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April 15, 2016

Board of Directors
Tecumseh Area Partnership, Inc.
d/b/a Region 4 Workforce Board
976 Mezzanine Drive
Lafayette, IN 47905

We have reviewed the audit report prepared by Dunton & Co., PC, for the period July 1, 2014 to June 30, 2015. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, 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, 2015, and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

Tecumseh Area Partnership, Inc.

Lafayette, Indiana

Financial Statements and Other Information

June 30, 2015 and 2014



Tecumseh Area Partnership, Inc.

Financial Statements and Other Information

June 30, 2015 and 2014

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2015 and 2014, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tecumseh Area Partnership, Inc. as of June 30, 2015 and 2014, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and other assistance, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2015, on our consideration of Tecumseh Area Partnership, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tecumseh Area Partnership, Inc.'s internal control over financial reporting and compliance.

Danton & Co., P.C.

December 30, 2015

Tecumseh Area Partnership, Inc.

Statements of Financial Position June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<i>Assets</i>		
Current assets:		
Cash	\$ 126,543	\$ 192,579
Grants receivable	429,468	487,929
Accounts receivable	<u>11,575</u>	<u>5,466</u>
Total current assets	<u>567,586</u>	<u>685,974</u>
Property and Equipment		
Computers	14,578	20,471
Accumulated depreciation	<u>(6,822)</u>	<u>(19,090)</u>
Property and equipment, net	7,756	1,381
Security deposits	<u>4,393</u>	<u>4,393</u>
TOTAL ASSETS	<u><u>\$ 579,735</u></u>	<u><u>\$ 691,748</u></u>
<i>Liabilities and Net Assets</i>		
Current liabilities:		
Accounts payable	\$ 359,012	\$ 479,057
Accrued payroll and related expenses	58,059	50,893
Deferred revenue	<u>2,523</u>	<u>0</u>
Total current liabilities	<u>419,594</u>	<u>529,950</u>
Unrestricted net assets	<u>160,141</u>	<u>161,798</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 579,735</u></u>	<u><u>\$ 691,748</u></u>

Tecumseh Area Partnership, Inc.

Statements of Activities Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenue:		
Grant and contract revenue	\$ 5,058,000	\$ 5,106,342
Agency activities	<u>34,163</u>	<u>33,058</u>
Total revenue	<u>5,092,163</u>	<u>5,139,400</u>
Expenses:		
Program activities:		
Workforce Development	4,684,031	4,730,032
Other activities	<u>35,821</u>	<u>40,169</u>
Total program activities	<u>4,719,852</u>	<u>4,770,201</u>
Management and general	<u>373,968</u>	<u>376,310</u>
Total expenses	<u>5,093,820</u>	<u>5,146,511</u>
Change in unrestricted net assets	(1,657)	(7,111)
Unrestricted net assets - beginning of the year	<u>161,798</u>	<u>168,909</u>
Unrestricted net assets - end of the year	<u><u>\$ 160,141</u></u>	<u><u>\$ 161,798</u></u>

Tecumseh Area Partnership, Inc.

Statements of Cash Flows Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in unrestricted net assets	(\$ 1,657)	(\$ 7,111)
Adjustments to reconcile change in unrestricted net assets to net cash provided (used) in operating activities:		
Depreciation	1,218	1,962
Changes in operating assets and liabilities:		
Grants receivable	58,461	(8,970)
Accounts receivable	(6,109)	14,721
Accounts payable	(120,045)	51,092
Accrued payroll and related expenses	7,166	10,167
Deferred revenue	<u>2,523</u>	<u>(3,639)</u>
Net cash provided (used) in operating activities	<u>(58,443)</u>	<u>58,222</u>
Cash flows from investing activities:		
Purchases of equipment	<u>(7,593)</u>	<u>(1,087)</u>
Net cash used by investing activities	<u>(7,593)</u>	<u>(1,087)</u>
Net change in cash	(66,036)	57,135
Cash - Beginning of the year	<u>192,579</u>	<u>135,444</u>
Cash - End of the year	<u><u>\$ 126,543</u></u>	<u><u>\$ 192,579</u></u>

See Independent Auditor's Report.

See accompanying notes to financial statements

Tecumseh Area Partnership, Inc.

Notes to Financial Statements
June 30, 2015 and 2014

Note 1: Summary of Significant Accounting Policies

Nature of Operations

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

The WIB 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 WIB is also responsible for selecting the WSA's service providers for allocated Workforce Investment Act (WIA) funding from the State of Indiana, Department of Workforce Development (DWD). TAP is designated as the fiscal agent for the Region 4 WSA by the chief elected official and therefore receives funds directly from DWD. These funds represent TAP's core funding source and are directly allocated to TAP. Although WIA is TAP's primary funding source, TAP actively competes for other federal, state, and private grants. Approximately 84% of the total revenue is federal pass-through funding received from the State of Indiana, Department of Workforce Development.

Basis of Accounting

The financial statements of TAP have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), and accordingly reflect all significant receivables, payables, and other liabilities.

Financial Statement Presentation

Financial Statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958-210-45, *Financial Statements of Not-for-Profit Organizations*. Under ASC, not-for-profit organizations are required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At June 30, 2015 and 2014, TAP only has unrestricted net assets.

Grants and Accounts Receivable

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, 2015 and 2014.

Property and Equipment

Equipment purchased with unrestricted funds with a cost of \$1,000 or more is capitalized at cost and depreciated over its useful life using the straight-line method.

Property and equipment purchased with grant funds is overseen by TAP and the State of Indiana while used in the programs overseen by TAP. The value of this property is not

Tecumseh Area Partnership, Inc.

Notes to Financial Statements

June 30, 2015 and 2014

presented in TAP's financial statements since this property is owned by the State of Indiana or the Federal government.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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.

Revenue Recognition

Contributions are recognized when the donor makes a promise to give funds to TAP that are, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Grants are either recorded as grant revenue or exchange transactions based on criteria contained in the grant award.

Grant Awards that are reflected as Grant Revenue

Grant awards that are reimbursement arrangements are recorded as revenue based on revenues earned. Revenue is recognized in the accounting period when the related expenses are incurred. Amounts received in excess of expenses are reflected as deferred revenue.

Grant Awards that are Exchange Transactions

Exchange transactions are based on a predetermined rate for services performed. The revenue is recognized in the period the services are performed.

Income Taxes

Tecumseh Area Partnership, Inc. is a not-for-profit organization under Section 501 (c) (3) of the Internal Revenue Code and is exempt from federal and Indiana income taxes. TAP believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

TAP's exempt organization federal and Indiana information income tax returns, for the years ended June 30, 2014, 2013, and 2012 are subject to examination by the IRS, generally for three years after the returns have been filed.

Tecumseh Area Partnership, Inc.

Notes to Financial Statements
June 30, 2015 and 2014

Cost Allocation

Joint costs are allocated to benefiting programs 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.

Concentration of Credit Risk

Tecumseh Area Partnership, Inc. maintains cash balances at one commercial bank. The account balances in the bank may exceed the federally insured limit of \$250,000 during the fiscal year. At June 30, 2015 and 2014, cash balances did not exceed the federally insured limits. TAP has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Grants receivable and accounts receivable as discussed in Note 2 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. TAP considers these receivables fully collectible and has not experienced any previous losses.

Note 2: Grant and Accounts Receivable

Grants receivable consists of the following for June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
US Department of Labor	\$ 30,870	\$ -
Indiana Department of Workforce Development	<u>398,598</u>	<u>487,929</u>
	<u>\$ 429,468</u>	<u>\$ 487,929</u>

Accounts receivable consists of the following for June 30, 2015 and 2014:

Other	<u>\$ 11,575</u>	<u>\$ 5,466</u>
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Note 3: Operating Leases

TAP leases office space and various items of equipment under operating lease arrangements. TAP leases space for the operation of their programs under two operating leases in Lafayette. The leases expire December 31, 2016, and each has a funding out clause. TAP also leases space in Lafayette, Indiana for the WorkOne center that expires November 30, 2018. The lease has a provision to adjust the monthly rent based on the consumer price index. The lease also has a funding out clause. The lease also requires TAP to reimburse the landlord common area maintenance expenses, billed on a monthly basis.

Tecumseh Area Partnership, Inc.

Notes to Financial Statements
June 30, 2015 and 2014

In July 2012, TAP entered into a new lease agreement for the WorkOne Center in Peru, Indiana. The lease expires July 15, 2017 and has a funding out clause. In August 2015, TAP entered into a new lease agreement with Ivy Tech Community College (Ivy Tech) for the WorkOne Center in Logansport, Indiana which ends June 30, 2017. In August 2015, TAP entered into a new lease agreement for the Kokomo REACH center at Inventrek, which ends July 31, 2016. Operating lease expense for the years ended June 30, 2015 and 2014 was \$303,565 and \$305,070, respectively. Future minimum lease payments under the operating leases beyond June 30, 2015 are as follows:

June 30, 2016	\$293,787
June 30, 2017	\$245,700
June 30, 2018	\$169,519
June 30, 2019	\$ 70,633

Note 4: Employee Retirement Plan

TAP 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. TAP 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. TAP contributions for the years ended June 30, 2015 and 2014 were \$18,673 and \$16,493, respectively.

Note 5: Related Party Transactions

One voting WIB member of TAP, who also serves on the Youth Council, is employed by Community Action Program, Inc. of Western Indiana, a contractor of services for TAP. Payments to this contractor for the years ended June 30, 2015 and 2014 were \$1,924,228 and \$2,189,477. At June 30, 2015 and 2014, \$ 199,206 and \$248,889, respectively, was included in accounts payable, payable to Community Action Program, Inc. of Western Indiana for services.

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, 2015 and 2014 were \$1,319,210 and \$1,326,858, respectively. At June 30, 2015 and 2014, \$ 112,030 and \$143,998, respectively, was included in accounts payable, payable to JobWorks, Inc. for services.

One voting WIB member is employed by Ivy Tech, from which TAP leases space for its Logansport WorkOne Center. Lease payments for 2015 and 2014 were \$16,200, annually.

Note 6: Evaluation of Subsequent Events

TAP has evaluated subsequent events through December 30, 2015, the date which the financial statements were available to be issued. There were not any material subsequent events that required recognition or additional disclosure in these financial statements.

Tecumseh Area Partnership, Inc.
Schedule A-1: Expenditures of Federal Awards and Other Financial Assistance
For the year ended June 30, 2015

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA</u>	<u>Pass-Through Entity</u>	<u>Passed Through to Subrecipients</u>	<u>Expenses</u>
Department of Labor Pass-Through the Indiana Department of Workforce Development				
Disability Employment Initiative Budget	17.207	DEIDC 3-04/4-04	\$ -	\$ 767
Disability Employment Initiative Budget	17.207	DEIMG 3-04	27,400	27,730
Disability Employment Initiative Budget	17.207	DEI 2-04	-	72,980
Business Consultant/WP	17.207	BC 3-04	-	55,000
		Subtotal 17.207	27,400	156,477
TAA Training Grants	17.245	TAA-3-04	-	20,108
		Subtotal 17.245	-	20,108
WIA Incentive Grants	17.267	WIAIN-4-04	6,286	6,286
		Subtotal 17.267	6,286	6,286
Dislocated Worker NEG	17.277	NEGDWT-3-04	48,041	51,541
		Subtotal 17.277	48,041	51,541
Department of Labor Pass-Through the Indiana Department of Workforce Development for Workforce Investment Act Cluster				
WIA Adult	17.258	WIB 3-04/4-04	959,009	1,264,323
Business Consultant/WIA Adult	17.258	BC 2-04	-	10,000
		Subtotal 17.258	959,009	1,274,323
WIA Youth	17.259	WIB 3-04/4-04	907,361	1,250,973
		Subtotal 17.259	907,361	1,250,973
WIA Dislocated Worker	17.278	WIB 3-04/4-04	761,134	1,168,279
Business Consultant/WIA DW	17.278	BC 2-04	-	55,000
		Subtotal 17.278	761,134	1,223,279
Total Workforce Investment Act Cluster			2,627,504	3,748,575

See Independent auditor's report on page 1
See notes to Schedule A-1

Tecumseh Area Partnership, Inc.
Schedule A-1: Expenditures of Federal Awards and Other Financial Assistance
For the year ended June 30, 2015

Department of Labor Direct Program

H1B Ready to Work	17.268	HG-26673-15-60-A-18	49,712	122,618
Total Department of Labor Direct Program		Subtotal 17.268	49,712	122,618

Total Expenditures of Federal Awards	2,758,943	4,105,605
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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA	Pass-Through Entity	Passed Through to Subrecipients	Expenses
TAP Unrestricted	N/A	N/A	-	24,724
Contract WorkOne Occupancy Costs	N/A	C1-3-IS-2-04	-	273,540
State Funds/ABE	N/A	WIN 3-04/4-04	154,127	163,881
Jobs for Americas Graduates/State Funds	N/A	JAG 3-04/4-04	330,368	398,556
Innovative CTE Grant-In Works Council	N/A	Innovative CTE	-	116,417
Work Keys	N/A	N/A	-	11,097
		Total Other Activity	\$ 484,495	\$ 988,215
		TOTAL	\$ 3,243,438	\$ 5,093,820

Tecumseh Area Partnership, Inc.

Notes to A-1: Schedule of Federal Expenditures and Other Assistance
June 30, 2015

Basis of Presentation

This schedule includes federal grant activity of Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board serving as the Fiscal Agent and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.



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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 of
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, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 30, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tecumseh Area Partnership, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tecumseh Area Partnership, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Tecumseh Area Partnership, Inc.'s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tecumseh Area Partnership, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 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.

Dunton & Co., P.C.

December 30, 2015



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited Tecumseh Area Partnership, Inc.'s d/b/a Region 4 Workforce Board compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Tecumseh Area Partnership, Inc.'s major federal programs for the year ended June 30, 2015. Tecumseh Area Partnership, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Tecumseh Area Partnership, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tecumseh Area Partnership, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Tecumseh Area Partnership, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Tecumseh Area Partnership, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Tecumseh Area Partnership, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Tecumseh Area Partnership, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Tecumseh Area Partnership, Inc.'s internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Dunton & Co., P.C.

December 30, 2015

Tecumseh Area Partnership, Inc.

Schedule of Findings and Questioned Costs

Annual Audit June 30, 2015

Section I: Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued: Unmodified Annual Audit June 30, 2015

Is a "going concern" emphasis-of-matter Paragraph included in the audit? No

Is a significant deficiency disclosed? No

Is a material weakness disclosed? No

Is a material noncompliance disclosed? No

Federal Programs

Does the auditor's report include a statement that the auditee's financials included departments, agencies, or other organizational units expending \$500,000 or more in Federal awards that have separate A-133 audits which are not included in this audit? No

Dollar threshold used to distinguish between Type A and Type B programs:
\$300,000

Auditee qualified as a low-risk auditee? Yes

Were Prior Audit Findings related to direct funding Shown in the Summary Schedule of Prior Audit Findings? No

Indicate which Federal agency(ies) have current year audit Findings related to direct funding or prior audit findings Shown in the Summary Schedule of Prior Audit Findings related to direct funding. None

Tecumseh Area Partnership, Inc.

Schedule of Findings and Questioned Costs

Annual Audit June 30, 2015

Identified major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
17.258, 17.259, & 17.278	Department of Labor, Workforce Investment Act – Cluster
17.268	Department of Labor, H1B Ready to Work

Section II: Financial Statement Findings

None

Section III: Federal Award Findings and Questioned Costs

Findings: None

Questioned Costs: None