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March 23, 2023

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

We have reviewed the audit report of Indiana Resource Center for Families with Special Needs d/b/a In\*Source, which was opined upon by DWC CPAs LLC, Independent Public Accountants, for the period July 1, 2021 to June 30, 2022. Per *the Independent Auditor's Report on the Financial Statements and Supplementary Information*, the financial statements included in the report present fairly the financial condition of Indiana Resource Center for Families with Special Needs d/b/a In\*Source, as of June 30, 2022 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, DWC CPAs LLC, 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, 2022 and 2021

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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 Audit of the Financial Statements

#### *Opinion*

We have audited the 2022 financial statements of Indiana Resource Center for Families With Special Needs, Inc., which comprise the statement of financial position as of June 30, 2022 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the accompanying 2022 financial statements present fairly, in all material respects, the financial position of Indiana Resource Center for Families With Special Needs, Inc. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended 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 (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 Indiana Resource Center for Families With Special Needs, Inc. 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.

#### *Prior Period Financial Statements*

The 2021 financial statements of Indiana Resource Center for Families With Special Needs, Inc. were audited by Cullar & Associates, PC, a firm with which we merged, whose report dated February 17, 2022 expressed an unmodified opinion on those statements.

#### *Responsibilities of Management for the Financial Statements*

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 Indiana Resource Center for Families With Special Needs, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* 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 and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of about Indiana Resource Center for Families With Special Needs, Inc.'s internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Indiana Resource Center for Families With Special Needs, Inc.'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.

### ***Supplementary Information***

Our audit was 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 audit 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 GAAS. In our opinion, the schedule of expenditures of federal awards 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 16, 2023 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.

***DWC CPAs LLC***

South Bend, Indiana  
February 16, 2023

**INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.**

**STATEMENTS OF FINANCIAL POSITION**

June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
<b>Assets:</b>		
Cash and cash equivalents	\$ 6,821	\$ 7,466
Grants and contracts receivable	188,418	161,903
Prepaid expenses	25,834	28,505
Property and equipment	<u>16,656</u>	<u>23,962</u>
<i>Total assets</i>	<u>\$ 237,729</u>	<u>\$ 221,836</u>
 <b>Liabilities and Net Assets:</b>		
Liabilities:		
Note payable, bank	\$ 33,000	\$ 32,900
Capital lease obligation	5,904	8,047
Accounts payable and accrued liabilities	50,284	50,295
Refundable grant advances	<u>4,000</u>	<u>-</u>
<i>Total liabilities</i>	<u>93,188</u>	<u>91,242</u>
 Net Assets - without donor restrictions and in total	 <u>144,541</u>	 <u>130,594</u>
 <i>Total liabilities and net assets</i>	 <u>\$ 237,729</u>	 <u>\$ 221,836</u>

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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, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Revenue, Support, and Gains:</b>		
Government-funded grants and contracts	\$ 2,068,595	\$ 2,011,733
Contributions and other	5,073	10,245
Special events	10,574	11,528
<i>Total revenue, support, and gains</i>	2,084,242	2,033,506
<b>Expenses:</b>		
Program services expenses:		
Collaborative Parent Involvement Project	1,529,353	1,430,432
Parent Training	386,839	385,389
Family Employment Awareness Training	-	3,460
Parent Technical Assistance Center	1,406	6,479
Project Launch	12,731	11,054
PreETS	5,099	20,398
<i>Total program services expenses</i>	1,935,428	1,857,212
Supporting services expenses:		
Management and general	134,789	146,564
Fundraising	78	3,268
<i>Total supporting services expenses</i>	134,867	149,832
<i>Total expenses</i>	2,070,295	2,007,044
<b>Change in net assets</b> -without donor restrictions		
and in total	13,947	26,462
Net assets - without donor restrictions and in total,		
beginning of year	130,594	104,132
<i>Net assets - without donor restrictions and in total,</i>		
<i>end of year</i>	\$ 144,541	\$ 130,594

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, 2022

	Collaborative Parent <u>Involvement</u>	Parent Training <u>Training</u>	Parent Technical Assistance <u>Center</u>	Project Launch <u>Launch</u>	PreETS <u>PreETS</u>	Management and General <u>and General</u>	Fund- raising <u>raising</u>	<u>Totals</u>
Personnel:								
Salaries and wages	\$ 1,076,862	\$ 268,047	\$ 1,250	\$ 11,311	\$ 4,529	\$ 71,398	\$ -	\$ 1,433,397
Retirement	54,411	13,454	63	566	227	3,602	-	72,323
Other benefits	167,592	49,324	-	-	-	8,319	-	225,235
Payroll taxes	<u>82,088</u>	<u>20,368</u>	<u>93</u>	<u>854</u>	<u>343</u>	<u>5,462</u>	-	<u>109,208</u>
<i>Total personnel</i>	1,380,953	351,193	1,406	12,731	5,099	88,781	-	1,840,163
Travel	22,784	4,650	-	-	-	1,057	-	28,491
Occupancy	31,815	7,819	-	-	-	4,685	-	44,319
Communications	31,660	7,904	-	-	-	-	-	39,564
Equipment use	1,579	395	-	-	-	-	-	1,974
Printing	1,575	394	-	-	-	-	-	1,969
Office supplies	19,366	2,903	-	-	-	495	-	22,764
Postage	2,154	539	-	-	-	35	-	2,728
Professional fees	-	-	-	-	-	16,350	-	16,350
Contracted services	23,525	5,224	-	-	-	20,571	-	49,320
Training and conferences	5,021	4,016	-	-	-	-	-	9,037
Interest	561	140	-	-	-	1,892	-	2,593
Depreciation	5,845	1,461	-	-	-	-	-	7,306
Other	<u>2,515</u>	<u>201</u>	-	-	-	<u>923</u>	<u>78</u>	<u>3,717</u>
<i>Totals</i>	<u>\$ 1,529,353</u>	<u>\$ 386,839</u>	<u>\$ 1,406</u>	<u>\$ 12,731</u>	<u>\$ 5,099</u>	<u>\$ 134,789</u>	<u>\$ 78</u>	<u>\$ 2,070,295</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
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>17,213</u>	<u>118</u>	-	-	-	-	<u>1,083</u>	<u>3,268</u>	<u>21,682</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.**

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2022 and 2021

<b>Change in Cash and Cash Equivalents:</b>	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Cash received from government-funded grants and contracts	\$ 2,046,080	\$ 1,948,473
Cash received from others	15,647	21,773
Cash for salaries, benefits, and payroll taxes	(1,825,750)	(1,775,735)
Cash paid to vendors and others	(231,986)	(269,151)
Interest paid	<u>(2,593)</u>	<u>(1,668)</u>
<i>Net cash provided by (used in) operating activities</i>	<u>1,398</u>	<u>(76,308)</u>
Cash Flows from Investing Activities:		
Purchase of property and equipment	<u>-</u>	<u>(16,300)</u>
Cash Flows from Financing Activities:		
Net borrowings on note payable, bank	100	32,900
Payments on capital lease obligation	<u>(2,143)</u>	<u>(3,979)</u>
<i>Net cash provided by (used in) financing activities</i>	<u>(2,043)</u>	<u>28,921</u>
<b>Net change in cash and cash equivalents</b>	(645)	(63,687)
Cash and cash equivalents, beginning of year	<u>7,466</u>	<u>71,153</u>
<i>Cash and cash equivalents, end of year</i>	<u>\$ 6,821</u>	<u>\$ 7,466</u>
<b>Reconciliation of Change in Net Assets to Net Cash Provided by (Used In) Operating Activities:</b>		
Change in net assets	\$ 13,947	\$ 26,462
Add (deduct) items not requiring (providing) cash:		
Depreciation	7,306	4,315
Change in operating assets and liabilities:		
Grants and contracts receivable	(26,515)	(63,260)
Prepaid expenses	2,671	(7,112)
Accounts payable and accrued liabilities	(11)	(36,713)
Refundable grant advances	<u>4,000</u>	<u>-</u>
<i>Net cash provided by (used in) operating activities</i>	<u>\$ 1,398</u>	<u>\$ (76,308)</u>
<i>Non-Cash Investing and Financing Activities:</i>		
Purchase of property and equipment under a capital lease	<u>\$ -</u>	<u>\$ 9,363</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, 2022 and 2021

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**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. We fulfill our mission by focusing our efforts in the following primary service areas:

- *Collaborative Parent Involvement Project* provides training, information, and assistance for parents of young adults with disabilities and young adults with disabilities.
- *Parent Training* also provides training, information, and assistance for parents of young adults with disabilities and young adults with disabilities.

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.

**INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022 and 2021

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- *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 restricted has been fulfilled, or both. We had no net assets with donor restrictions at either June 30, 2022 or 2021.

*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.

**INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022 and 2021

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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.

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 are primarily personnel, which are allocated on the basis of estimates of time and effort, occupancy, which is allocated based on relative square footage occupied, and insurance, communications, and supplies, which are allocated based on relative full time equivalent employees.

*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

**INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.**

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

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or penalties related to unrecognized tax benefits at either June 30, 2022 or 2021, 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, 2019.

*Subsequent Events Information:*

The date through which events occurring subsequent to June 30, 2022 have been evaluated for possible adjustment to the financial statements or disclosure is February 16, 2023, the date on which the financial statements were available to be issued.

**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, 2022 and 2021, respectively, are as follows:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 6,821	\$ 7,466
Grants and contracts receivable	<u>188,418</u>	<u>161,903</u>
<i>Total financial assets available for general expenditure</i>	<u>\$ 195,239</u>	<u>\$ 169,369</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, 2022 and 2021 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, 2022, we had also received approximately \$1,390,000 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, 2022 and 2021, respectively:

	<u>2022</u>	<u>2021</u>
Equipment	\$ 66,405	\$ 66,405
Less accumulated depreciation	<u>(49,749)</u>	<u>(42,443)</u>
<i>Net property and equipment</i>	<u>\$ 16,656</u>	<u>\$ 23,962</u>

**INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.**

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

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**NOTE 5. NOTE PAYABLE, BANK**

We maintain a \$300,000 bank line of credit, bearing interest at bank prime plus 50 basis points (5.25% at June 30, 2022), collateralized by substantially all of our business assets. Balances of \$33,000 and \$32,900 were outstanding on the line at June 30, 2022 and 2021, respectively.

**NOTE 6. LEASE INFORMATION**

We lease certain office equipment under a capital lease through October 2024. The asset and liability under the lease were recorded at the lower of the present value of the minimum lease payments or the fair value of the assets. The asset is being amortized over the lesser of the related lease term or the estimated useful lives. Amortization of the capital-leased asset included in depreciation expense was \$1,873 and \$1,248 for the years ended June 30, 2022 and 2021, respectively. The net book value of the capital-leased assets is as follows at June 30, 2022 and 2021, respectively:

	<u>2022</u>	<u>2021</u>
Gross cost of assets	\$ 9,363	\$ 9,363
Less accumulated depreciation	<u>(3,121)</u>	<u>(1,248)</u>
<i>Net book value of capital leased assets</i>	<u>\$ 6,242</u>	<u>\$ 8,115</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 \$34,155 and \$44,950 for the years ended June 30, 2022 and 2021, respectively.

Total minimum future rental payments due under these leases at June 30, 2022 for each of the next four years and in the aggregate are as follows:

	<u>Capital Lease</u>	<u>Operating Leases</u>	<u>Totals</u>
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>	6,637	<u>\$ 120,770</u>	<u>\$ 127,407</u>
Less imputed interest	<u>(733)</u>		
<i>Capital lease obligation</i>	<u>\$ 5,904</u>		

**NOTE 7. RETIREMENT PLAN**

We maintain a defined-contribution retirement plan that covers substantially all of our full-time employees. Retirement expense was \$72,323 and \$70,403 for the years ended June 30, 2022 and 2021, respectively.

**INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022 and 2021

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**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, 2022, approximately 78% was earned from one state grant, and approximately 20% was earned from one federal grant. 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.

Financial instruments that expose us to concentrations of credit risk consist primarily of grants receivable. At June 30, 2022, of total grants receivable, approximately 93% was due from Indiana Department of Education. At June 30, 2021, of total grants receivable, approximately 79% and 12% was due from Indiana Department of Education and U. S. Department of Education, respectively.

**INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2022

<u>Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing 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	52223	\$ -	\$ 1,623,544
Passed-through Indiana Family and Social Services Administration:				
Rehabilitation Services Vocational Rehabilitation Grants to States				
	84.126	45250	-	4,399
Passed-Through PACER Center, Inc.:				
Rehabilitation Services Demonstration and Training Programs				
	84.235	N/A	-	20,000
Special Education Parent Information Centers	84.328	H328M200021	-	410,342
Passed-Through Wisconsin Family Assistance Center for Education, Training and Support, Inc.:				
Special Education Parent Information Centers				
	84.328	N/A	-	8,067
<i>Total Special Education Parent Information Centers</i>			<u>-</u>	<u>418,409</u>
<i>Total Department of Education programs</i>			<u>-</u>	<u>2,066,352</u>
<b>Total expenditures of federal awards</b>			<u>\$ -</u>	<u>\$ 2,066,352</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, 2022

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**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 the 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% 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, 2022, Indiana Resource Center for Families with Special Needs, Inc. did not receive donated personal protective equipment from federal sources.



Audit, Accounting, Tax & Advisory

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**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 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 (*Government Auditing Standards*), the financial statements of Indiana Resource Center for Families With Special Needs, Inc., which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated February 16, 2023.

**Report on 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 or significant deficiencies may exist that were not identified.

**Report on 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.

***DWC CPAs LLC***

South Bend, Indiana  
February 16, 2023



Audit, Accounting, Tax & Advisory

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR 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

#### *Opinion on Each Major Federal Program*

We have audited Indiana Resource Center for Families With Special Needs, Inc.'s compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

In our opinion Indiana Resource Center for Families With Special Needs, Inc. complied, in all material respects, with the 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, 2022.

#### *Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Indiana Resource Center for Families With Special Needs, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Indiana Resource Center for Families With Special Needs, Inc.'s compliance with the compliance requirements referred to above.

#### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws,

statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Indiana Resource Center for Families With Special Needs, Inc.'s federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Indiana Resource Center for Families With Special Needs, Inc.'s compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Indiana Resource Center for Families With Special Needs, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Indiana Resource Center for Families With Special Needs, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Indiana Resource Center for Families With Special Needs, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Indiana Resource Center for Families With Special Needs, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

*DWC CPAs LLC*

South Bend, Indiana  
February 16, 2023

**INDIANA RESOURCE CENTER FOR FAMILIES WITH SPECIAL NEEDS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2022

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**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:

Assistance Listing 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, 2022

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**Section II – Financial Statement Findings**

There were no findings in the financial statement audit.

**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, 2022**

There were no findings in the June 30, 2021 audit.



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