

Mid-States Corridor Regional Development
Authority

Financial Statements

Years Ended December 31, 2021 and 2020

MID-STATES CORRIDOR REGIONAL DEVELOPMENT AUTHORITY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Mid-States Corridor Regional Development Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mid-States Corridor Regional Development Authority, as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements, which collectively comprise Mid-States Corridor Regional Development Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of Mid-States Corridor Regional Development Authority, as of December 31, 2021 and 2020 and the related statements of activities and changes in net position, and cash flows, for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mid-States Corridor Regional Development Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Mid-States Corridor Regional Development Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mid-States Corridor Regional Development Authority's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mid-States Corridor Regional Development Authority'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 Mid-States Corridor Regional Development Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis and the Budgetary Comparison Schedule that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Report on Internal Control over Financial Reporting

We also have audited, in accordance with auditing standards generally accepted in the United States of America, Mid-States Corridor Regional Development Authority's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and our report dated April 29, 2022 expressed an unmodified opinion.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2022 on our consideration of Mid-States Corridor Regional Development Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mid-States Corridor Regional Development Authority's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "LWG CPAs & Advisors".

LWG CPAs & Advisors
Indianapolis, Indiana
April 29, 2022

MID-STATES CORRIDOR REGIONAL DEVELOPMENT AUTHORITY

STATEMENTS OF FINANCIAL POSITION

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 1,395,310	\$ 1,191,777
Pledges receivable, net allowance for uncollectible accounts of \$10,000 for 2021 and \$0 for 2020	<u>25,000</u>	<u>1,083,500</u>
TOTAL ASSETS	<u>1,420,310</u>	<u>2,275,277</u>
LIABILITIES		
Accounts payable	<u>2,659</u>	<u>2,924</u>
TOTAL LIABILITIES	<u>2,659</u>	<u>2,924</u>
NET POSITION		
Unrestricted	<u>1,417,651</u>	<u>2,272,353</u>
TOTAL NET POSITION	<u>\$ 1,417,651</u>	<u>\$ 2,272,353</u>

The accompanying notes are an integral part of these statements.

MID-STATES CORRIDOR REGIONAL DEVELOPMENT AUTHORITY

STATEMENTS OF ACTIVITIES Years Ended December 31, 2021 and 2020

	<u>Amount</u>	
	<u>2021</u>	<u>2020</u>
REVENUES		
Rental income	\$ 6,000	\$ 6,000
TOTAL REVENUES	<u>6,000</u>	<u>6,000</u>
EXPENSES		
Program Services		
INDOT EIS project	<u>788,550</u>	<u>2,642,000</u>
TOTAL PROGRAM SERVICES	<u>788,550</u>	<u>2,642,000</u>
Supporting Services		
Legal and professional fees	64,440	54,955
Bad debt expense	<u>10,000</u>	<u>-</u>
TOTAL SUPPORTING SERVICES	<u>74,440</u>	<u>54,955</u>
TOTAL EXPENSES	<u>862,990</u>	<u>2,696,955</u>
OPERATING INCOME (LOSS)	<u>(856,990)</u>	<u>(2,690,955)</u>
NON-OPERATING REVENUE		
Interest income	<u>2,288</u>	<u>4,298</u>
TOTAL NON-OPERATING REVENUE	<u>2,288</u>	<u>4,298</u>
CHANGE IN NET POSITION	(854,702)	(2,686,657)
NET POSITION - BEGINNING OF YEAR	<u>2,272,353</u>	<u>4,959,010</u>
NET POSITION - END OF YEAR	<u>\$ 1,417,651</u>	<u>\$ 2,272,353</u>

The accompanying notes are an integral part of these statements.

MID-STATES CORRIDOR REGIONAL DEVELOPMENT AUTHORITY

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

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Contribution proceeds	\$ 1,058,500	\$ 3,750,830
Rental income	6,000	6,000
Payments to suppliers	<u>(863,255)</u>	<u>(2,692,981)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>201,245</u>	<u>1,063,849</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>2,288</u>	<u>4,298</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>2,288</u>	<u>4,298</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	203,533	1,068,147
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,191,777</u>	<u>123,630</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,395,310</u>	<u>\$ 1,191,777</u>
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income	\$ (856,990)	\$ (2,690,955)
Decrease (increase) in assets		
Accounts receivable	-	3,000
Pledges receivable	1,058,500	3,750,830
Increase (decrease) in assets and liabilities		
Accounts payable	<u>(265)</u>	<u>974</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 201,245</u>	<u>\$ 1,063,849</u>

The accompanying notes are an integral part of these statements.

MID-STATES CORRIDOR REGIONAL DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020

(1) Summary of significant accounting policies

Nature of Activities – The Mid-States Corridor Regional Development Authority (the “RDA” or the “Authority”) is organized under Indiana Code 37-7.6. The RDA has undertaken, together with the Indiana Department of Transportation, to conduct a review of the existing US 231 facility from the Ohio River to the I-64 Dale interchange and the potential transportation corridor through Dubois County originating at the I-64 Dale interchange and connecting with I-69 (possibly via SR 37).

Mission – The RDA was formed with the primary mission to raise and collect funds to study and eventually implement the construction of a transportation corridor through Dubois and Spencer Counties (with additional counties to be added based on the final route). The RDA will also explore ways to leverage the combination of the new transportation corridor, the attraction of employers / talent and quality of place projects to create transformative growth for the region.

Non-Exchange Transactions – Governmental Accounting Standards Board (“GASB”) No. 33 defines a non-exchange transaction, as a governmental unit that gives (or receives) value without directly receiving (or giving) equal value in return. Because the RDA receives money from local governmental units without giving equal value in return, the transactions qualify as a non-exchange transaction. On an accrual basis, expenses to grantees are recognized in the fiscal year they are granted. Amounts remaining to be reimbursed to grantees are considered grants payable.

Basis of Presentation – The financial statements of the RDA have been prepared on the accrual basis of accounting and using the economic resources measurement focus. Accordingly, the RDA recognizes revenue in the period earned and expenses in the period incurred. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

Management’s Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

Contributions – The RDA received contributions from multiple organizations to fund operating expenses incurred. These funds are unrestricted.

Cash and Cash Equivalents – The RDA considers all investments with maturities of three months or less, when purchased, to be cash equivalents. At times, such cash may be in excess of the FDIC insurance limit. However, additional coverage is provided by the Indiana Public Deposit Insurance Fund for funds that exceed the FDIC limits.

MID-STATES CORRIDOR REGIONAL DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

Years Ended December 31, 2021 and 2020

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

Pledges Receivable – The RDA has outstanding pledges receivable from private investors of \$25,000 and \$113,500 as of December 31, 2021 and 2020, respectively. Private investors have made a promise to contribute money in the future as either a one-time transaction or incremental payments. In addition, the RDA has outstanding pledges receivable from public investors of \$0 and \$970,000 as of December 31, 2021 and 2020, respectively. These unconditional pledges were recorded as receivable and revenue in the year pledged. The RDA has recorded an allowance for doubtful accounts in the amount of \$10,000 and \$0 as of December 31, 2021 and 2020, respectively.

Operating and Non-Operating Revenue – The principal operating revenue of the RDA consist of contributions. In addition, the RDA considers rental income operating revenue. Operating expenses for the RDA include program services and supporting services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Net Position – Net position is comprised of the net earnings from operating and non-operating revenues, expenses, and capital contributions. Net position is considered unrestricted and is available for the use of the RDA.

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

(2) Commitments

Since the inception of the RDA, the board has entered into a contract with the Indiana Department of Transportation for an approved project. The funding contribution provided by the RDA will be \$7,000,000 from local funding sources for costs of the project. All funds contributed will be applied first to the cost of the Tier 1 EIS and any remaining to be applied to Tier 2 EIS. There is no formal schedule of funding at this time.

(3) Operating lease

The RDA has an executed lease dated July 1, 2019 to lease office space through June 30, 2021 at \$500 per month. The lease may be extended for two additional one-year terms with the same terms. The office space is sub-leased to the contractor performing the Tier 1 EIS at the same rate through June 30, 2021 and also may be extended for two additional one-year terms. The lease and sub-lease has been extended for a one-year term through June 30, 2022.

The office space was provided at a discounted rate by the lessor to support the RDA. The value of the discounted rent was estimated at \$30,500 for the years ended December 31, 2021 and 2020.

The RDA had rent expense of \$6,000 for the years ended December 31, 2021 and 2020. Rent expense is included in program services expense.



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Mid-States Corridor Regional Development Authority

Report on Internal Control over Financial Reporting

Opinion on Internal Control Over Financial Reporting

We have audited Mid-States Corridor Regional Development Authority's internal control over financial reporting as of December 31, 2021, based on criteria established in the Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, Mid-States Corridor Regional Development Authority maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on criteria established in the Internal Control – Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Mid-States Corridor Regional Development Authority, and our report dated April 29, 2022 expressed an unmodified opinion.

Basis for Opinion

We conducted our audit in accordance with GAAS. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Internal Control Over Financial Reporting section of our report. We are required to be independent of Mid-States Corridor Regional Development Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for Internal Control Over Financial Reporting

Management is responsible for designing, implementing, and maintaining effective internal control over financial reporting, and for its assessment about the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting.

Auditor's Responsibilities for the Audit of Internal Control Over Financial Reporting

Our objectives are to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects and to issue an auditor's report that includes our opinion on internal control over financial reporting. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of internal control over financial reporting conducted in accordance with GAAS will always detect a material weakness when it exists.

In performing an audit of internal control over financial reporting in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Obtain an understanding of internal control over financial reporting, assess the risks that a material weakness exists, and test and evaluate the design and operating effectiveness of internal control over financial reporting based on the assessed risk.

Definition and Inherent Limitations of Internal Control Over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



LWG CPAs & Advisors
Indianapolis, Indiana
April 29, 2022



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

Independent Auditors' Report

The Governing Body
Mid-States Corridor Regional Development Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Mid-States Corridor Regional Development Authority as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Mid-States Corridor Regional Development Authority's basic financial statements, and have issued our report thereon dated April 29, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mid-States Corridor Regional Development Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mid-States Corridor Regional Development Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Mid-States Corridor Regional Development Authority's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mid-States Corridor Regional Development Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

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

Report on Internal Control over Financial Reporting

In addition to the audit of the financial statements of Mid-States Corridor Regional Development Authority as of and for the year ended December 31, 2021, and the related notes to the financial statements, we were also engaged to perform an audit of internal control. We have issued our opinion on internal control in our report dated April 29, 2022.



LWG CPAs & Advisors
Indianapolis, Indiana
April 29, 2022



April 29, 2022

Board of Directors
Mid-States Corridor Regional Development Authority
212 West 6th Street
Jasper, Indiana 47546

We have audited the financial statements of Mid-States Corridor Regional Development Authority as of and for the year ended December 31, 2021, and have issued our report thereon dated April 29, 2022. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated February 10, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of Mid-States Corridor Regional Development Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks:

Management override of controls – Due to the size of the entity there is a significant risk of management override of controls. The entity has contracted certain services to mitigate these risks.

Non-exchange transactions. – The entity distributes money to local organizations without directly receiving equal value in return, therefore the transactions qualify as non-exchange transactions. Expenses to grantees are recognized in the fiscal year they are granted and amounts remaining to be reimbursed to grantees are considered grants payable.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Mid-States Corridor Regional Development Authority is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the entity's financial statements relate to: Commitments

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were no misstatements detected as a result of audit procedures that were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Mid-States Corridor Regional Development Authority's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management that are included in the attached letter dated April 29, 2022.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultation with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the entity, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the entity's auditors.

This information is intended solely for the use of the board of directors and management of Mid-States Corridor Regional Development Authority and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "LWG CPAs & Advisors".

LWG CPAs & Advisors
Indianapolis, Indiana