

COMBINED FINANCE/EXECUTIVE COMMITTEE MEETING AGENDA

JANUARY 13, 2021

8:00 AM-9:30 AM

GOTO MEETING CONFERENCE CALL

Participants: If you have chosen to call in, please do so 5 minutes prior to the start of the meeting.

Expected Finance Committee Participants: Arden Cramer, Alicia Hanawalt, Michael Smith, Deb Close, and Larry West.

Expected Executive Committee Participants: Alicia Hanawalt, Michael Smith, Arden Cramer, Steve Snyder

WDB staff and guests: Roger Feldhaus, Executive Director; Tara Bradley, CFO; Deb Waymire, COO; Blake Sempsrott, Financial Coordinator, and Tina Overley-Hilt, Executive Assistant.

Call In Information:

Please join my meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/237719861>

You can also dial in using your phone.

United States (Toll Free): 1 866 899 4679

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Access Code: 237-719-861

Finance Committee			
Time	Topic	Presenter	Action
8:00 AM	Call to Order	Arden Cramer	Action
8:05 AM	Fiscal		
	<ul style="list-style-type: none"> • PY 19 Audit Report Presentation – Huth Thompson • PY 20 Revenue & Expense Report (ending 11/30/2020) 	Kimberley Morisette Tara Bradley	Information Information
8:30 AM	Adjourn	Arden Cramer	Action
Executive Committee			
Time	Topic	Presenter	Action
8:30 AM	Call to Order	Randy Vernon	Action
8:35 AM	Operations		
	<ul style="list-style-type: none"> • Update on WorkOne Offices • Center Certification Team • Service Provision RFP 	Deb Waymire	Information Information Information
9:00 AM	Administration		
	<ul style="list-style-type: none"> • USDOE Career Pathways Funding Opportunity (New) • USDOL Rural Healthcare Grant (Update) • WIOA Local Plan (Update) 	Roger Feldhaus	Information Information Information
9:30 AM	Adjourn	Randy Vernon	Action



***Tecumseh Area Partnership, Inc.
d/b/a Region 4 Workforce Board
Audit Summary · June 30, 2020***

Overview

- We Issued an Unmodified Auditor’s Report on your 2020 Financial Statements
- Single Audit (Uniform Guidance) Reports—
 - Internal control over financial reporting
 - Federal awards (WIOA Cluster –WIOA Adult, Youth, Dislocated Worker major programs)
 - Unmodified compliance reports
- Audit Overview Points
 - No difficulties in performing audit or disagreements with management
 - No adjusting entries
 - No passed adjustments
- Significant Audit Areas
 - Compliance
 - Internal control and specific compliance testing
 - Revenue recognition – Grant funding and related expenses

Observations and Other Items

- Non-Profit Updates and Other Items—
 - COVID Auditing Environment
 - Fieldwork
 - Footnotes
 - Leases – year end 6/30/2022
- Business Advice Comments—
 - Conflict of Interest Statements
 - Bank Reconciliation Review
 - Cash Receipts Log

Financial Results for 2020

- Assets total \$612K (majority of assets are grants receivable)
- Liabilities total \$476K (majority are payables to providers)
- Net Assets – All net assets/equity are unrestricted
- Total Revenue \$4.8M—
 - Significant revenue fluctuations– decrease in revenue of \$1.2M from 2019
 - Reduction of \$920K from the prior year on the Ready to Work Grant
 - Reduction of \$148KK from the prior year on Skill Up 3 Grant



***Tecumseh Area Partnership, Inc.
d/b/a Region 4 Workforce Board
Audit Summary · June 30, 2020***

Financial Results for 2020

- Total Expenses \$1.2M—
 - Significant expense fluctuations – decrease in expense of \$1.2M from 2019
 - Expense reduction is a direct correlation of the reduction in the Ready to Work Grant & Skill Up 3 Grants
 - Less programmatic costs with reduction of grants
- Net Results—
 - Overall net loss (\$9,916) for 2020 as compared to net loss (\$36,913) for 2019

We wish to thank the CEO, CFO, and their staff for their support and assistance during our audit. We appreciate serving Lafayette Tecumseh Area Partnership, Inc. d/b/b Region 4 Workforce Board.

Kimberley Morisette, CPA, Partner
765-428-5081 · kmorisette@huththompson.com

Financial Statements

**TECUMSEH AREA
PARTNERSHIP, INC.**

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

JUNE 30, 2020 AND 2019

**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

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 statement of financial position as of June 30, 2020, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Prior Period Financial Statements

The financial statements of Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board as of June 30, 2019 were audited by other auditors whose report dated October 24, 2019 expressed an unmodified opinion on those 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 audits 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.

INDEPENDENT AUDITOR'S REPORT--CONTINUED

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. d/b/a Region 4 Workforce Board as of June 30, 2020 and 2019, 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 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. 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 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 **REPORT DATE**, 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.

DATE APPROVED

Lafayette, Indiana

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

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

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash	\$ 181,279	\$ 259,997
Accounts Receivable	9,971	34,464
Grants Receivable, Less Allowance for Doubtful Accounts of \$-0- in both 2019 and 2018	346,537	379,338
Prepaid Expenses	58,515	8,809
TOTAL CURRENT ASSETS	596,302	682,608
PROPERTY, PLANT AND EQUIPMENT		
Equipment, Furniture and Fixtures	14,578	14,578
Accumulated Depreciation	(14,578)	(13,679)
	-	899
OTHER ASSETS		
Security Deposits	16,262	16,262
	\$ 612,564	\$ 699,769
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 291,305	\$ 392,852
Deferred Revenue	84,293	53,516
Accrued Wages	100,447	106,966
TOTAL CURRENT/TOTAL LIABILITIES	476,045	553,334
NET ASSETS		
Without Donor Restrictions	136,519	146,435
	\$ 612,564	\$ 699,769

See Notes to Financial Statements.

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

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

	2020	2019
	WITHOUT DONOR RESTRICTIONS	
Program Services		
Grants	\$ 4,747,977	\$ 5,850,916
Agency Activities	67,088	216,268
	4,815,065	6,067,184
Other Income		
Interest Income	86	104
	86	104
 TOTAL SUPPORT AND REVENUE	4,815,151	6,067,288
 EXPENSES		
Program Services	4,500,326	5,727,701
Management and General	324,741	376,500
TOTAL EXPENSES	4,825,067	6,104,201
 (DECREASE) IN NET ASSETS	(9,916)	(36,913)
 NET ASSETS--Beginning of Year	146,435	183,348
NET ASSETS--End of Year	\$ 136,519	\$ 146,435

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,**

	2020				
	<u>TOTAL</u>	<u>Program Operations</u>	<u>WorkOne Operations</u>	<u>TOTAL PROGRAM EXPENSES</u>	<u>MANAGEMENT AND GENERAL</u>
Salaries and Benefits	\$ 2,879,989	\$ 560,423	\$ 2,054,767	\$ 2,615,190	\$ 264,799
Travel	17,984	11,415	-	11,415	6,569
Occupancy	572,638	162,252	376,163	538,415	34,223
Professional Fees	247,599	167,948	63,368	231,316	16,283
Workforce Development Board	12,624	9,757	-	9,757	2,867
Outreach and Recruitment	38,066	38,066	-	38,066	-
Direct Participant Costs	1,056,167	361,498	694,669	1,056,167	-
	<u>\$ 4,825,067</u>	<u>\$ 1,311,359</u>	<u>\$ 3,188,967</u>	<u>\$ 4,500,326</u>	<u>\$ 324,741</u>
	2019				
	<u>TOTAL</u>	<u>Program Operations</u>	<u>WorkOne Operations</u>	<u>TOTAL PROGRAM EXPENSES</u>	<u>MANAGEMENT AND GENERAL</u>
Salaries and Benefits	\$ 3,638,436	\$ 684,174	\$ 2,661,614	\$ 3,345,788	\$ 292,648
Travel	22,115	16,588	-	16,588	5,527
Occupancy	503,408	60,739	402,922	463,661	39,747
Professional Fees	315,471	211,244	68,924	280,168	35,303
Workforce Development Board	17,197	13,922	-	13,922	3,275
Outreach and Recruitment	26,505	17,820	8,685	26,505	-
Direct Participant Costs	1,581,069	555,642	1,025,427	1,581,069	-
	<u>\$ 6,104,201</u>	<u>\$ 1,560,129</u>	<u>\$ 4,167,572</u>	<u>\$ 5,727,701</u>	<u>\$ 376,500</u>

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>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) in Net Assets	\$ (9,916)	\$ (36,913)
Adjustments to Reconcile (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities--		
Depreciation	899	1,079
(Increase) Decrease in Current Assets--		
Accounts Receivable	24,493	(1,940)
Grants Receivable	32,801	296,741
Prepaid Expenses	(49,706)	2,327
Increase (Decrease) in Current Liabilities--		
Accounts Payable	(101,547)	(243,839)
Refundable Advance	30,777	42,041
Accrued Expenses	(6,519)	(16,316)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(78,718)</u>	<u>43,180</u>
INCREASE (DECREASE) IN CASH	(78,718)	43,180
CASH--Beginning of Year	<u>259,997</u>	<u>216,817</u>
CASH--End of Year	<u><u>\$ 181,279</u></u>	<u><u>\$ 259,997</u></u>

See Notes to Financial Statements.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

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 Receivables**--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, 2020 and 2019.

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- D) Revenue and 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 \$899 and \$1,079 for the years ended June 30, 2020 and 2019, respectively.**

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, 2020 and 2019

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 2016 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, 2020 and 2019

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, 2020 and 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- K) **Reclassification**--Certain reclassifications have been made in the June 30, 2019 financial statements to conform to the classification used in the June 30, 2020 financial statements. The reclassifications have no effect on the overall net assets.
- L) **New Account Pronouncement**--The Organization has adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

Additionally, the Organization has adopted Accounting Standards Update (ASU) No. 2014-09 – *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with this standard.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which provides guidance on the recognition, measurement, presentation, and disclosure of leases. This new accounting standard requires that an entity recognizes the right to use the leased assets and a liability for the corresponding lease obligation on its balance sheet for leases in excess of one year that were previously classified as operating leases under U.S. GAAP. The standard also requires entities to disclose information about the amount, timing, and uncertainty for the payments made for the lease agreements in the footnotes to the financial statements. As of June 30, 2020, it is unknown if this will affect existing leases of the Organization. This guidance will be effective for the Organization's reporting period beginning July 1, 2021.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019**

NOTE 2: LIQUIDITY AND AVAILABILITY

The following table reflects Tecumseh Area Partnership, Inc 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.

	2020	2019
Financial assets at year end--		
Cash	\$ 181,279	\$ 259,996
Grants Receivables	346,537	379,338
Accounts Receivables	9,971	34,464
Financial assets available to meet cash needs for general expenditures within one year	\$ 537,787	\$ 673,798

As of June 30, 2020, the Organization has financial assets of cash, grants receivable, and accounts receivable of \$537,787 to be utilized to liquidate current liabilities of accounts payable and accrued payroll and related expenses of \$391,752 with a net available liquid assets of \$146,035 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 3: 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- and \$52,619 in the years ending June 30, 2020 and 2019, respectively.

NOTE 4: ECONOMIC DEPENDENCY AND MAJOR SOURCES OF REVENUE AND SUPPORT

At June 30, 2020 and 2019, approximately 76.2% and 77.4%, 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 17.9 and 18.2%, 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, 2020 and 2019**

NOTE 5: 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, 2020 and 2019:

	2020	2019
U.S. Department of Labor	\$ 40,116	\$ 121,898
Indiana Department of Workforce Development	306,421	211,932
WHIN Foundation	-	45,508
	\$ 346,537	\$ 379,338

NOTE 6: LINE OF CREDIT

The Organization had a \$500,000 line of credit with its bank for operating purposes. The line of credit was not renewed and terminated as of March 1, 2019.

NOTE 7: 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, 2020 and 2019, accrued paid time off is estimated at \$63,301 and \$66,456, respectively.

NOTE 8: 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, 2020 and 2019 were \$22,126 and \$25,107, respectively.

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019**

NOTE 9: LEASES

The Organization leases office space and various items of equipment under operating lease arrangements. The Organization leases space for the operation of their programs under two operating leases in Lafayette. The leases expire December 31, 2021 and December 31, 2022. Each have a funding out clause. The Organization also leases space in Lafayette, Indiana for the WorkOne Center that expires November 30, 2023. The lease has a provision to adjust the monthly rent based on the consumer price index. The lease also has a funding out clause and requires the Organization to reimburse the landlord common area maintenance expenses, billed on a monthly basis. In August 2015, the Organization entered into a new lease agreement with Ivy Tech Community College for the WorkOne Center in Logansport, Indiana, which ended June 30, 2019. A new lease agreement was entered into beginning November 15, 2019 and ending June 30, 2021. A lease agreement was entered into beginning September 1, 2018 for Kokomo WorkOne, which includes the Kokomo REACH Center. This lease ends on August 31, 2022 and has a funding out clause. A new lease agreement was entered into beginning January 1, 2018 for Crawfordsville WorkOne Center. The lease ends on December 31, 2020. The Organization has a lease agreement with Peru WorkOne Center that began October 15, 2018 and expires October 15, 2020. A renewal was subsequently signed for the period October 15, 2020 through October 15, 2022 and has a funding out clause. The Organization maintains current month-to-month lease agreements for Monticello WorkOne Center.

Total operating lease expense for the years ended June 30, 2020 and 2019 was \$472,262 and \$472,785 respectively. Future minimum lease payments under the operating leases beyond June 30, 2020 are as follows:

2021	\$ 442,538
2022	393,100
2023	208,469
2024	75,187
	<u>\$1,119,294</u>

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

**NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019**

NOTE 10: 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, 2020 and 2019 were \$2,951,844 and \$3,939,451, respectively. At June 30, 2020 and 2019, \$84,769 and \$292,968, 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 2020 and 2019 were \$16,200 annually.

NOTE 11: COVID-19

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closures of many Organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around this disruption. Therefore, the Organization expects this matter could negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

NOTE 12: SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through **DATE APPROVED**, the date which the financial statements were available to be issued.

DRAFT

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, 2020**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	Passed Through to Subrecipients	FEDERAL EXPENDITURES
Dept of Labor Pass-Through the Indiana Department of Workforce Development Employment Service Cluster				
Employment Service/Wagner-Peyser Funded Activities	17.207	BC-9-04	\$ -	\$ 60,000
		Subtotal 17.207	-	60,000
Total Employment Service Cluster			-	60,000
Unemployment Insurance	17.225	UICovid2004	-	6,662
Unemployment Insurance	17.225	RESEA-9-04	320,802	412,034
		Subtotal 17.225	320,802	418,696
National Dislocated Worker	17.277	DRCOVID2004	-	6,510
		Subtotal 17.277	-	6,510
Trade Adjustment Assistance	17.245	TAACM-7-04	-	-
Trade Adjustment Assistance	17.245	TAACM-8-04	-	-
		Subtotal 17.245	-	-
Department of Education pass- Through the Indiana Department of Workforce Development Vocational Rehabilitation Services				
	84.126A	Pre-ETS904	57,600	57,600
			57,600	57,600
Department of Labor Direct Program				
H-1B Job Training Grants	17.268	HG-30141-17-60-A-18	673,029	925,507
H-1B Job Training Grants	17.268	HG-26673-15-60-A-18	162,852	258,332
Total Department of Labor Direct Program		Subtotal 17.268	835,881	1,183,839

(Continued on page 17)

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, 2020
(Continued from Page 16)**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	Passed Through to Subrecipients	FEDERAL EXPENDITURES
Depart of Labor Pass-Through the Indiana Department of Workforce Development for WIOA Cluster				
WIOA Adult Program	17.258	WIOA-8-04	118,735	140,089
WIOA Adult Program	17.258	WIOA-9-04	108,193	342,491
		Subtotal 17.258	226,928	482,580
WIOA Youth Activities	17.259	WIOA-8-04	216,485	395,800
WIOA Youth Activities	17.259	WIOA-9-04	185,134	264,348
WIOA Youth Activities	17.259	WIOASP-9-04	-	64,872
WIOA Youth Activities	17.259	BC-9-04	-	60,000
		Subtotal 17.259	401,619	785,020
WIOA Dislocated Worker Formula Grants	17.278	WIOASP-4-04	32,855	39,769
WIOA Dislocated Worker Formula Grants	17.278	RRCovid2004	-	10,719
WIOA Dislocated Worker Formula Grants	17.278	WIOA-8-04	195,459	263,937
WIOA Dislocated Worker Formula Grants	17.278	WIOA-9-04	236,513	345,276
		Subtotal 17.278	464,827	659,701
Total WIOA Cluster			1,093,374	1,927,301
Total Department of Labor Expenditures			2,307,657	3,653,946

(Continued on page 18)

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, 2020
(Continued from Page 17)**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	Passed Through to Subrecipients	FEDERAL EXPENDITURES
Department of Health and Human Services Pass-Through the Indiana Department of Workforce Development TANF Cluster				
Temporary Assistance for Needy Families	93.558	JAG TANF-7-04	16,002	16,904
		Subtotal 93.558	16,002	16,904
Total TANF Cluster and Total Department of Health and Human Services Expenditures			16,002	16,904
Total Expenditures of Federal Awards			\$ 2,323,659	\$ 3,670,850

OTHER ASSISTANCE

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA	Pass-Through Entity Identifier	Passed Through to Subrecipients	Expenses
Jobs for Americas Graduates/State Funds	N/A	JAG-9-04/08-4	357,878	423,681
Skill UP! 704 Grant	N/A	Skillup-7-04	-	376,724
Work Keys	N/A	N/A	-	28,097
TAP Unrestricted	N/A	N/A	-	48,989
WHIN Foundation Funds	N/A	N/A	-	214,248
State Funds/Jobs for Hoosiers	N/A	JFH-7-04/JFH-9-04	11,748	12,478
Caterpillar Foundation Funds	N/A	N/A	50,000	50,000
Total Other Activity			419,626	1,154,217
TOTAL			\$ 2,743,285	\$ 4,825,067

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, 2020

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, 2020. 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) Tecumseh Area Partnership, Inc. d/b/a Region 4 Workforce Board has elected to not use the 10% de minimis indirect cost rate allowed under Uniform Guidance.
- C) Pass-through entity identifying numbers are presented where available.

**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 the 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 statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated **REPORT DATE**.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Organization'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 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 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.

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

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 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.

DATE APPROVED

Lafayette, Indiana

**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

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 the Organization's major federal programs for the year ended June 30, 2020. 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.

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 the Organization'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 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 the Organization'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 the Organization's compliance.

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

Opinion on Each Major Federal Program

In our opinion, the Organization 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, 2020.

Report on Internal Control over Compliance

Management of the Organization 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 the Organization'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 the Organization'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.

**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.

DATE APPROVED
Lafayette, Indiana

DRAFT

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For Year Ended June 30, 2020

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ___ Yes X No

Significant deficiency(ies) identified? ___ Yes X None reported

Noncompliance material to financial ___ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ___ Yes X No

Significant deficiency(ies) identified? ___ Yes X None reported

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

Any audit findings disclosed that are
required to be reported in accordance
with 2 CFR section 200.516(a)? ___ Yes X No

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
17.258, 17.259, 17.278	WIOA Cluster

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

Auditee qualified as low-risk auditee? X Yes ___ No

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For Year Ended June 30, 2020**

II. FINDINGS – FINANCIAL STATEMENT AUDIT

None reported.

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

WIOA Cluster including:

- WIOA Adult Program; CFDA No. 17.258; Grant No. WIOA-8-04 and WIOA-9-04
- WIOA Youth Activities; CFDA No. 17.259; Grant No. WIOA-8-04, WIOA-9-04, WIOASP-9-04, and BC-9-04
- WIOA Dislocated Worker Formula Grants; CFDA No. 17.278, Grant No. WIOASP-4-04, RRCovid2004, WIOA-8-04, and WIOA-9-04

None reported.

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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For Year Ended June 30, 2020**

No findings reported for the year ended June 30, 2019.

DRAFT

Region 4 WORKFORCE Board

Program Year 20 Revenue and Expense Report July 1, 2020-June 30, 2021

<i>Total Available to Budget</i>					
<i>*After Next Program Year First Quarter Set Aside Removed (20%)</i>	PY 20 Budget	11/30/2020	Actual Percentage	Goal Percentage	PY 19 11/30/2019
Department of Workforce Development Funding					
Workforce Innovation and Opportunity Act					
Administration	202,874	64,330	32%	42%	123,338
Adult	1,025,409	204,732	20%	42%	257,585
Dislocated Worker	338,267	114,266	34%	42%	143,681
Youth	820,835	188,922	23%	42%	290,841
Sub-total WIOA	\$ 2,387,385	\$ 572,250	27%	42%	\$ 815,445
Other Non-WIOA Funding					
SkillUP! 3	13,296	13,294	100%	100%	32,532
Business Consultant	120,000	37,253	31%	42%	35,783
Grant Writing Funds	6,500	2,328	36%	42%	-
Jobs For Hoosiers	1,576	2,273	144%	100%	1,694
JAG State (Jobs for America's Graduates)	707,696	158,079	22%	42%	210,999
TANF/JAG (Jobs for America's Graduates)	-	-	0%	0%	16,904
Pre-ETS(VR)/JAG (Jobs for America's Graduates)	72,000	-	0%	0%	-
RESEA (Re-employment Services)	250,992	99,292	40%	42%	172,087
Next level Jobs Employer Training Grant	125,000	14,384	12%	83%	-
Next Level Jobs Workforce Training Grant	286,111	66,432	23%	83%	-
Special COVID Grant (UI)	13,338	2,705	20%	83%	-
Special COVID Grant (RR)	100,000	44,535	45%	55%	-
Disaster Recovery COVID	124,990	39,953	32%	42%	-
WIOA Performance Support Grant #2	114,563	277	0%	55%	-
WIOA Performance Support Grant #1	-	-	0%	0%	2,266
Sub-total Other Non-WIOA Funding	\$ 1,936,062	\$ 480,804	25%	51%	\$ 472,264
Total DWD Funding	\$ 4,323,447	\$ 1,053,054	24%	51%	\$ 1,287,709
Other Federal Grant Revenue					
Ready to Work (H1-B) Grant	\$ -	\$ -	0%	0%	\$ 258,332
America's Promise Grant (H1-B) Grant	\$ 1,941,800	\$ 284,206	15%	42%	\$ 397,124
Total DOL Revenue	\$ 1,941,800	\$ 284,206	15%	33%	\$ 655,456
TAP Revenue					
TAP Unrestricted Funding	33,150	13	0%	42%	21,296
WHIN Funding	363,885	87,280	24%	42%	(96,007)
Caterpillar Foundation Grants	-	-	0%	0%	-
Other Non-grant Revenue	110,000	15,000	14%	42%	21,750
Total TAP Revenue	\$ 507,035	\$ 102,293	20%	32%	\$ (52,961)
Total Funding Available to Budget	\$ 6,772,282	\$ 1,439,553	21%	38%	\$ 1,890,204
<i>Next Program Year First Quarter Set Aside</i>	<i>\$ 583,859</i>				
Expense					
Salaries	596,415	236,522	40%	42%	301,079
Fringe Benefits	162,838	61,393	38%	42%	73,423
Travel & Staff Development	18,950	1,381	7%	42%	11,770
Occupancy, including Liability Insurance	74,000	33,666	45%	42%	33,631
Communications/Technology	6,000	2,156	36%	42%	2,555
Supplies, including Equipment Costs	26,460	5,744	22%	42%	7,343
Professional Services, including IT costs	184,000	94,464	51%	42%	82,420
WDB Discretionary	20,150	5,621	28%	45%	11,943
WorkOne Center Overhead Costs, including RTW/APG Outreach Costs	456,000	228,586	50%	42%	197,524
Direct Participant Costs-WIOA Adult and Dislocated Worker, Youth	352,458	62,922	18%	42%	111,064
Direct Participant Costs-WIOA Incumbent Worker Set Aside	10,000	-	0%	42%	-
Direct Participant Costs-CARES Grant, WRG, ETG	257,500	55,195	21%	83%	-
Direct Participant Costs-JAG, WorkIN	827,139	1,400	0%	42%	1,394
Direct Participant Costs-Ready to Work, APG, Skill Up, WPG, WHIN	911,831	122,565	13%	42%	279,057
Staffing and Management Costs-WorkOne WIOA	1,325,384	205,458	16%	42%	401,998
Staffing and Management Costs-CARES Grant, WRG, ETG	14,300	3,486	0%	42%	-
Staffing and Management Costs-WorkOne JAG, RESEA, JFH, TAA, WIOACM	873,291	177,102	20%	42%	334,809
Staffing and Management Costs-WorkOne RTW, APG, Skill Up, WPG	613,068	144,019	23%	42%	242,045
Total Expense	\$ 6,729,784	\$ 1,441,679	21%	44%	\$ 2,092,056
Excess Revenue Over/(Under) Expense	\$ 42,498	\$ (2,126)			\$ (201,852)
Board Discretionary					
Board Meetings	\$ 1,500	538	36%	42%	640
Board Travel/Conferences	\$ 6,650	-	0%	42%	-
INWBA/NAWB Dues	\$ 2,000	-	0%	42%	1,547
Strategic Planning	\$ -	-	0%	0%	-
Annual Meeting	\$ 5,000	83	2%	42%	4,756
Workforce Intelligence Information	\$ 5,000	5,000	100%	100%	5,000
Total Board Discretionary	\$ 20,150	\$ 5,621	28%	45%	\$ 11,943

Region 4 Workforce Board Meeting Minutes of November 18, 2020 Location: Conference call Virtual Annual Meeting	NEXT MEETING Wednesday, January 27, 2021 Location: Lafayette - TBD
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Directors Present:

Alicia Hanawalt, chair
 Mike Smith, vice-chair
 Arden Cramer, treasurer
 Steve Snyder, secretary
 Mike Barnes
 Richard Bradshaw
 Spencer Buchanan
 Dennis Carson

Elva James
 Dean McCurdy
 Karen Mellen
 Shannon Polmateer
 Larry West
 Amy Wood

Excused:

Deb Close
 Randy Vernon

Staff and Guests Present: *Roger Feldhaus, CEO; Deb Waymire, COO; Mellisa Leaming, Director of Operations; Blake Sempsrott, Financial Coordinator; April Gilman, Manager of Business and Employer Services; Tina Overley-Hilt, Executive Assistant/Financial Assistant; and Paul Jackson, Benton County Local Economic Development Organization.*

Call to Order and Welcome

The November 18, 2020, WDB meeting and Annual Meeting were held via conference call as a result of health concerns related to COVID-19. Attendees were welcomed and the meeting was called to order by Chair, Alicia Hanawalt, at 3:30 p.m. Roll call was taken. A quorum was present.

Consent Agenda

A motion was made to approve the consent agenda items as presented.

Motion:Larry West

Second:Richard Bradshaw

Action:Unanimous approval

New Business

Fiscal

Audit Update

Treasurer, Arden Cramer, provided the finance and audit update to the Board. Huth Thompson, the new audit firm, has begun the audit process. Everything is going smoothly despite the COVID pandemic. A draft report is expected for presentation to the Finance and Executive Committees in December. The final report is expected for presentation to the full Board in January.

Operations

U.S. DOL Rural Healthcare Grant Opportunity

Region 4 is the lead applicant and fiscal agent for a U.S. DOL Rural Healthcare grant in collaboration with eight other regions. The \$40 million funding opportunity will support 15-40 grants ranging from \$500,000 to \$2.5 million. Our Indiana Rural Healthcare H-1B Coalition proposal is for total funding of \$2.5 million to serve 875 individuals. Region 4 was asked to be the lead agent because of our recent experience with and successful administration of H-1B grants. The purpose of the grant program is to: (1) increase the number of individuals training in healthcare occupations that directly impact patient care and; (2) alleviate healthcare workforce shortages by creating sustainable employment and training programs in healthcare occupations serving rural populations. The targeted populations to be served include unemployed and underemployed individuals who are underrepresented, underserved, and disadvantaged. Targeted occupations include Certified Nursing Assistant, Licensed Practical and Licensed Vocational Nurses, Registered Nurses, and other qualified H-1B

occupations in rural communities. The proposal was submitted on November 13. The anticipated effective date is January 15, 2021, if awarded.

Registered Apprenticeship Sponsor

Region 4 has a new role as a registered apprenticeship (RA) sponsor in which we will assist employers in the administration of RA programs. We worked closely with U.S. DOL Office of Apprenticeship to complete the necessary paperwork and processes for a CNC Operator (Milling and Turning) Registered Apprenticeship program. We were certified as a Sponsor, effective October 7, and are working with Caterpillar Large Engine Center to certify eight individuals as Registered CNC Operator Apprentices. There is already an inquiry to assist in establishing a Maintenance RA program. We will also be learning more about U.S. DOL Industry Recognized Apprenticeship Programs (IRAPS).

WorkOne Offices

The rise in COVID cases is affecting the WorkOne offices and staff. We currently have six staff quarantined due to their exposure to individuals who tested positive. We just had one of the Board staff return to work after quarantine.

To keep as many offices open as possible and not risk quarantining all staff in an office, we will revert back to our two-team approach and serve customers by appointment only. One-half of staff will work remotely and the other half will work in the office in two-week rotations. This change will go into effect for the Lafayette, Kokomo, and Logansport offices beginning Monday, November 30. We will temporarily close our Monticello and Peru offices. The changes and how best to access service will be posted on all office doors, the WorkOne West Central website, and on Facebook. Information will also be provided by telephone recordings. This is a process we had in place earlier this year that seemed successful.

Over the past three weeks, the daily average of office visits has been low.

- Lafayette - 21
- Kokomo - 21
- Logansport - 10
- Monticello - 4.5
- Peru - 3.5

We will be able to manage the number of customers needing service with the appointment system. 30-50% of the daily average visits have been by individuals needing unemployment insurance information and access.

PY 20 WIOA Performance

The 1st Quarter PY 20 WIOA performance data is not yet available from DWD.

Board Administration

Elections of Officers

At its October meeting, the Executive Committee, serving as Nominating Committee, created a slate of board officer nominees for the full board's consideration. Those nominated are: Randy Vernon, Chair; Karen Mellen, Vice Chair; Steve Snyder, Secretary; and Arden Cramer, Treasurer. Steve Snyder and Arden Cramer currently hold the offices for which they are being re-nominated. All of the slated nominees have agreed to serve in the offices for which they are being nominated, if elected. The floor was opened for additional nominations.

A motion was made to close nominations for Board officers.

Motion: Larry West

Second: Richard Bradshaw

Action: Unanimous approval

A motion was made to approve the slate of Board officers.

Motion: Steve Snyder
Second: Larry West
Action: Unanimous approval

Larry West and Roger Feldhaus thanked Randy and Karen for stepping up to serve as officers for the next year. Congratulations! to the newly elected and re-elected Region 4 Workforce Board officers: Randy Vernon, Karen Mellen, Steve Snyder, and Arden Cramer. Larry also thanked Alicia Hanawalt and Michael Smith for serving two terms as Chair and Vice Chair, respectively.

WIOA Local Plan Due January 29, 2021

The WIOA Local Plan is the primary vehicle for communicating the Local Board’s vision for the local workforce system. WIOA requires Local Boards to develop and submit a comprehensive four-year local plan to the State for approval. The plan must address current and future strategies and efficiencies to advance the continuing modernization of the workforce system and the creation of a customer-centered system. The Local Plan must also support and be consistent with the strategies in the State Strategic Workforce Plan. Region 4 submitted its first WIOA Local Plan in 2016 and amended that Plan in 2018. The Board staff has developed a draft 2020-2024 WIOA Local Plan aligning the region’s activities with the State WIOA Plan. Board members have received the draft plan to review until mid-December, after which the draft plan will be posted on the Region 4 Workforce Board website for a 30-day public comment period. The draft plan will also be sent to our partner agencies, stakeholders, Local Elected Officials and Economic Development organizations. The final Region 4 WIOA Local Plan is due to DWD by January 29, 2021.

Annual Meeting

Things to Remember about PY 19

Roger Feldhaus shared his thoughts on the highlights (and lowlights) of Program Year 2019. See the attachment.

Recognize Retiring Board Member & WorkOne West Central Staff Members

Michael Smith, our Board’s Vice Chair, is retiring from Steel Parts Manufacturing after 51 years and stepping down as a Region 4 Workforce Board member. Mike was recognized for his 12 years of service as a member of the Board and two terms as Vice Chair of the Board.

The following WorkOne West Central staff were also recognized for their years of service to workforce development: Chris Cohee, Deb Provo, and Mary Sloan.

PY 19 Annual Report Comments

PY 19 Performance Measures and financial information from the Annual Report were shared with the Board and guests. The report will be posted on the Region 4 Workforce Board website: www.region4workforceboard.org . Attached is the Annual Report.

Things to Look Forward to in PY 20

Roger Feldhaus shared his thoughts on what to expect in Program Year 2020. See the attachment.

Everyone was thanked for their attendance and for their ongoing support of the Region 4 Workforce Development System.

The meeting was adjourned at 5:00 PM.

Respectfully submitted,
Tina Overley-Hilt
Executive Assistant

Stephen Snyder, Secretary
Tecumseh Area Partnership, Inc.
d/b/a Region 4 Workforce Board

DRAFT

Things to Remember about PY 19 (7/1/19—6/30/20)

Annual Meeting (Virtual) 11/18/2020

Q1 (7/1/19—9/30/19)

- New WIOA allocation reduced by \$308k compared to prior year
- WHIN grant becomes a new funding source (\$727k over two years)
- Support given for the Integrated Training & Education Program (ITEP) administered by Ivy Tech-Kokomo in partnership with participating school corporations and employers. (\$130k in R4 WDB's Skill UP! Indiana grant funding was made available.)
- TAP staff member, Brooklyn Burton, was named one of the Top 10 under 40 Young Professionals by Tippy Connect
- Indiana's first Regional Workforce Professionals Retreat was held in Indianapolis. WDB members and staff members from throughout Indiana participated in this day-long event.
- The Board received a WIOA Performance Support Grant (\$185k ask) to help offset the reduced new WIOA PY 19 allocation. Thank you, DWD.
- The Board received a NextLevel Jobs Workforce Ready Grant (\$145k ask) to support co-enrolled Adult Ed and WorkOne participants in training leading to CDL-A or CNA certification
- WIOA Partner MOUs and IFAs were completed
- Mike Barnes, Amy Wood, Karen Mellen, and Spencer Buchanan joined the Board
- Chris Waymire retired after 35+ years' service with TAP

Q2 (10/1/19—12/31/19)

- RTW Grant ends, 10/31/19, after five years
- New State Performance Metrics negotiated: *Engagement Rate* (# engaged/# un- and under-employed); *Job Connectedness Rate* (# employed 1st qtr. after exit/# receiving svc.); and *Wage Change* (avg. change in median wage customers were earning prior to receiving svc. compared to median wage received two qtrs. after exit)
- Dean McCurdy joins the Board
- Numerous state-level meetings with DWD, Conexus, INWBA, and GWC: Engage or Expire!
- Board's Strategic Plan updated
- Contemplated applying (with other regions and through DWD) for an Opioid Recovery Grant. No go due to insufficient data to support a competitive-enough application. Important that we consider when another such opportunity presents itself.
- Support given Lewis Cass Polytechnic Academy for laser cutter and Plasma CNC equipment (\$37K in Skill Up! Indiana Grant funds)
- Deb Waymire spoke at SIA's New Technical Training Center grand opening
- WIOA State Plan introduced for comment
- Annual Dinner Meeting deemed a success

Q3 (1/1/20—3/31/20)

- TAP staff consider affordability of WorkOne sites on the basis of service levels and REACH activity—ending of RTW, APG waning, low WorkKeys activity
- Support given to GLCA for production line and fundamental skills simulation equipment in partnership with LSC, Conexus, and VU. \$61k funded via WIOA Performance Support Grant
- Brooklyn Burton resigns to accept a position at Ivy Tech-Lafayette as Workforce Alignment Consultant
- Adult Ed Service Providers' Grant applications (\$1.8M available for Region 4)
- Exploring opportunities for serving Latinx workers through MSSC Certified Production Technician training and certification. Promising Practice: GOAL (Growing Opportunities in America for Latinos) a program piloted by LIFT and JFF.

Q4 (4/1/20—6/30/20)

- WorkOne staff are assisting customers via email and telephone during office closure and are designing virtual workshops
- Offices may reopen by May 11th. Extensive cleaning has taken place and protective equipment has been ordered.
- Services are being delivered by appointment or virtually. Only a limited number of customers are allowed in lobbies/waiting areas.
- Pandemic effect changes our minds regarding closing the Lafayette REACH office and requesting an extension of APG
- Assistance provided GM with outreach and recruitment of workers to manufacture ventilators
- After much uncertainty surrounding funding levels, the Board finds \$6.8M for budgeting for Region 4 activities in PY 20—an increase of \$500k over PY 19
- Received COVID-related grants:
 - Disaster Recovery—humanitarian assistance (\$131k to Food Finders and L'port Memorial Hospital)
 - Employment Recovery--\$400k for training 50 individuals
 - NextLevel Jobs Grants—assist in enrolling 140 individuals in Workforce Ready program (\$247k for short-term training/certification) and assist employers in enrolling and training new and incumbent workers (\$1.25M in Region 4)
- Offices open by appointment. JAG programs are moving forward—some in person, some virtual

Other (7/1/20—Present)

- Executive Council (County Chief Elected Officials) to meet soon
- H-1B Rural Healthcare Grant application submitted
- Registered Apprenticeship Sponsor designation
- APG extension approved through 12/31/22
- WorkOne traffic is increasing

Things to Look Forward to in PY 20 (7/1/20—6/30/21)

Annual Meeting (Virtual) 11/18/2020

General/National

- Caveat: All speculation depends on at least two things—1) distribution of vaccine and 2) how we as a nation balance public health with economic health
- Manufacturing was the main driver in unemployment; now it's entertainment (hospitality and tourism)—especially in Indiana
- Also among the sectors most hurt were Education, Personal Services, Business Services, and Retail
- Good news: LOW Consumer Price Index; LOW interest rates; REASONABLE spending growth; NO current indication of recession
- Caution: long term trend for inflation is UP
- Be aware: Job loss has been different for brown and black workers 9.5% vs. 7.5%
- Future stimulus would seem to be most beneficial if targeted for those on the margins, e.g., entertainment industry (hospitality and tourism)
- We can expect a divided federal government to continue

Local/Regional

- Expect unemployment rate to increase in Howard County due to GM/Ventec shutdown
- We can expect unemployment to be back to 2019 levels by the end of 2021
- We don't have enough data yet to forecast the future demand for retraining, but we assume that it will significantly increase
- The trend for online shopping will continue to increase
- The trend for working from home is not clear
- There is a pent-up demand for social interaction
- We will continue to gauge how job seeker customers prefer to interact with us—virtually, in person, or a combination of the two
- We will continue to develop opportunities for those on the margins of the workforce: racial and cultural minorities, English language learners, returning veterans, ex-offenders, those recovering from drug use disorders, etc.
- We will continue to engage with the K-12 community, directly with high schoolers, and indirectly with younger elementary and middle schoolers
- Training for careers in manufacturing will remain a priority, but we will be pivoting toward more investment in healthcare occupational training