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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)


April 11, 2018

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

We have reviewed the report prepared by Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board and opined upon by Dunton & Co., PC, Independent Public Accountants, for the period July 1, 2015 to June 30, 2016. 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, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Dunton & Co., PC prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

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

  
Paul D. Joyce, CPA  
State Examiner

# **Tecumseh Area Partnership, Inc.**

Lafayette, Indiana

Financial Statements and Other Information

June 30, 2016 and 2015



# Tecumseh Area Partnership, Inc.

## Financial Statements and Other Information

June 30, 2016 and 2015

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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, 2016 and 2015, 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, 2016 and 2015, 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 *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. 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 November 17, 2016, 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.

*Dunton & Co., P.C.*

December 5, 2016

# Tecumseh Area Partnership, Inc.

## Statements of Financial Position June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<i>Assets</i>		
Current assets:		
Cash	\$ 110,446	\$ 126,543
Grants receivable	636,727	429,468
Accounts receivable	29,132	11,575
Prepaid expense	<u>10,768</u>	<u>0</u>
Total current assets	<u>787,073</u>	<u>567,586</u>
Property and Equipment		
Computers	14,578	14,578
Accumulated depreciation	<u>( 9,160)</u>	<u>( 6,822)</u>
Property and equipment, net	5,418	7,756
Security deposits	<u>4,393</u>	<u>4,393</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 796,884</u></u>	<u><u>\$ 579,735</u></u>
<i>Liabilities and Net Assets</i>		
Current liabilities:		
Accounts payable	\$ 545,694	\$ 359,012
Accrued payroll and related expenses	59,400	58,059
Deferred revenue	<u>33,245</u>	<u>2,523</u>
Total current liabilities	<u>638,339</u>	<u>419,594</u>
Unrestricted net assets	<u>158,545</u>	<u>160,141</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 796,884</u></u>	<u><u>\$ 579,735</u></u>

# Tecumseh Area Partnership, Inc.

## Statements of Activities Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Revenue:		
Grant and contract revenue	\$ 5,692,031	\$ 5,058,000
Agency activities	<u>28,948</u>	<u>34,163</u>
Total revenue	<u>5,720,979</u>	<u>5,092,163</u>
Expenses:		
Program activities:		
Workforce Development	5,336,080	4,684,031
Other activities	<u>30,543</u>	<u>35,821</u>
Total program activities	<u>5,366,623</u>	<u>4,719,852</u>
Management and general	<u>355,952</u>	<u>373,968</u>
Total expenses	<u>5,722,575</u>	<u>5,093,820</u>
Change in unrestricted net assets	( 1,596)	( 1,657)
Unrestricted net assets - beginning of the year	<u>160,141</u>	<u>161,798</u>
Unrestricted net assets - end of the year	<u>\$ 158,545</u>	<u>\$ 160,141</u>

# Tecumseh Area Partnership, Inc.

## Statements of Cash Flows Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Change in unrestricted net assets	(\$ 1,596)	(\$ 1,657)
Adjustments to reconcile change in unrestricted net assets to net cash provided (used) in operating activities:		
Depreciation	2,338	1,218
Changes in operating assets and liabilities:		
Grants receivable	( 207,259)	58,461
Accounts receivable	( 17,557)	( 6,109)
Prepaid expense	( 10,768)	0
Accounts payable	186,682	( 120,045)
Accrued payroll and related expenses	1,341	7,166
Deferred revenue	<u>30,722</u>	<u>2,523</u>
Net cash provided (used) in operating activities	<u>( 16,097)</u>	<u>( 58,443)</u>
Cash flows from investing activities:		
Purchases of equipment	<u>0</u>	<u>( 7,593)</u>
Net cash used by investing activities	<u>0</u>	<u>( 7,593)</u>
Net change in cash	( 16,097)	( 66,036)
Cash - Beginning of the year	<u>126,543</u>	<u>192,579</u>
Cash - End of the year	<u>\$ 110,446</u>	<u>\$ 126,543</u>

# Tecumseh Area Partnership, Inc.

Notes to Financial Statements  
June 30, 2016 and 2015

## **Note 1: Summary of Significant Accounting Policies**

### **Nature of Operations**

Tecumseh Area Partnership, Inc., (TAP) d/b/a\ Region 4 Workforce Board, the Workforce Development Board (WDB) 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 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 WIOA 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 WIOA is TAP's primary funding source, TAP actively competes for other federal, state, and private grants. Approximately 81% of the total revenue is federal funding received as pass-through from the State of Indiana, Department of Workforce Development or directly from the US Department of Labor.

### **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, 2016 and 2015, 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, 2016 and 2015.

# Tecumseh Area Partnership, Inc.

Notes to Financial Statements  
June 30, 2016 and 2015

## **Property and Equipment**

Equipment purchased with unrestricted funds with a cost of \$5,000 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 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.

# Tecumseh Area Partnership, Inc.

Notes to Financial Statements

June 30, 2016 and 2015

TAP's exempt organization federal and Indiana information income tax returns, for the years ended June 30, 2015, 2014, and 2013 are subject to examination by the IRS, generally for three years after the returns have been filed.

## **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, 2016 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, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
US Department of Labor	\$ 183,825	\$ 30,870
Indiana Department of Workforce Development	<u>452,902</u>	<u>398,598</u>
	<u>\$ 636,727</u>	<u>\$ 429,468</u>

Accounts receivable consists of the following for June 30, 2016 and 2015:

Other	<u>\$ 29,132</u>	<u>\$ 11,575</u>
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# Tecumseh Area Partnership, Inc.

Notes to Financial Statements

June 30, 2016 and 2015

## **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. 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 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 7/31/2016. Operating Lease expense for the years ended June 30, 2016 and 2015 was \$300,949 and \$303,565, respectively. Future minimum lease payments under the operating leases beyond June 30, 2016 are as follows:

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, 2016 and 2015 were \$19,661 and \$18,673, respectively.

## **Note 5: Related Party Transactions**

One voting member of TAP's Board of Directors, 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, 2016 and 2015 were \$2,177,881 and \$1,924,228. At June 30, 2016 and 2015, \$ 188,188 and \$199,206, 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, 2016 and 2015 were \$1,391,969 and \$1,288,588, respectively. At June 30, 2016 and 2015, \$178,469 and \$112,030, 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 2016 and 2015 were \$16,200 annually.

# Tecumseh Area Partnership, Inc.

Notes to Financial Statements

June 30, 2016 and 2015

## **Note 6: Line of Credit**

TAP has a \$500,000 line of credit with its bank for operating purposes. The funds are available as needed through October 29, 2017 at which point it will terminate. The line is secured by the assets of TAP and accrues interest at a rate of National Prime + 0. There are no compensating balance requirements although TAP is expected to maintain its operating financial activities with the financial institution providing the line of credit. As of June 30, 2016, TAP has never utilized this line of credit.

## **Note 7: Evaluation of Subsequent Events**

TAP has evaluated subsequent events through December 5, 2016, 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, 2016

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA</u>	<u>Pass-Through Entity Identifying</u>	<u>Passed Through to Subrecipients</u>	<u>Expenses</u>
<b>Department of Labor Pass-Through the Indiana Department of Workforce Development</b>				
Employment Service/Wagner-Peyser Funded Activities	17.207	DEIDC-3-04/4-04	\$ -	\$ 21
Employment Service/Wagner-Peyser Funded Activities	17.207	DEIMG-3-04	13,482	14,331
Employment Service/Wagner-Peyser Funded Activities	17.207	DEI-2-04	-	21,199
Employment Service/Wagner-Peyser Funded Activities	17.207	BC-5-04	-	36,000
		<b>Subtotal 17.207</b>	<b>13,482</b>	<b>71,551</b>
Unemployment Insurance	17.225	RESEA-5-4	4,375	4,736
		<b>Subtotal 17.225</b>	<b>4,375</b>	<b>4,736</b>
Trade Adjustment Assistance	17.245	TAA-3-04	-	5,721
Trade Adjustment Assistance	17.245	TAACM-5-04	475	475
		<b>Subtotal 17.245</b>	<b>475</b>	<b>6,196</b>
Incentive Grants- WIA Sec 503	17.267	WIAIN-4-04	40,548	43,469
		<b>Subtotal 17.267</b>	<b>40,548</b>	<b>43,469</b>
WIA National Emergency Grants	17.277	NEGDWT-3-04	29,184	30,956
WIOA National Dislocated Worker Grants	17.277	SPDWG-5-04	6,120	6,566
		<b>Subtotal 17.277</b>	<b>35,304</b>	<b>37,522</b>
<b>Department of Health and Human Services Pass-Through the Indiana Department Workforce Development</b>				
Temporary Assistance for Needy Families	93.558	JAG TANF-5-04	41,195	42,043
		<b>Subtotal 93.558</b>	<b>41,195</b>	<b>42,043</b>
<b>Department of Labor Direct Program</b>				
H-1B Job Training Grants	17.268	HG-26673-15-60-A-18	736,405	1,371,540
<b>Total Department of Labor Direct Program</b>		<b>Subtotal 17.268</b>	<b>736,405</b>	<b>1,371,540</b>

Tecumseh Area Partnership, Inc.  
Schedule A-1: Expenditures of Federal Awards and Other Financial Assistance  
For the year ended June 30, 2016

**Department of Labor Pass-Through the Indiana Department of Workforce Development  
for WIA/WIOA Cluster**

WIA/WIOA Adult Program	17.258	WIB-5-04/4-04	560,600	736,682
		<b>Subtotal 17.258</b>	<u>560,600</u>	<u>736,682</u>
 WIA/WIOA Youth Activities	 17.259	 WIB-5-04/4-04	 899,331	 1,326,902
		<b>Subtotal 17.259</b>	<u>899,331</u>	<u>1,326,902</u>
 WIA/WIOA Dislocated Worker Formula Grants	 17.278	 WIB-3-04/4-04	 636,994	 910,855
WIA/WIOA Dislocated Worker Formula Grants	17.278	BC-5-04	-	84,000
		<b>Subtotal 17.278</b>	<u>636,994</u>	<u>994,855</u>
 <b>Total WIA/WIOA Cluster</b>			 <u><u>2,096,925</u></u>	 <u><u>3,058,439</u></u>
 <b>Total Expenditures of Federal Awards</b>			 <u><u>2,968,709</u></u>	 <u><u>4,635,496</u></u>

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA	Pass-Through Entity Identifying	Passed Through to Subrecipients	Expenses
TAP Unrestricted	N/A	N/A	-	27,102
Contract WorkOne Occupancy Costs	N/A	IS-4-04	-	263,352
State Funds/ABE	N/A	WIN-3-04/4-04	128,806	136,395
Skill UP! Grant	N/A	N/A	85,284	146,549
Jobs for Americas Graduates/State Funds	N/A	JAG-3-04/4-04	387,053	462,692
CTE 504	N/A	CTE-5-04	-	1,233
Innovative CTE Grant-In Works Council	N/A	Innovative CTE	-	46,315
Work Keys	N/A	N/A	-	3,441
		<b>Total Other Activity</b>	<u>\$ 601,143</u>	<u>\$ 1,308,079</u>
		<b>TOTAL</b>	<u><u>\$ 3,569,852</u></u>	<u><u>\$ 5,722,575</u></u>

# **Tecumseh Area Partnership, Inc.**

Notes to A-1: Schedule of Federal Expenditures and Other Assistance  
June 30, 2016

## **Note 1. Basis of Presentation**

This schedule includes federal and state grant activity and other expenditures of Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board serving as the Fiscal Agent. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance section 200.510(b). The schedule presents only a selected portion of information included on the statement of activities, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Tecumseh Area Partnership, Inc.

## **Note 2. Summary of Significant Accounting Policies**

The schedule has been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), and accordingly includes all accrued expenses for each program.

## **Note 3. De Minimis Indirect Cost Rate**

Tecumseh Area Partnership, Inc. has not elected to use the 10-percent *de minimis* 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 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, 2016, 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 5, 2016.

**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 5, 2016



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8465 Keystone Crossing • Suite 150 • Indianapolis, IN 46240 • Phone 317-842-6325 • eFax 1-317- 863-1232

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 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. d/b/a Region 4 Workforce Board 's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Tecumseh Area Partnerships, Inc.'s major federal programs for the year ended June 30, 2016. Tecumseh Area Partnerships, 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Tecumseh Area Partnerships, 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 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). Those standards and the Uniform Guidance 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 Partnerships, 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 Partnerships, Inc.'s compliance.

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

In our opinion, Tecumseh Area Partnerships, 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, 2016.

### **Report on Internal Control Over Compliance**

Management of Tecumseh Area Partnerships, 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 Partnerships, 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 the Uniform Guidance, 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 Partnerships, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Dunton & Co., P.C.*

December 5, 2016

# Tecumseh Area Partnership, Inc.

## Schedule of Findings and Questioned Costs

Annual Audit June 30, 2016

### Section I: Summary of Auditor's Results

#### Financial Statements

What were the results of the auditor's determination whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Is a "going concern" emphasis-of-matter paragraph  
Included in the auditor's report? No

Internal Control over financial reporting:

- Significant Deficiency Disclosed? No
- Material Weakness Disclosed? No

Noncompliance material to  
Financial statements disclosed? No

#### **Federal Awards**

Internal Control over Major Federal Programs:

- Significant Deficiency Disclosed? No
- Material Weakness Disclosed? No

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required  
To be reported in accordance with 2 CFR 200.516(a)? No

Identification of Major Federal Programs:

17.268 H-1B Job Training Grants

# Tecumseh Area Partnership, Inc.

## Schedule of Findings and Questioned Costs

Annual Audit June 30, 2016

Dollar threshold used to distinguish between  
Type A and Type B programs:  
\$750,000

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? None

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

### Section II: Financial Statement Findings

None

### Section III: Federal Award Findings and Questioned Costs

**Findings:** None

**Questioned Costs:** None