u>
Reconciliation of Change in Net Assets to Net Cash Provided by (Used In) Operating Activities:		
Change in net assets	\$ 26,462	\$ 43,801
Add (deduct) items not requiring (providing) cash:		
Depreciation	4,315	10,427
(Increase) decrease in grants and contracts receivable	(63,260)	101,442
(Increase) decrease in prepaid expenses	(7,112)	4,073
Increase (decrease) in accounts payable and accrued liabilities	<u>(36,713)</u>	<u>(10,588)</u>
<i>Net cash provided by (used in) operating activities</i>	<u>\$ (76,308)</u>	<u>\$ 149,155</u>
Non-Cash Investing and Financing Activities:		
Purchase of property and equipment under a capital lease	<u>\$ 9,363</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization:

Indiana Resource Center for Families with Special Needs, Inc., doing business as In*Source, (the Organization, we, us, our) is an Indiana nonprofit corporation that administers programs designed to gather and disseminate information on education services for the handicapped, to cooperate with public and private agencies in increasing educational opportunities for the handicapped, and to counsel parents of handicapped persons so as to enable their children to reach their fullest potential as persons and citizens. Our operations are supported primarily by awards from governmental agencies.

Significant Accounting Policies:

Use of Estimates:

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts. Significant estimates used in the accompanying financial statements include:

- Revenue recognized from government-funded grants and contracts. We earn revenue from awards that are governed by federal and State cost principles and other administrative and programmatic regulations and are subject to audit by regulatory authorities. It is at least reasonably possible that revenue earned under such awards will be adjusted upon audit.
- The allocation of expenses among functions. Expenses that are directly identifiable with functions are charged to those functions. Expenses related to more than one function are allocated to functions based on estimates of employee time spent on functions, space used by function, and other factors driving costs.

Net Asset Classes:

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- *Net assets without donor restrictions* – Net assets available for use in general operations and not subject to donor restrictions.
- *Net assets with donor restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity; however, to date we not received any such net assets. Donor-imposed restrictions are released when a restriction expires; that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was

INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

restricted has been fulfilled, or both. We had no net assets with donor restrictions at either June 30, 2021 or 2020.

Cash and Cash Equivalents:

We consider highly liquid financial instruments with original maturities of three months or less and that are neither held for nor restricted by donors for long-term purposes to be cash and cash equivalents.

Grants and Contracts Receivable:

Unconditional promises to give (grants and contracts receivable) that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value, using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in revenue in the statements of activities. The allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written-off when deemed uncollectable.

Property and Equipment:

Property and equipment is recorded at cost, if purchased, or at fair value at the date of donation, if donated. Depreciation is computed by the straight-line method over the estimated useful life of the assets, generally from three to five years.

Revenue and Revenue Recognition:

Contributions and grants:

Contributions and grants are recognized as revenue when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional contributions are not recognized as revenue until the conditions on which they depend have been substantially met. Amounts received from conditional contributions are reported as refundable grant advances in the statement of financial position until the conditions are satisfied.

Revenue from cost-reimbursable and fee-for-service awards are recognized as revenue when allowable expenditures are incurred or allowable services are performed. Amounts received in advance of incurring allowable costs or performing allowable services are reported as refundable grant advances in the statement of financial position.

Contributions and grants expected to be collected within one year are recorded at net realizable value. Contributions and grants expected to be collected in more than one year are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using interest rates applicable to the periods in which the promises are received. Amortization of the discounts is included in contributions revenues.

INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

We consider all contributions to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as net assets with donor restrictions.

Donated marketable securities and other non-cash donations are recorded as contributions at their fair values at the date of donation. Contributions of services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated, are recorded at their fair value in the period received. No amounts for contributed services were recognized in the accompanying financial statements; however, a substantial number of unpaid volunteers make significant contributions of their time to us that do not meet the requirements to be recognized in the financial statements.

Functional Allocation of Expenses:

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function and report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, insurance, communications, office supplies, equipment maintenance, and others, which are allocated on the basis of estimates of time and effort or other factors driving expenses.

Income Taxes:

We are exempt from income tax under Internal Revenue Code Section 501(c)(3) and a similar section of the Indiana Code, except for taxes on unrelated business income. Consequently, the accompanying financial statements generally contain no provision for income taxes. The Internal Revenue Service classifies the Organization as other than a private foundation under Internal Revenue Code Section 509(a)(1).

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Examples of tax positions include our tax-exempt status and positions related to the potential sources of unrelated business taxable income. Management has not identified any uncertain tax positions taken or expected to be taken in a tax return, and there are no unrecognized tax benefits recorded as liabilities in the accompanying financial statements. We classify interest and penalties, if any, associated with uncertain tax positions as a component of income tax expense. There was no accrued interest or penalties related to unrecognized tax benefits at either June 30, 2021 or 2020, or any interest or penalties expense related to unrecognized tax benefits for the years then ended. We are no longer subject to examination by the Internal Revenue Service or the State of Indiana for periods ended prior to June 30, 2018.

INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

Subsequent Events Information and Uncertainty Regarding the Pandemic:

The date through which events occurring subsequent to June 30, 2021 have been evaluated for possible adjustment to the financial statements or disclosure is February 17, 2022, date on which the financial statements were available to be issued.

While our funding and operations have been largely unaffected by the COVID-19 pandemic, the full scope of the future impact of the ongoing pandemic on the results of our activities, cash flows, and financial position cannot be reasonably estimated at this time.

NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure (that is, without donor or other restrictions limiting their use) within one year of June 30, 2021 and 2020, respectively, are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 7,466	\$ 71,153
Grants and contracts receivable	<u>161,903</u>	<u>98,643</u>
<i>Total financial assets available for general expenditure</i>	<u>\$ 169,369</u>	<u>\$ 169,796</u>

As part of our liquidity management, we have a policy to structure our financial assets to be available as our general expenditures, liabilities, and other obligations come due. In addition, as discussed in Note 5, we have available a \$300,000 bank line of credit.

NOTE 3. GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable at both June 30, 2021 and 2020 consist of amounts unconditionally promised to us for various programs. All amounts are expected to be collected in the next year, and no allowance for doubtful accounts is considered necessary. In addition, at June 30, 2021, we had also received approximately \$3,500,000 in conditional promises to give in excess of allowable costs incurred under cost-reimbursable awards. Such promises will be recognized as revenue if and when allowable costs are incurred.

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2021 and 2020, respectively:

	<u>2021</u>	<u>2020</u>
Equipment	\$ 66,405	\$ 84,129
Less accumulated depreciation	<u>(42,443)</u>	<u>(81,515)</u>
<i>Net property and equipment</i>	<u>\$ 23,962</u>	<u>\$ 2,614</u>

INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE 5. NOTE PAYABLE, BANK

We maintain a \$300,000 bank line of credit, bearing interest at bank prime (3.25% at June 30, 2021), collateralized by substantially all of our business assets. Outstanding balances of \$32,900 and \$-0- were drawn on the line at June 30, 2021 and 2020, respectively.

NOTE 6. LEASE INFORMATION

We lease certain office equipment capital leases, one of which expired in 2021, and one of which is through October 2024. The asset and liability under the leases were recorded at the lower of the present value of the minimum lease payments or the fair value of the assets. The assets are being amortized over the lesser of the related lease term or the estimated useful lives. Amortization of the capital-leased assets included in depreciation expense was \$2,696 and \$8,677 for the years ended June 30, 2021 and 2020, respectively. The net book value of the capital-leased assets is as follows at June 30, 2021 and 2020, respectively:

	<u>2021</u>	<u>2020</u>
Gross cost of assets	\$ 9,363	\$ 43,387
Less accumulated depreciation	<u>(1,248)</u>	<u>(41,939)</u>
<i>Net book value of capital leased assets</i>	<u>\$ 8,115</u>	<u>\$ 1,448</u>

We also lease our main office facilities under an operating lease expiring in March 2026, and we lease other facilities on a month-by-month basis. Total lease expense was \$44,950 and \$35,600 for the years ended June 30, 2021 and 2020, respectively.

Total minimum future rental payments due under these leases at June 30, 2021 for each of the next five years and in the aggregate are as follows:

	<u>Capital Lease</u>	<u>Operating Leases</u>	<u>Totals</u>
2022	\$ 2,844	\$ 32,205	\$ 35,049
2023	2,844	32,205	35,049
2024	2,844	32,205	35,049
2025	949	32,205	33,154
2026	<u>-</u>	<u>24,155</u>	<u>24,155</u>
<i>Totals</i>	9,481	<u>\$ 152,975</u>	<u>\$ 162,456</u>
Less imputed interest	<u>(1,434)</u>		
<i>Obligation under capital lease</i>	<u>\$ 8,047</u>		

NOTE 7. RETIREMENT PLAN

We maintain a defined-contribution retirement plan that covers substantially all of our full-time employees. Retirement expense was \$70,403 and \$67,484 for the years ended June 30, 2021 and 2020, respectively.

INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 8. CONCENTRATIONS

Our contributors and activities are concentrated in Indiana. Accordingly, our contributions and other sources of support and revenue may be affected by conditions in that area. In addition, of total revenues for the year ended June 30, 2021, approximately 76% was earned from one state grant and approximately 21% was earned from one federal grant. Of total revenues for the year ended June 30, 2020, approximately 77% was earned from one state grant and approximately 20% was earned from one federal grant.

Financial instruments that expose us to concentrations of credit risk consist primarily of grants receivable. At June 30, 2021, of total grants receivable, approximately 79% and 12%, respectively, was due from Indiana Department of Education and U. S. Department of Education. At June 30, 2020, of total grants receivable, approximately 71% and 18%, respectively, was due from Indiana Department of Education and U. S. Department of Education.

INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

<u>Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Assistance Listings Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided Through to Subrecipients</u>	<u>Total Expenditures</u>
<i>Department of Education:</i>				
Passed-Through Indiana Department of Education:				
Special Education Cluster (IDEA):				
Special Education Grants to States	84.027	#19694	\$ -	\$ 1,549,545
Passed-through Indiana Family and Social Services Administration:				
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	#45250	-	3,538
Passed-Through PACER Center, Inc.:				
Rehabilitation Services Demonstration and Training Programs	84.235	N/A	-	17,500
Special Education Parent Information Centers	84.328	H328M140004-19 & H328M000021	-	415,955
Passed-Through Wisconsin Family Assistance Center for Education, Training and Support, Inc.:				
Special Education Parent Information Centers	84.328	N/A	-	13,445
<i>Total Special Education Parent Information Centers</i>			-	429,400
<i>Total Department of Education programs</i>			-	1,999,983
Total expenditures of federal awards			<u>\$ -</u>	<u>\$ 1,999,983</u>

The accompanying notes are an integral part of this schedule.

INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activities of Indiana Resource Center for Families with Special Needs, Inc. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Indiana Resource Center for Families with Special Needs, Inc., it is not intended to and does not present our financial position, changes in net assets, or cash flows of Indiana Resource Center for Families with Special Needs, Inc.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATE

Indiana Resource Center for Families with Special Needs, Inc. has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4. FAIR MARKET VALUE OF DONATED PERSONAL PROTECTIVE EQUIPMENT (UNAUDITED)

During the year ended June 30, 2021, Indiana Resource Center for Families with Special Needs, Inc. did not receive donated personal protective equipment from federal sources.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Indiana Resource Center for Families With Special Needs, Inc.
South Bend, Indiana

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 Indiana Resource Center for Families With Special Needs, Inc., which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated January XX, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Indiana Resource Center for Families With Special Needs, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Indiana Resource Center for Families With Special Needs, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cullen & Associates, P.C.

South Bend, Indiana
February 17, 2022

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

To the Board of Directors
Indiana Resource Center for Families With Special Needs, Inc.
South Bend, Indiana

Report on Compliance for Each Major Federal Program

We have audited Indiana Resource Center for Families With Special Needs, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Indiana Resource Center for Families With Special Needs, Inc.'s major federal programs for the year ended June 30, 2021. Indiana Resource Center for Families With Special Needs, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Indiana Resource Center for Families With Special Needs, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Indiana Resource Center for Families With Special Needs, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Indiana Resource Center for Families With Special Needs, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Indiana Resource Center for Families With Special Needs, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of Indiana Resource Center for Families With Special Needs, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Indiana Resource Center for Families With Special Needs, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Indiana Resource Center for Families With Special Needs, Inc.'s internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Cullen & Associates, P.C.

South Bend, Indiana
February 17, 2022

INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of report auditor issued on whether the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America Unmodified

Internal control over financial reporting-

- Material weaknesses identified? No
- Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

FEDERAL AWARDS

Internal control over major federal programs-

- Material weaknesses identified? No
- Significant deficiencies identified? None reported

Type of auditor’s report issued on compliance for major federal programs- Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

CFDA Number

Name of Federal Program or Cluster

84.027

Special Education Cluster (IDEA):
Special Education Grants to States

Dollar threshold used to distinguish between Type A and Type B programs- \$750,000

Auditee qualified as low-risk auditee? Yes

INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

Section II – Financial Statement Findings

There were no financial statement findings.

Section III – Federal Award Findings and Questioned Costs

There were no findings or questioned costs in the major federal award programs audit.

INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2021

There were no findings in the June 30, 2020 audit.



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