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December 22, 2022

Board of Directors
Central Indiana Regional Development Authority
9800 Connecticut Drive
Crown Point, IN 46307

We have reviewed the audit report of the Central Indiana Regional Development Authority, which was opined upon by Katz, Sapper & Miller, LLP, Independent Public Accountants, for the period January 1, 2020 to December 31, 2020. Per the *Independent Auditors' Report*, the financial statements included in the report present fairly the financial condition of the Central Indiana Regional Development Authority as of December 31, 2020, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Katz, Sapper & Miller, LLP prepared the audit report in accordance with 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

**CENTRAL INDIANA REGIONAL DEVELOPMENT
AUTHORITY**

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

December 31, 2020 and 2019

CENTRAL INDIANA REGIONAL DEVELOPMENT AUTHORITY

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Independent Auditors' Report

Board of Directors
Central Indiana Regional Development Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the Central Indiana Regional Development Authority, which comprise the statement of net position as of December 31, 2020 and 2019, and the related statements of revenues, expenses, 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 a 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 and guidelines require that we plan and perform the audits 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 auditors' 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 auditors consider 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 net position of the Central Indiana Regional Development Authority as of December 31, 2020 and 2019, and the changes in its net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 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 response 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 August 24, 2021, on our consideration of Central 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 Central Indiana Regional Development Authority's internal control over financial reporting and compliance.

Katy, Sapper & Miller, LLP

Indianapolis, Indiana
August 24, 2021

CENTRAL INDIANA REGIONAL DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

December 31, 2020 and 2019

This section of the Central Indiana Regional Development Authority's (the Authority) annual financial report provides management's discussion and analysis of the financial performance during the fiscal years ended December 31, 2020 and 2019. Please read it in conjunction with the Authority's financial statements and accompanying notes.

The Authority is organized under Indiana Code 36-7.6. In March 2016 House Bill 1001 was signed into law, which allocates funds to support matching from the State of Indiana for the Authority. The Authority 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 the region. Only the Authority may apply for matching grants and loans from the state-funding 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.

FINANCIAL HIGHLIGHTS

- The Authority generated net operating income of approximately \$9,800 in 2020 and \$10,000 in 2019.
- Total operating revenues were approximately \$17,700 in 2020 and \$18,800 in 2019. Total operating revenues were made up of membership dues.
- Total operating expenses were approximately \$7,900 in 2020 and \$8,800 in 2019. Total operating expenses were made up of contract services and professional services. Total operating expenses decreased due to the decrease in financial service expense.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of the Management's Discussion and Analysis (this section) and the basic financial statements and notes. The Authority follows enterprise fund reporting; accordingly, the financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short- and long-term financial information about the activities and operations of the Authority. These statements are presented in a manner similar to a private business.

The Statements of Net Position and the Statements of Revenues, Expenses and Changes in Net Position provide information about the Authority's financial status and the change in financial status. The Statements of Net Position includes all of the Authority's assets, liabilities, and net position. The Statements of Revenues, Expenses and Changes in Net Position report all of the revenues and expenses during the time period. The Statements of Cash Flows report the cash provided and used by operating activities.

The notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 9 through 10 of this report.

FINANCIAL ANALYSIS

Statements of Net Position

Below are the condensed statements of net position relating to the Authority at December 31, 2020, 2019, and 2018:

Central Indiana Regional Development Authority Condensed Statements of Net Position

| | December 31, 2020 | December 31, 2019 | December 31, 2018 |
|--------------|----------------------|----------------------|----------------------|
| Assets | \$31,900 | \$23,100 | \$12,100 |
| Liabilities | <u>-</u> | <u>1,000</u> | <u>-</u> |
| Net Position | <u>\$31,900</u> | <u>\$22,100</u> | <u>\$12,100</u> |

2020 to 2019 Comparative Statements of Net Position

As of December 31, 2020, total assets increased by approximately \$8,800 over December 31, 2019. The increase is driven by membership dues exceeding operating expenses of the Authority in 2020.

2019 to 2018 Comparative Statements of Net Position

As of December 31, 2019, total assets increased by approximately \$11,000 over December 31, 2018. The increase is driven by membership dues exceeding operating expenses of the Authority in 2019.

Statements of Revenues, Expenses and Changes in Net Position

Below are the statements of revenues, expenses and changes in net position relating to the Authority for the years ended December 31, 2020, 2019, and 2018:

Central Indiana Regional Development Authority Statements of Revenues, Expenses and Changes in Net Position

| | Year Ended December 31, 2020 | Year Ended December 31, 2019 | Year Ended December 31, 2018 |
|--------------------------|------------------------------------|------------------------------------|------------------------------------|
| Operating Revenues | | | |
| Grant revenue | \$ - | \$ - | \$17,600 |
| Membership dues | <u>17,700</u> | <u>18,800</u> | <u>19,100</u> |
| Total Operating Revenues | <u>17,700</u> | <u>18,800</u> | <u>36,700</u> |
| Operating Expenses | | | |
| Contract services | 7,600 | 8,400 | 9,500 |
| Professional services | <u>300</u> | <u>400</u> | <u>15,600</u> |
| Total Operating Expenses | <u>7,900</u> | <u>8,800</u> | <u>25,100</u> |
| Increase in Net Position | 9,800 | 10,000 | 11,600 |
| Net Position: | | | |
| Beginning of Year | <u>22,100</u> | <u>12,100</u> | <u>500</u> |
| End of Year | <u>\$31,900</u> | <u>\$22,100</u> | <u>\$12,100</u> |

FINANCIAL ANALYSIS (CONTINUED)

2020 to 2019 Comparative Statements of Revenue, Expenses and Changes in Net Position

Total revenues for the fiscal year ended December 31, 2020, were \$17,700, which was a \$1,100 decrease from the prior year.

Expenses for the fiscal year ended December 31, 2020, were \$7,900, which was a \$900 decrease from the prior year.

2019 to 2018 Comparative Statements of Revenue, Expenses and Changes in Net Position

Total revenues for the fiscal year ended December 31, 2019, were \$18,800, which was a \$17,900 decrease from the prior year. Grant revenue decreased due to receiving the last reimbursement from a grant in 2018.

Expenses for the fiscal year ended December 31, 2019, were \$8,800, which was a \$16,300 decrease from the prior year. The professional services expense decreased as a result of grant funding ending.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information should be addressed to Central Indiana Regional Development Authority, 200 East Washington Street, Suite 2322, Indianapolis, IN 46204.

FINANCIAL STATEMENTS

CENTRAL INDIANA REGIONAL DEVELOPMENT AUTHORITY

**STATEMENTS OF NET POSITION
December 31, 2020 and 2019**

| | 2020 | 2019 |
|---------------------------------------|------------------|------------------|
| ASSETS | | |
| Cash | \$ 31,919 | \$ - |
| Cash held by the City of Indianapolis | - | 23,134 |
| Total Assets | <u>31,919</u> | <u>23,134</u> |
| LIABILITIES | | |
| Deferred revenue | - | 1,038 |
| Total Liabilities | <u>-</u> | <u>1,038</u> |
| NET POSITION - Unrestricted | <u>\$ 31,919</u> | <u>\$ 22,096</u> |

See accompanying notes.

CENTRAL INDIANA REGIONAL DEVELOPMENT AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Years Ended December 31, 2020 and 2019

| | 2020 | 2019 |
|---------------------------------|-------------------------|-------------------------|
| OPERATING REVENUES | | |
| Membership dues | <u>\$ 17,758</u> | <u>\$ 18,757</u> |
| Total Operating Revenues | <u>17,758</u> | <u>18,757</u> |
| OPERATING EXPENSES | | |
| Contract services | 7,600 | 8,400 |
| Professional services | <u>335</u> | <u>356</u> |
| Total Operating Expenses | <u>7,935</u> | <u>8,756</u> |
| INCREASE IN NET POSITION | 9,823 | 10,001 |
| NET POSITION | | |
| Beginning of Year | <u>22,096</u> | <u>12,095</u> |
| End of Year | <u><u>\$ 31,919</u></u> | <u><u>\$ 22,096</u></u> |

See accompanying notes.

CENTRAL INDIANA REGIONAL DEVELOPMENT AUTHORITY

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019

| | 2020 | 2019 |
|--|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash received from grants and membership dues | \$ 16,720 | \$ 19,795 |
| Cash payments to suppliers and employees | <u>(7,935)</u> | <u>(8,756)</u> |
| Net Cash Provided by Operating Activities | <u>8,785</u> | <u>11,039</u> |
| INCREASE IN CASH AND CASH HELD BY THE CITY OF INDIANAPOLIS | 8,785 | 11,039 |
| CASH AND CASH HELD BY THE CITY OF INDIANAPOLIS | | |
| Beginning of Year | <u>23,134</u> | <u>12,095</u> |
| End of Year | <u>\$ 31,919</u> | <u>\$ 23,134</u> |
| CASH AND CASH HELD BY THE CITY OF INDIANAPOLIS | | |
| Cash | \$ 31,919 | \$ - |
| Cash held by the City of Indianapolis | <u>-</u> | <u>23,134</u> |
| | <u>\$ 31,919</u> | <u>\$ 23,134</u> |
| RECONCILIATION OF INCREASE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | |
| Increase in net position | \$ 9,823 | \$ 10,001 |
| Adjustments to reconcile increase in net position to net cash provided by operating activities: | | |
| Increase in liabilities | | |
| Deferred revenue | <u>(1,038)</u> | <u>1,038</u> |
| Net Cash Provided by Operating Activities | <u>\$ 8,785</u> | <u>\$ 11,039</u> |

See accompanying notes.

CENTRAL INDIANA REGIONAL DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The Central Indiana Regional Development Authority (the Authority) is organized under Indiana Code 36-7.6. In March 2016 House Bill 1001 was signed into law, which allocates funds to support matching from the State of Indiana for the Authority. The Authority 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 the region. Only the Authority may apply for matching grants and loans from the state-funding 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.

The Authority was formed to assist in the coordination of local efforts concerning projects that are of regional importance, assist a county, a municipality, a commuter transportation district, an airport authority, and a regional transportation authority in coordinating regional transportation and economic development efforts and fund projects that are of regional importance. The Authority works to represent Marion, Boone, Hamilton, Hancock, Hendricks, Johnson, Madison, Morgan, and Shelby counties; with the participation of Indianapolis/Marion county, the City of Carmel, City of Greenwood, and City of Westfield.

Effective June 1, 2020, the administrative oversight of the Authority transferred to the Indianapolis Metropolitan Planning Organization.

Basis of Accounting: The financial statements of the Authority have been prepared on the accrual basis of accounting and using the economic resources measurement focus. Accordingly, the Authority recognizes revenue in the period earned and expenses in the period incurred. For financial statement presentation purposes, the funds have been aggregated into one proprietary fund type. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

Estimates: Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Cash is maintained in bank deposit accounts which, at times, may exceed federally insured limits. To date, there have been no losses in such accounts.

Cash Held by the City of Indianapolis: The Authority's cash at the end of 2019 was held by the City of Indianapolis, which was maintained in checking accounts. 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.

Net Position: The Authority's resources are classified for accounting and financial reporting purposes as unrestricted. Any expenditures related to the grant received from the state's Regional Cities Initiative were restricted and subject to approval by the IEDC. There were no funds restricted as of December 31, 2020 and 2019.

Membership Dues are recognized in the year that the dues relate. Membership dues paid in advance are recorded as deferred revenue. The Authority received 100% of its total revenue in 2020 and 2019 from membership dues from four cities. One city made up 87% and 83% of its total revenue in 2020 and 2019, respectively.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-Exchange Transactions: 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 Authority distributes money to local governmental units without directly receiving equal value in return, the transactions qualify as non-exchange transactions. 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.

Income Taxes: The Authority is exempt from federal and state income taxes.

Subsequent Events: The Authority has evaluated the financial statements for subsequent events occurring through August 24, 2021, the date the financial statements were available to be issued.

NOTE 2 - MANAGEMENT AGREEMENT

The Authority has entered into an agreement with the Indianapolis Metropolitan Planning Organization to facilitate the administrative functions of the Authority. This includes any functions which are reasonably necessary to accomplish the purposes of the Authority subject to the oversight and approval of the board of directors of the Authority.

OTHER REPORT

*Independent Auditors' 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*

Board of Directors
Central Indiana Regional Development Authority

We have audited, in accordance with the 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 Central Indiana Regional Development Authority (the Authority), which comprise the statement of net position as of December 31, 2020, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 24, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 audits 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 the Authority's financial statements are free of 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.

Katz, Sapper & Miller, LLP

Indianapolis, Indiana
August 24, 2021