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April 23, 2024

Board of Directors
Tecumseh Area Partnership, Inc.
d/b/a Region 4 Workforce Board
Tippecanoe County, Indiana

We have reviewed the audit report of Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board, which was opined upon by Huth Thompson LLP, Independent Public Accountants, for the period July 1, 2022 to June 30, 2023. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board as of June 30, 2023, and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the finding in the report on page 29. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on pages 31 and 32.

In our opinion, Huth Thompson LLP prepared the audit report in accordance with guidelines established by the Indiana State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

Handwritten signature of Tammy R. White in cursive.

Tammy R. White, CPA
Deputy State Examiner

Financial Statements

**TECUMSEH AREA
PARTNERSHIP, INC.**

**d/b/a
REGION 4
WORKFORCE BOARD**

JUNE 30, 2023 AND 2022

**TECUMSEH AREA PARTNERSHIP, INC. d/b/a
REGION 4 WORKFORCE BOARD**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Tecumseh Area Partnership, Inc.
d/b/a Region 4 Workforce Board
Lafayette, Indiana

Opinion

We have audited the accompanying financial statements of Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. 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 the Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board 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

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 Tecumseh Area Partnership, Inc., d/b/a Region 4 Workforce Board's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITOR'S REPORT--CONTINUED

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 generally accepted auditing standards 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 generally accepted auditing standards 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 responsible 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 Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board'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 Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board'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 our audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

INDEPENDENT AUDITOR'S REPORT--CONTINUED

Supplementary Information--Continued

The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 January 16, 2024, on our consideration of the Organization'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 the Organization'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 the Organization's internal control over financial reporting and compliance.

Huth Thompson LLP

January 16, 2024
Lafayette, Indiana

**TECUMSEH AREA PARTNERSHIP, INC. d/b/a
REGION 4 WORKFORCE BOARD**

**STATEMENTS OF FINANCIAL POSITION
As of June 30,**

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 126,423	\$ 220,550
Accounts Receivable	26,953	7,099
Grants Receivable, Less Allowance for Doubtful Accounts of \$-0- in both 2023 and 2022	778,011	418,990
TOTAL CURRENT ASSETS	931,387	646,639
PROPERTY, PLANT AND EQUIPMENT		
Equipment, Furniture and Fixtures	14,578	14,578
Accumulated Depreciation	(14,578)	(14,578)
	-	-
OTHER ASSETS		
Security Deposits	11,262	11,262
Right Of Use Assets--Operating	783,274	-
	794,536	11,262
	\$ 1,725,923	\$ 657,901
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 740,507	\$ 411,405
Current Maturities of Operating Lease Obligations	236,430	-
Deferred Revenue	4,603	24,000
Accrued Expenses	70,287	104,008
TOTAL CURRENT LIABILITIES	1,051,827	539,413
LONG-TERM DEBT		
Operating Lease Obligations, Less Current Maturities	546,844	-
TOTAL LIABILITIES	1,598,671	539,413
NET ASSETS		
Without Donor Restrictions	127,252	118,488
	\$ 1,725,923	\$ 657,901

See Notes to Financial Statements.

**TECUMSEH AREA PARTNERSHIP, INC. d/b/a
REGION 4 WORKFORCE BOARD**

**STATEMENTS OF ACTIVITIES
For Years Ended June 30,**

	2023	2022
	WITHOUT DONOR RESTRICTIONS	
Public Support		
Donations	\$ 14,153	\$ -
	14,153	-
Program Services		
Grants	6,230,317	5,808,958
Agency Activities	26,200	33,069
	6,256,517	5,842,027
Other Income		
Interest Income	37	34
	37	34
TOTAL SUPPORT AND REVENUE	6,270,707	5,842,061
EXPENSES		
Program Services	5,931,431	5,487,099
Management and General	330,512	365,221
	6,261,943	5,852,320
INCREASE (DECREASE) IN NET ASSETS	8,764	(10,259)
NET ASSETS--Beginning of Year	118,488	128,747
NET ASSETS--End of Year	\$ 127,252	\$ 118,488

See Notes to Financial Statements.

**TECUMSEH AREA PARTNERSHIP, INC. d/b/a
REGION 4 WORKFORCE BOARD**

**STATEMENTS OF FUNCTIONAL EXPENSES
For Years Ended June 30,**

	2023				
	TOTAL	PROGRAM OPERATIONS	WORKONE OPERATIONS	TOTAL PROGRAM EXPENSES	MANAGEMENT AND GENERAL
Salaries and Benefits	\$ 3,379,785	\$ 458,184	\$ 2,718,894	\$ 3,177,078	\$ 202,707
Travel	27,426	10,646	-	10,646	16,780
Occupancy	490,452	65,810	390,828	456,638	33,814
Professional Fees	261,075	127,467	61,513	188,980	72,095
Workforce Development Board	12,886	7,770	-	7,770	5,116
Outreach and Recruitment	5,513	(5,825)	11,338	5,513	-
Direct Participant Costs	2,084,806	905,090	1,179,716	2,084,806	-
	\$ 6,261,943	\$ 1,569,142	\$ 4,362,289	\$ 5,931,431	\$ 330,512

	2022				
	TOTAL	PROGRAM OPERATIONS	WORKONE OPERATIONS	TOTAL PROGRAM EXPENSES	MANAGEMENT AND GENERAL
Salaries and Benefits	\$ 3,235,120	\$ 423,575	\$ 2,515,106	\$ 2,938,681	\$ 296,439
Travel	5,801	5,505	-	5,505	296
Occupancy	402,810	66,147	302,068	368,215	34,595
Professional Fees	239,791	145,273	62,173	207,446	32,345
Workforce Development Board	6,720	5,174	-	5,174	1,546
Outreach and Recruitment	11,338	-	11,338	11,338	-
Direct Participant Costs	1,950,740	1,193,064	757,676	1,950,740	-
	\$ 5,852,320	\$ 1,838,738	\$ 3,648,361	\$ 5,487,099	\$ 365,221

See Notes to Financial Statements.

**TECUMSEH AREA PARTNERSHIP, INC. d/b/a
REGION 4 WORKFORCE BOARD**

**STATEMENTS OF CASH FLOWS
For Years Ended June 30,**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ 8,764	\$ (10,259)
(Increase) Decrease in Current Assets--		
Accounts Receivable	(19,854)	7,988
Grants Receivable	(359,021)	(87,993)
Prepaid Expenses	-	78,935
Security Deposits	-	5,000
Increase (Decrease) in Current Liabilities--		
Accounts Payable	329,102	65,356
Refundable Advance	(19,397)	(42,897)
Accrued Expenses	<u>(33,721)</u>	<u>(1,702)</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 <u>(94,127)</u>	 <u>14,428</u>
INCREASE (DECREASE) IN CASH	(94,127)	14,428
 CASH--Beginning of Year	 <u>220,550</u>	 <u>206,122</u>
 CASH--End of Year	 <u>\$ 126,423</u>	 <u>\$ 220,550</u>
 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Non-Cash Financing Activities--		
Buildings Acquired with Operating Leases	\$ 1,141,696	\$ -

See Notes to Financial Statements.

**TECUMSEH AREA PARTNERSHIP, INC. d/b/a
REGION 4 WORKFORCE BOARD**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

- A) **Nature of Operations**--Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board (the Organization) serving twelve counties in West Central Indiana, was organized as a not-for-profit corporation in 1983. The Organization was formed to receive and administer funds for educational, charitable, job training, and workforce development purposes.

The Workforce Development Board (WDB) within each Workforce Service Area (WSA) is responsible for providing policy guidance for, and exercising oversight with respect to activities under its workforce investment plan in partnership with local units of government. The WDB is also responsible for selecting the WSA's service providers for allocated Workforce Innovation and Opportunity Act (WIOA) funding from the State of Indiana Department of Workforce Development (DWD). The Organization is designated as the fiscal agent for the Region 4 WSA by the chief elected official and therefore received funds directly from DWD. These funds represent the Organization's core funding source and are directly allocated to the Organization. Although WIOA is the Organization's primary funding source, the Organization actively competes for other federal, state, and private grants.

- B) **Cash and Cash Equivalents**--For the purpose of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.
- C) **Grants and Accounts Receivable**--Accounts receivable include reimbursements owed to the Organization. Grants receivable include various federal, state, and local claim amounts owed to the Organization for services provided to the public along with additional grants awarded to the Organization from other sources. Grants and Accounts receivable are evaluated as to their collectability annually, if not more frequently, and any anticipated uncollectible accounts are written off when deemed uncollectible. All accounts were deemed collectible as of June 30, 2023 and 2022. Use of this method does not result in a material difference from the valuation method required by accounting principals generally accepted in the United States of America.

**TECUMSEH AREA PARTNERSHIP, INC. d/b/a
REGION 4 WORKFORCE BOARD**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- D) Revenue Recognition--The Organization recognizes contributions when cash or other assets, or an unconditional promise to give is received. Conditional promises to give – that is – those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Contributions received are recorded with donor restrictions or without donor restrictions, depending on the existence and nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in donations with restrictions. If the restrictions expire or are met in the fiscal year in which the contributions are recognized then the contributions are reported without restrictions.**

Grant awards that are reimbursement arrangements are considered conditional since the agreements have a right of return. Revenue is recognized in the accounting period when the related expenses are incurred. Amounts received in excess of expenses are reflected as deferred revenue.

- E) Property, Plant and Equipment--Property, plant and equipment are recorded at cost. If donated, the cost is the fair market value at the date of receipt. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives on a straight-line method. Maintenance, repairs, and minor renewals are charged to operations as incurred. Improvements and major renewals are capitalized. Upon the sale or disposition of properties, the asset account is relieved of the cost and the accumulated depreciation account is charged with depreciation taken prior to the sale. Any resultant gain or loss is credited or charged to operations. The Organization's policy is to capitalize property, plant and equipment with a value of \$5,000 or greater and a useful life greater than one year. Depreciation expense was \$-0- for both the years ended June 30, 2023 and 2022.**

Property and equipment purchased with grant funds is overseen by the Organization and the State of Indiana while used in the programs overseen by the Organization. The value of this property is not presented in the Organization's financial statements since this property is owned by the State of Indiana or the Federal government.

**TECUMSEH AREA PARTNERSHIP, INC. d/b/a
REGION 4 WORKFORCE BOARD**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F) Net Assets--In accordance with Accounting Standards, the net assets of the Organization are reported in each of the following two classes, if applicable:

- a) *Net Assets Without Donor Restrictions*--Net assets that are not subject to donor-imposed stipulations.**
- b) *Net Assets With Donor Restrictions*--Net assets subject to donor-imposed stipulations that the assets may or will be met, either by actions of the Organization and/or the passage of time; and those that will be maintained in perpetuity. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.**

All donor-restricted contributions not expired or met in the same year are reported as increases in net assets with donor restrictions, depending on the restriction. When a restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. Restrictions on gifts of fixed assets or contributions restricted for the purchase of fixed assets expire when the asset is placed in service, unless otherwise noted by the donor.

G) Income Taxes--The Organization is incorporated in the state of Indiana and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and similar provisions of the State Code. The Organization is classified as a publicly supported organization rather than a private foundation under Section 509(a)(1). Contributions to the Organization are deductible for income tax purposes.

Accounting Standards require entities to disclose in their financial statements the nature of any uncertainties in their tax position. Tax years including 2019 and later are subject to examination by tax authorities. Areas that IRS and state tax authorities consider when examining tax returns of a charity include, but may not be limited to, tax exempt status and the existence and amount of unrelated business income.

**TECUMSEH AREA PARTNERSHIP, INC. d/b/a
REGION 4 WORKFORCE BOARD**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- G) Income Taxes (Continued)--The Organization does not believe that it has any uncertain tax positions with respect to these or other matters, and therefore has not recorded any unrecognized tax benefits or liabilities. The Organization is not aware of any circumstances or events that make it reasonably possible that tax benefits or liabilities may increase or decrease within 12 months of the date of these financial statements.**
- H) Functional Allocation of Expenses--The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited.**
- I) Allocation of Joint Costs--Joint costs are allocated to benefiting programs and grant activities using various allocation methods depending on the type of joint cost being allocated. Joint costs are those costs incurred for the common benefits of the organization's purposes and programs, which cannot be readily identified with the final cost objective. Joint costs that are allocated included salaries and benefits, occupancy, professional fees, and Workforce Development Board. Program operations and WorkOne operations costs are allocated to individual contracts and grants based on the benefit received.**

The State of Indiana Department of Workforce Development implemented the Workforce Innovation and Opportunity Act requirement and procedure for sharing of overhead costs for the WorkOne Centers by an infrastructure funding agreement. The agreement establishes a method of direct costing of overhead costs based on benefit received to each entity located in or participating in the services related to the WorkOne Centers. The Organization then allocates its portion of the costs in accordance with its cost allocation methodology noted above.

- J) Use of Estimates--The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.**

**TECUMSEH AREA PARTNERSHIP, INC. d/b/a
REGION 4 WORKFORCE BOARD**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K) Fair Value Measurements--Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Section 820, Fair Value Measurements and Disclosures, specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). In accordance with FASB ASC 820, the following summarizes the fair value hierarchy:

- a) Level 1 Inputs--Unadjusted quoted market prices for identical assets and liabilities in an active market that the Organization has the ability to assess. Valuations of these instruments do not require a high degree of judgement since the valuations are based on quoted prices in active markets.**

- b) Level 2 Inputs--Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; and inputs other than quoted prices that are observable, such as models or other valuation methodologies. Valuations in this category are inherently less reliable than quoted market prices due to the degree of subjectivity involved in determining appropriate methodologies and the applicable underlying assumptions.**

- c) Level 3 Inputs--Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements. These inputs require significant management judgement or estimation. These financial instruments have inputs that cannot be validated by readily determinable market data and generally involve considerable judgement by management.**

As of June 30, 2023 and 2022, none of the assets and liabilities were required to be reported at fair value on a recurring basis. Carrying values of non-derivative financial instruments, including cash and cash equivalents, accounts receivable, grants receivable, accounts payable, and accrued expenses, approximated their fair values due to the short-term nature of these financial instruments. There were no changes in methods or assumptions during the year ended June 30, 2023 and 2022.

**TECUMSEH AREA PARTNERSHIP, INC. d/b/a
REGION 4 WORKFORCE BOARD**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- L) Lease Accounting--The Organization determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of Right of Use (ROU) assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date. The Organization combines lease and nonlease components, such as common area and other maintenance costs, and accounts for them as a single lease component to calculate the ROU assets and lease liabilities for its office buildings.**

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization has made a policy election to use the risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term. The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term. The Organization has elected not to record leases with an initial term of 12 months or less on the statement of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

- M) Adoption of New Accounting Standard--In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This ASU requires lessees to recognize a lease liability and a right-of-use (ROU) asset on a discounted basis, for substantially all leases, as well as additional disclosures regarding leasing arrangements. Disclosures are required to enable users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. In July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, which provides an optional transition method of applying the new lease standard. Topic 842 can be applied using either a modified retrospective approach at the beginning of the earliest period presented or, as permitted by ASU 2018-11, at the beginning of the period in which it is adopted, i.e., the comparatives under ASC 840 option.**

**TECUMSEH AREA PARTNERSHIP, INC. d/b/a
REGION 4 WORKFORCE BOARD**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M) Adoption of New Accounting Standard (Continued)--The Organization adopted Topic 842 on July 1, 2022 (the effective date), using the comparatives under ASC 840 transition method, which applies Topic 842 at the beginning of the period in which it is adopted. Prior period amounts have not been adjusted in connection with the adoption of this standard. The Organization elected the package of practical expedients under the new standard, which permits entities to not reassess lease classification, lease identification or initial direct costs for existing or expired leases prior to the effective date. The Organization has lease agreements with nonlease components that relate to the lease components. The Organization elected the practical expedient to account for nonlease components and the lease components to which they relate as a single lease component for all leases. Also, the Organization elected to keep short-term leases with an initial term of 12 months or less off the statement of financial position. The Organization did not elect the hindsight practical expedient in determining the lease term for existing leases as of July 1, 2022.

NOTE 2: CONCENTRATION OF CREDIT RISK

At certain times during the year, the Organization maintained cash deposits with its bank which exceeded the limit insured by the Federal Deposit Insurance Corporation (FDIC). The amount of cash over the FDIC limit at year-end was \$-0- for both years ending June 30, 2023 and 2022.

NOTE 3: ECONOMIC DEPENDENCY AND MAJOR SOURCES OF REVENUE AND SUPPORT

At June 30, 2023 and 2022, approximately 73.3% and 65.0%, respectively, of the total revenue is federal funding received as pass-through from the State of Indiana, Department of Workforce Development, or directly from the U.S. Department of Labor. The State of Indiana through Department of Workforce Development provided an additional 23.7% and 31.4%, respectively, of the Organization's funding for state funded employment activities and training.

**TECUMSEH AREA PARTNERSHIP, INC. d/b/a
REGION 4 WORKFORCE BOARD**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022**

NOTE 4: LIQUIDITY AND AVAILABILITY

The following table reflects Tecumseh Area Partnership, Inc.'s financial assets as of June 30, reduced by amounts not available for general expenditure within one year. Financial assets are considered to be unavailable when illiquid or not convertible to cash within one year.

	2023	2022
Financial assets at year end--		
Cash	\$ 126,423	\$ 220,550
Grants Receivable	778,011	418,990
Accounts Receivable	26,953	7,099
Financial assets available to meet cash needs for general expenditures within one year	\$ 931,387	\$ 646,639

As of June 30, 2023, the Organization has financial assets of cash, grants receivable, and accounts receivable of \$931,387 to be utilized to liquidate current liabilities of accounts payable and accrued payroll and related expenses of \$810,794 with a net available liquid assets of \$120,593 to meet cash needs for general operating expenditures within one year of the statement of financial position. Part of the Organization's liquidity plan is to maintain excess cash in a savings account and transfer funds to its checking account, when needed to meet cash flow requirements.

NOTE 5: RETIREMENT PLAN

The Organization has a simple IRA plan open to all regular, full-time employees. Employees who have earned over \$5,000 can enter the plan in July or January each year. The Organization matches the employee contribution up to 3% of the employee's base salary. The employee can contribute up to the IRS designated limit plus catch up each year. The Organization's contributions for the years ended June 30, 2023 and 2022 were \$17,652 and \$19,469, respectively.

NOTE 6: ACCRUED PAID TIME OFF

Employees of the Organization are entitled to paid time off depending on length of service and other factors. As of June 30, 2023 and 2022, accrued paid time off is estimated at \$55,138 and \$60,790, respectively.

**TECUMSEH AREA PARTNERSHIP, INC. d/b/a
REGION 4 WORKFORCE BOARD**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022**

NOTE 7: GRANT AND ACCOUNTS RECEIVABLE

Grants receivable and accounts receivable are receivable from Indiana Department of Workforce Development and U.S. Department of Labor, which are governmental organizations. These receivables are related to Federal grants through the U.S. Department of Labor and state grants from Indiana Department of Workforce Development. The Organization considers these receivables fully collectible and has not experienced any previous losses. Grants receivable consists of the following for June 30:

	2023	2022
U.S. Department of Labor	\$ 72,347	\$ 43,987
Indiana Department of Workforce Development	705,664	375,003
	\$ 778,011	\$ 418,990

NOTE 8: RELATED PARTY TRANSACTIONS

One voting member of TAP’s Youth Council, is employed by JobWorks, Inc. a contractor of services for TAP. Payments to this contractor for the years ended June 30, 2023 and 2022 were \$3,377,655 and \$2,889,806, respectively. At June 30, 2023 and 2022, \$236,391 and \$264,581, respectively, was included in accounts payable, payable to JobWorks, Inc. for services.

One member of the Board of Directors is employed by Ivy Tech, from which TAP leases space for its Logansport WorkOne Center. Lease payments for 2023 and 2022 were \$16,200 annually.

Once member of the Board of Directors is the President of Steinberger Construction, Inc. who participated in the Next Level Jobs grant. Payments to this contractor for the years ended June 30, 2023 and 2022 were \$30,000 and \$27,932, respectively.

One member of the Board of Directors is employed by Syndicate Sales, Inc. who participated in the Next Level Jobs grant. Payments to this contractor for the years ended June 30, 2023 and 2022 were \$40,330 and \$-0-, respectively.

**TECUMSEH AREA PARTNERSHIP, INC. d/b/a
REGION 4 WORKFORCE BOARD**

**NOTES TO FINANCIAL STATEMENTS
June 30, 2023 and 2022**

NOTE 9: OPERATING LEASES

The Organization has operating leases of program and office space under ASC 842. The Organization recognizes certain leases with terms under 12 months in occupancy expense on a straight-line basis. Operating leases have various monthly payments that range from \$1,350 to \$15,682. The weighted average lease term of operating leases is 3.87 years. The weighted average discount rate of operating leases is 2.88%

Operating lease expense is included in the statement of functional expenses under occupancy and the statement of cash flows. For the year ended June 30, 2023, Operating lease expense was \$386,539. Also included in the statement of functional expenses under occupancy and cash flows was \$18,480 of short-term lease expenses for the year ended June 30, 2023.

The maturities of lease liabilities are as follows for the periods ending June 30:

2024	\$ 255,225
2025	176,814
2026	176,814
2027	176,814
2028	<u>43,043</u>
Total Lease Payments	828,710
Less: Interest	<u>(45,436)</u>
Present Value of Lease Obligations	<u>\$ 783,274</u>

For the year ended June 30, 2022, the Organization leased buildings and equipment under agreements that qualified as operating leases under ASU 840. Operating lease expense for the year ended June 30, 2022 totaled \$406,701.

NOTE 10: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through January 16, 2024, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**TECUMSEH AREA PARTNERSHIP, INC. d/b/a
REGION 4 WORKFORCE BOARD**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND OTHER ASSISTANCE
For Year Ended June 30, 2023**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
Department of Labor Pass-Through the Indiana Department of Workforce Development				
Employment Service Cluster				
Employment Service/Wagner-Peyser Funded Activities	17.207	BC-22-04	\$ 70,000	\$ 120,000
		Subtotal 17.207	<u>70,000</u>	<u>120,000</u>
Unemployment Insurance	17.225	RESEA-21-04	197,833	237,303
Unemployment Insurance	17.225	RESEA-22-04	242,930	295,030
		Subtotal 17.225	<u>440,763</u>	<u>532,333</u>
Apprenticeship USA Exp and Innovation Grants	17.285	ABA-22-04	1,766	2,363
		Subtotal 17.285	<u>1,766</u>	<u>2,363</u>
Department of Labor Direct Program				
H-1B Job Training Grant	17.268	HG-35924-21-60-A-18	671,089	747,212
Total Department of Labor Direct Program		Subtotal 17.268	<u>671,089</u>	<u>747,212</u>
Department of Labor Pass-Through the Indiana Department of Workforce Development for WIOA Cluster				
WIOA Adult Program	17.258	WIOA-21-04	223,009	332,016
WIOA Adult Program	17.258	WIOA-22-04	598,674	797,935
WIOA Adult Program	17.258	PSG-21-04	80,938	207,622
		Subtotal 17.258	<u>902,621</u>	<u>1,337,573</u>

(Continued on page 19)

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**TECUMSEH AREA PARTNERSHIP, INC. d/b/a
REGION 4 WORKFORCE BOARD**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND OTHER ASSISTANCE
For Year Ended June 30, 2023
(Continued from Page 18)**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
Department of Labor Pass-Through the Indiana Department of Workforce Development for WIOA Cluster				
WIOA Youth Activities	17.259	WIOA-21-04	417,453	636,105
WIOA Youth Activities	17.259	WIOA-22-04	346,349	539,460
WIOA Youth Activities	17.259	PSG-21-04	130,589	130,589
		Subtotal 17.259	894,391	1,306,154
WIOA Dislocated Worker Formula Grants	17.278	WIOA-21-04	39,163	136,607
WIOA Dislocated Worker Formula Grants	17.278	WIOA-22-04	217,735	344,540
WIOA Dislocated Worker Formula Grants	17.278	PSG-22-04	63,313	68,760
		Subtotal 17.278	320,211	549,907
Total WIOA Cluster			2,117,223	3,193,634
Total Department of Labor Expenditures			3,300,841	4,595,542
Department of Education Pass-Through the Indiana Department of Workforce Development				
Vocational Rehabilitation Services	84.126A	Pre-ETS-21-04	76,806	76,806
Vocational Rehabilitation Services	84.126A	Pre-ETS-22-04	39,000	39,000
Total Department of Education			115,806	115,806
Total Expenditures of Federal Awards			\$ 3,416,647	\$ 4,711,348

(Continued on page 20)

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**TECUMSEH AREA PARTNERSHIP, INC. d/b/a
REGION 4 WORKFORCE BOARD**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND OTHER ASSISTANCE
For Year Ended June 30, 2023
(Continued from Page 19)**

OTHER ASSISTANCE

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL FCDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PASSED THROUGH TO SUBRECIPIENTS	EXPENSES
Jobs for Americas Graduates/State Funds	N/A	JAG-21-04/22-04	374,232	433,288
Work Keys	N/A	N/A	-	24,013
TAP Unrestricted	N/A	N/A	-	7,613
WHIN Foundation Funds	N/A	N/A	-	36,130
Workforce Ready Grant	N/A	WRG-21-04	126,990	134,064
Next Level Jobs Employer Training Grant	N/A	NLJETG-21-04	-	915,488
Total Other Activity			<u>501,222</u>	<u>1,550,596</u>
		TOTAL	<u>\$ 3,917,869</u>	<u>\$ 6,261,944</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

**TECUMSEH AREA PARTNERSHIP, INC. d/b/a
REGION 4 WORKFORCE BOARD**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND OTHER ASSISTANCE
For Year Ended June 30, 2023**

NOTE A: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board under programs of the federal government for the year ended June 30, 2023. The information in this 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* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A) 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.

- B) Pass-through entity identifying numbers are presented where available.

NOTE C: INDIRECT COST RATE

Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



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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
Tecumseh Area Partnership, Inc.
d/b/a Region 4 Workforce Board
Lafayette, 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, the financial statements of Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 16, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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--CONTINUED

Report on Internal Control Over Financial Reporting--Continued

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-001.

Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Huth Thompson LLP

January 16, 2024
Lafayette, Indiana



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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
Tecumseh Area Partnership, Inc.
d/b/a Region 4 Workforce Board
Lafayette, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board'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 the Organization's major federal programs for the year ended June 30, 2023. The Organization'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, Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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; 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 Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board 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 Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board's compliance with the compliance requirements referred to above.

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

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 Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board'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 Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board'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 generally accepted auditing standards, *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 Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board'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 Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board'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 Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board's internal control over compliance. Accordingly, no such opinion is expressed.

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

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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedules of findings and questioned costs as item 2023-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 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 considered 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.

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

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.

Huth Thompson LLP

January 16, 2024
Lafayette, Indiana

**TECUMSEH AREA PARTNERSHIP, INC. d/b/a
REGION 4 WORKFORCE BOARD**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For Year Ended June 30, 2023**

II. FINDINGS – FINANCIAL STATEMENT AUDIT

2023-001 INTERNAL CONTROL OVER CASH DISBURSEMENTS

Condition: Electronic Fund Transfer files are created, processed, and recorded within the general ledger by one individual.

Criteria: Internal controls should be in place to provide proper segregation of duties over Electronic Fund Transfer cash disbursement transactions.

Cause: Management did not ensure proper segregation of duties for the Electronic Fund Transfer process and transaction recording.

Effect: Because of the lack of proper segregation of duties, a payment could be made to an unauthorized vendor without approval or knowledge of management and not be detected within a reasonable period of time.

Recommendation: The Organization should modify established controls to segregate key roles in the electronic fund transfer process.

View of Responsible Officials and Planned Corrective Action: Tecumseh Area Partnership, Inc. has contacted our bank to inquire about adding a user (Executive Director) that would approve the NACHA file that gets uploaded for EFT payments. We have received a template from the bank for setting this up and with a new Executive Director starting next month we will be setting this up upon his start.

III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

WIOA Cluster including:

- WIOA Adult Program; CFDA No. 17.258; Grant No. WIOA-22-04, WIOA-21-04, and PSG-21-04; Grant Period--09/01/2021-03/31/2023
- WIOA Youth Activities; CFDA No. 17.259; Grant No. WIOA-22-04, WIOA-21-04, and PSA-21-04; Grant Period--09/01/2021-03/31/2023
- WIOA Dislocated Worker Formula Grants; CFDA No. 17.278, Grant No. WIOA-22-04, WIOA-21-04, and PSG-22-04; Grant Period--07/01/2021-06/30/2023

None reported.

**TECUMSEH AREA PARTNERSHIP, INC. d/b/a
REGION 4 WORKFORCE BOARD**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For Year Ended June 30, 2023**

2022-001 PREPARATION OF FINANCIAL STATEMENTS

Criteria: The Organization should carefully review grant agreements and ensure that transactions are properly accounted for and disclosed in accordance with generally accepted accounting principles (GAAP).

Condition: The Organization did not prepare financial statements that were free from material misstatements.

Cause: Management did not correctly identify conditions that stated Next Level Jobs grant funds are only payable to the Organization conditionally based upon employee retention for 6 months.

Effect: A material audit adjustment to the June 30, 2022 financial statements was necessary to issue financial statements in accordance with GAAP.

Questioned Costs: None.

Perspective Information: The issue is not considered to be prevalent throughout the financial statements, as other material adjustments were not identified.

Repeat Findings: Not applicable.

Recommendation: The Organization should follow established controls to ensure proper recognition of grant funds in assets, liabilities, revenues, and expenses.

View of Responsible Officials and Planned Corrective Action: The Organization understands the cause and effect of the finding and will ensure that Next Level Jobs funding is recorded in accordance with GAAP moving forward.

Current Status: The Organization has properly implemented the recommendations. No repeat findings occurred.



CORRECTIVE ACTION PLAN

January 16, 2024

U.S. Department of Labor-Through the Indiana Department of Workforce Development (DWD)--Employment Service Cluster Workforce Innovation and Opportunity Act (WIOA)

Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board respectfully submits the following corrective action plan for the year ended June 30, 2023:

Name and address of Independent Public Accounting Firm:

Huth Thompson LLP
PO Box 970
Lafayette, IN 47902-0970

Audit period: June 30, 2023

The findings from the June 30, 2023 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS--FINANCIAL STATEMENT AUDIT (SIGNIFICANT DEFICIENCY)

2023-001: INTERNAL CONTROL OVER CASH DISBURSEMENTS

Recommendation: The Organization should modify established controls to segregate key roles in the electronic fund transfer process.

Action Taken: Tecumseh Area Partnership, Inc. has contacted our bank to inquire about adding a user (Executive Director) that would approve the NACHA file that gets uploaded for EFT payments. We have received a template from the bank for setting this up and with a new Executive Director starting next month we will be setting this up upon his start.

If the Department of Labor has questions regarding this plan, please call Roger Feldhaus, Chief Executive Officer at (765) 807-0887.

Sincerely yours,

A handwritten signature in black ink that reads "Roger Feldhaus". The signature is written in a cursive style with a large, stylized initial "R".

Roger Feldhaus, Chief Executive Officer