



FINANCIAL STATEMENTS WITH
ADDITIONAL INFORMATION

June 30, 2006 and 2005

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INDEPENDENT AUDITOR'S REPORT

To the Workforce Development Board Membership
Southwest Wisconsin Workforce Development Board, Inc.
Platteville, Wisconsin

We have audited the accompanying statements of financial position of Southwest Wisconsin Workforce Development Board, Inc. as of June 30, 2006 and 2005, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southwest Wisconsin Workforce Development Board, Inc. as of June 30, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2006 on our consideration of Southwest Wisconsin Workforce Development Board, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *Provider Agency Audit Guide*, 1999 revision, issued by the Wisconsin Departments of Health and Family Services, Workforce Development, and Corrections, and is not a required part of the basic financial statements. The schedule of revenues and expenses by funding source and by contract is presented for purposes of additional analysis and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Wegner LLP
October 13, 2006

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2006 and 2005

	2006	2005
ASSETS		
Cash	\$ 45,386	\$ 10,709
Receivables	304,138	361,714
Prepaid expenses	12,149	10,905
Vehicle (less accumulated depreciation of \$11,754 and \$5,343, respectively)	7,480	13,891
Total assets	\$ 369,153	\$ 397,219
LIABILITIES		
Accounts payable	\$ 207,086	\$ 246,397
Accrued expenses	13,283	27,603
Deferred revenue	25,229	3,209
Note payable	4,919	9,147
Funds held for future health benefits	22,203	26,480
Total liabilities	272,720	312,836
NET ASSETS		
Unrestricted	96,433	84,383
Total liabilities and net assets	\$ 369,153	\$ 397,219

See accompanying notes.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2006 and 2005

	2006	2005
REVENUES AND OTHER SUPPORT		
Program service revenue	\$ 3,964,453	\$ 3,454,797
Other revenue	21,014	11,382
Total revenues and other support	3,985,467	3,466,179
EXPENSES		
Program services		
Adult and dislocated workers programs	1,864,117	1,612,147
Youth activities	584,044	584,703
Wisconsin Works programs	868,050	762,440
Senior Community Service Employment Program	129,967	81,089
Other programs	138,715	135,085
Supporting activities		
Management and general	388,524	281,805
Total expenses	3,973,417	3,457,269
Change in net assets	12,050	8,910
Unrestricted net assets—beginning of year	84,383	75,473
Unrestricted net assets—end of year	\$ 96,433	\$ 84,383

See accompanying notes.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2006 and 2005

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 12,050	\$ 8,910
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	6,411	7,538
Gain on trade-in of vehicle	-	(7,500)
(Increase) decrease in assets		
Receivables	57,576	37,945
Prepaid expenses	(1,244)	(1,424)
Increase (decrease) in liabilities		
Accounts payable	(39,311)	67,645
Accrued expenses	(14,320)	(34,843)
Deferred revenue	22,020	(3,332)
Funds held for future health benefits	(4,277)	(5,098)
Net cash provided by operating activities	38,905	69,841
CASH FLOWS FROM INVESTING ACTIVITIES		
Repayments of WETAP loans	-	5,785
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment on line of credit	-	(40,000)
Principal payments on notes payable	(4,228)	(4,782)
WETAP loan funds transferred to Southwest Wisconsin Community Action Program	-	(67,233)
Net cash used by financing activities	(4,228)	(112,015)
Net increase (decrease) in cash	34,677	(36,389)
Cash—beginning of year	10,709	47,098
Cash—end of year	\$ 45,386	\$ 10,709

See accompanying notes.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2006 and 2005

Southwest Wisconsin Workforce Development Board, Inc. (a not-for-profit organization) is a collaboration of public and private leaders who oversee a workforce development system that (a) continuously identifies and addresses the needs of businesses and individuals, (b) equips individuals with the skills and knowledge that employers require, and (c) provides the support systems necessary for increased economic self-sufficiency. The organization serves the counties of Grant, Green, Iowa, Lafayette, Richland, and Rock. Each county is home to a Job Center that provides comprehensive services for employers and job seekers. The organization's programs and activities are primarily funded by Workforce Investment Act (WIA) funds passed through the Wisconsin Department of Workforce Development (DWD). The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the organization is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets—Net assets that are not restricted by donors. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments.

Temporarily restricted net assets—Net assets whose use has been limited by donor-imposed time restrictions or purpose restrictions.

Permanently restricted net assets—Net assets that have been restricted by donors to be maintained by the organization in perpetuity.

Revenue Recognition

Revenue from grant agreements and similar programs is recognized to the extent of allowable expenses, not to exceed the maximum amount specified in the agreement and related addendums. Receivables include amounts earned for which payment has not yet been received. Balances that are still outstanding are written off after management has used reasonable collection efforts and determines the receivable will not be collected. Funding sources may periodically remit funds to the organization based on estimated expenses. The excess of funds remitted over expenses incurred is recorded as deferred revenue.

Financial awards received and expended are subject to review by the DWD, the United States Department of Labor (DOL), the United States Government Accountability Office (GAO), or other agencies providing direct or indirect funding pursuant to authority given by law or regulation. Such reviews could result in claims against the organization for disallowed costs or noncompliance with the provisions of contracts and grant agreements. No provision has been made for any liabilities that may arise from such reviews since the amount, if any, cannot be presently determined.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2006 and 2005

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

All acquisitions of property and equipment of \$5,000 or more and all expenses for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Funds Held for Future Health Benefits

Under the terms of an employment agreement with its former executive director, the organization has agreed to pay for certain costs of health care. Such costs are not to exceed the unused amount of sick leave accrued at the time of retirement. The amount available for payment of benefits is reflected as a liability in the statement of financial position.

Income Taxes

The organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. The following program services and supporting activities are included in the accompanying financial statements:

Adult and dislocated workers programs—Programs for adults and dislocated workers seek to improve employment, retention, and earnings of WIA participants and increase their educational and occupational skill attainment, thereby improving the quality of the workforce, reducing welfare dependency, and enhancing national productivity and competitiveness.

Youth activities—Youth activities seek to increase the attainment of basic skills, work readiness, or occupational skills, and secondary diplomas or other credentials. A person is eligible to receive services under youth activities if they are between the ages of fourteen and twenty-one at the time of enrollment and demonstrate at least one of the following barriers to employment: deficient in basic literacy skills, a school dropout, homeless, a runaway, a foster child, pregnant or parenting, offender, or an individual who requires additional assistance to complete an educational program or to secure and hold employment.

Wisconsin Works programs—Wisconsin Works (W-2) is the welfare replacement program for Aid to Families with Dependent Children (AFDC) based on work participation. The goal of W-2 is to provide necessary and appropriate services to prepare individuals to work, and to obtain and maintain viable, self-sustaining employment, which will promote economic growth.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2006 and 2005

NOTE A – SIGNIFICANT ACCOUNTING POLICIES (continued)

Senior Community Service Employment Program—The Senior Community Service Employment Program (SCSEP) provides, fosters, and promotes useful part-time work opportunities (usually twenty hours per week) in community service activities for low-income persons who are age fifty-five or older. To the extent feasible, the program assists and promotes the transition of program enrollees into unsubsidized employment.

Other programs—Other programs include establishment of a Disability Program Navigator that serves as a vehicle for job seekers with disabilities to further connect with products and services that will support them in meeting their career objectives; operation of the Southwest Wisconsin Job Center Network that enhances the coordination of agencies providing employment and training services; providing employment and training services to a targeted population of African-American males and other minority individuals age eighteen to thirty years; and other job training, placement, and retention services.

Management and general—Management and general expenses include the costs necessary to ensure proper administrative functioning of the board membership, manage the financial and budgetary responsibilities of the organization, and perform other administrative activities.

Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B – LINE OF CREDIT

The organization has a \$50,000 revolving line of credit, which was unused at June 30, 2006. Advances on the credit line are payable on demand and carry an interest rate of 6¾% over prime. The credit line is secured by substantially all assets of the organization.

NOTE C – NOTE PAYABLE

The organization has a 6.7% note payable in monthly installments of \$365, including interest, through September 15, 2007. The note is secured by a vehicle. The future scheduled maturities of this note are as follows:

Year ending June 30:	
2007	\$ 4,181
2008	<u>738</u>
	<u>\$ 4,919</u>

Interest expense for the years ended June 30, 2006 and 2005 was \$521 and \$550, respectively.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2006 and 2005

NOTE D – SUPPLEMENTAL CASH FLOW INFORMATION

Noncash investing and financing activities during the year ended June 30, 2005 consist of financing the cost of acquiring a vehicle as follows:

Cost of vehicle, net of trade-in	\$ 19,234
Gain on trade-in	(7,500)
Note payable	<u>(11,734)</u>
Cash paid for vehicle	<u>\$ -</u>

Interest paid during the years ended June 30, 2006 and 2005 was \$521 and \$550, respectively.

NOTE E – LEASES

The organization leases space for its administrative offices and program operations under operating leases that expire at various dates through June 30, 2010. These leases generally require the organization to pay all executory costs such as maintenance and utilities. These leases also include a clause that allows the organization to terminate or renegotiate the lease in the event the organization's funding is substantially reduced. Rent expense for these leases was \$53,080 and \$57,699 for the years ended June 30, 2006 and 2005, respectively.

The organization also subleased portions of these facilities under operating leases. Sublease rental income for the years ended June 30, 2006 and 2005 was \$14,657 and \$31,897, respectively.

NOTE F – RETIREMENT PLAN

The organization has a defined contribution plan covering all employees that work a minimum of twenty hours per week and are age eighteen or older. The organization makes a contribution to the plan each year equal to 4% of all participants' compensation. In addition, the organization matches 50% of the participants' contributions to the plan up to 14% of the individual participant's compensation. Total expense for the years ended June 30, 2006 and 2005 was \$54,107 and \$32,673, respectively.

NOTE G – ECONOMIC DEPENDENCY

The organization receives most of its revenue from federal awards passed through the DWD and from agreements with county agencies. A substantial reduction in the level of this revenue could have a significant adverse affect on the organization's programs and activities.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2006

United States Department of Labor								
	Pass-through Entity Identifying Number	Senior Community Service Employment Program	Workforce Investment Act (WIA) Cluster			Work Incentives Grant	Total	
			WIA Adult Program	WIA Youth Activities	WIA Dislocated Workers	Total WIA Cluster		
		CFDA 17.235	CFDA 17.258	CFDA 17.259	CFDA 17.260	CFDA 17.266		
Direct programs		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Pass-through programs from								
Wisconsin Department of Health and Family Services								
Title V-SCSEP	560410	1,774	-	-	-	-	1,774	
Title V-SCSEP	560410	138,600	-	-	-	-	138,600	
Wisconsin Department of Workforce Development								
WIA Title I Disability Program Navigator	DWSWIA0411DPN	-	-	-	-	72,140	72,140	
WIA Title I Administration	DWSWIA0511ADM	-	-	-	6,817	-	6,817	
WIA Title I Adult	DWSWIA0511ADT	-	41,973	-	41,973	-	41,973	
WIA Title I Dislocated Worker	DWSWIA0511ADT	-	-	-	525,992	525,992	525,992	
WIA Title I Dislocated Worker	DWSWIA0511DLW	-	-	-	20,961	20,961	20,961	
WIA Title I Statewide Activities Incentive Award	DWSWIA0511INC	-	-	-	10,500	-	10,500	
WIA Title I National Emergency Grant	DWSWIA0511NEG	-	-	-	573,613	573,613	573,613	
WIA Title I Section 173 (e) SFA	DWSWIA0511SFA	-	-	-	6,066	-	6,066	
WIA Title I Rock County OIC Connection Project	DWSWIA0511STW	-	-	-	96,956	-	96,956	
WIA Title I Youth	DWSWIA0511YTH	-	-	12,000	-	12,000	12,000	
WIA Title I National Emergency Grant	DWSWIA0512NEG	-	-	-	169,501	169,501	169,501	
WIA Title I Administration	DWSWIA0611ADM	-	-	-	182,506	-	182,506	
WIA Title I State Rapid Response	DWSWIA0611SRR	-	-	-	55,159	-	55,159	
WIA Title I Youth	DWSWIA0611YTH	-	-	572,044	-	572,044	572,044	
WIA Title I Adult	DWSWIA0711ADT	-	461,310	-	-	461,310	461,310	
WIA Title I Statewide Activities Administered by the Governor's Council on Workforce Investment	0696	-	-	-	2,500	-	2,500	
WIA Title I Statewide Activities Administered by the Governor's Council on Workforce Investment	0694	-	-	-	2,000	-	2,000	
Total pass-through programs		<u>140,374</u>	<u>503,283</u>	<u>584,044</u>	<u>1,351,292</u>	<u>2,739,898</u>	<u>72,140</u>	<u>2,952,412</u>
Total expenditures of federal awards		<u>\$ 140,374</u>	<u>\$ 503,283</u>	<u>\$ 584,044</u>	<u>\$ 1,351,292</u>	<u>\$ 2,739,898</u>	<u>\$ 72,140</u>	<u>\$ 2,952,412</u>

See accompanying notes to schedule of expenditures of federal awards.

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2006

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Southwest Wisconsin Workforce Development Board, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *Provider Agency Audit Guide*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – WIA CLUSTER

During the year ended June 30, 2006, funds totaling \$301,279 were expended under certain grant agreements with the DWD. While the grant agreements indicate the source of the funds as the WIA cluster of programs, the DWD has not provided the organization with the amount of funds for each federal CFDA number within this cluster of programs. Because the amount for each federal award within this cluster of programs is unknown, the amounts expended for these grant agreements are included only in the total column for the WIA cluster of programs in the accompanying schedule of expenditures of federal awards.

NOTE C – SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the organization provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
WIA Adult Program	17.258	\$ 277,777
WIA Youth Activities	17.259	372,409
WIA Dislocated Workers	17.260	483,165
		<u>\$ 1,133,351</u>

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
 SCHEDULE OF REVENUES AND EXPENSES BY FUNDING SOURCE AND BY CONTRACT
 Year Ended June 30, 2006

	Wisconsin Department of Health and Family Services		Wisconsin Department of Workforce Development									
	Title V--SCSEP	Title V--SCSEP	WIA Title I Administration	WIA Title I Administration	WIA Title I Section 173 (e) SFA	WIA Title I Credentialing Project	WIA Title I Incentive Award	WIA Title I Baldrige Express Assessment	WIA Title I Adult	WIA Title I Adult	WIA Title I Youth	WIA Title I Youth
REVENUES												
Program service revenue	\$ 1,774	\$ 138,600	\$ 6,817	\$ 182,506	\$ 6,066	\$ 2,000	\$ 10,500	\$ 2,500	\$ 41,973	\$ 461,310	\$ 12,000	\$ 572,044
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	1,774	138,600	6,817	182,506	6,066	2,000	10,500	2,500	41,973	461,310	12,000	572,044
EXPENSES												
Specific assistance to individuals	-	390	-	-	-	-	-	-	40,422	65,314	-	43,490
Salaries and wages	1,639	124,021	5,499	63,510	6,066	-	-	-	1,037	61,895	11,825	60,842
Employee benefits	3	2,166	703	23,143	-	-	-	-	298	6,286	92	10,844
Payroll taxes	125	10,461	153	7,694	-	-	-	-	77	3,797	32	6,555
Professional fees	-	-	-	21,324	-	-	-	2,500	-	4,998	-	11,745
Supplies	-	100	-	-	-	-	10,500	-	-	6,951	-	10,251
Telephone	-	-	-	4,454	-	-	-	-	-	7,860	-	10,608
Postage and shipping	-	14	-	544	-	-	-	-	-	553	-	951
Occupancy	2	702	220	11,450	-	-	-	-	128	8,883	45	15,615
Equipment rental and maintenance	-	-	-	73	-	-	-	-	-	2,214	-	4,016
Printing and publications	-	-	-	-	-	-	-	-	-	32	-	67
Travel	-	246	237	11,375	-	-	-	-	7	2,692	5	4,861
Conferences and meetings	-	-	-	8,040	-	2,000	-	-	-	13	-	307
Subcontracts	-	-	-	-	-	-	-	-	-	277,777	-	372,409
Other	5	500	5	30,899	-	-	-	-	4	12,045	1	19,483
Total expenses	1,774	138,600	6,817	182,506	6,066	2,000	10,500	2,500	41,973	461,310	12,000	572,044
Excess revenues (expenses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Wisconsin Department of Workforce Development						Grant County Department of Social Services					
	WIA Title I National Emergency Grant	WIA Title I Dislocated Worker	WIA Title I Dislocated Worker	WIA Title I OIC Connections Project	WIA Title I Disability Program Navigator	WIA Title I State Rapid Response	WIA Title I National Emergency Grant	Work Experience (DVR)	Work Experience (DVR)	SED	Safety Net Coordinator	SED
REVENUES												
Program service revenue	\$ 573,613	\$ 20,961	\$ 525,992	\$ 96,956	\$ 72,140	\$ 55,159	\$ 169,501	\$ 2,168	\$ 10,306	\$ 31,611	\$ 15,441	\$ 15,463
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	573,613	20,961	525,992	96,956	72,140	55,159	169,501	2,168	10,306	31,611	15,441	15,463
EXPENSES												
Specific assistance to individuals	239,855	-	148,060	1,136	-	18,849	48,781	-	-	-	-	-
Salaries and wages	114,697	20,702	18,243	50,523	34,957	11,939	27,310	1,942	9,329	24,568	9,553	9,555
Employee benefits	17,636	123	8,692	12,472	11,520	843	3,874	-	-	1,116	3,592	3,612
Payroll taxes	11,923	54	5,722	4,495	3,414	192	1,427	221	954	2,020	811	811
Professional fees	6,289	-	18,925	-	851	1,084	28	-	-	-	-	-
Supplies	4,317	-	8,797	3,231	1,032	94	67	-	-	-	-	-
Telephone	9,204	-	10,797	5,960	982	114	99	-	-	-	-	-
Postage and shipping	39	-	544	-	94	12	30	-	-	-	-	-
Occupancy	14,080	69	9,800	14,996	11,076	427	1,690	-	-	-	-	-
Equipment rental and maintenance	2,944	-	2,145	-	332	1	4	-	-	-	-	-
Printing and publications	-	-	39	-	324	-	-	-	-	-	-	-
Travel	15,160	3	4,202	646	3,776	346	1,132	-	-	3,794	1,446	1,446
Conferences and meetings	773	8	14	340	1,649	74	129	-	-	-	-	-
Subcontracts	127,107	-	252,227	-	-	20,000	83,831	-	-	-	-	-
Other	9,589	2	37,785	3,157	2,133	1,184	1,099	5	23	113	39	39
Total expenses	573,613	20,961	525,992	96,956	72,140	55,159	169,501	2,168	10,306	31,611	15,441	15,463
Excess revenues (expenses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
 SCHEDULE OF REVENUES AND EXPENSES BY FUNDING SOURCE AND BY CONTRACT
 Year Ended June 30, 2006

Grant County Department of Social Services

	SED	Volunteer Programs	Parent Mentors	Safety Net Coordinator	CST Coordinator	Targeted Case Management	Fall Prevention Coordinator	Targeted Case Management	SED	IVE	Social Worker	Volunteer Programs
REVENUES												
Program service revenue	\$ 1,454	\$ 9,235	\$ 59,941	\$ 10,531	\$ 10,498	\$ 25,958	\$ 7,338	\$ 27,607	\$ 29,276	\$ 4,605	\$ 15,612	\$ 9,163
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	1,454	9,235	59,941	10,531	10,498	25,958	7,338	27,607	29,276	4,605	15,612	9,163
EXPENSES												
Specific assistance to individuals	-	-	-	-	-	-	-	-	-	-	-	-
Salaries and wages	1,132	8,029	36,439	7,689	8,412	18,820	6,274	19,467	25,326	4,160	10,496	8,291
Employee benefits	-	-	-	-	-	2,828	-	4,131	49	-	2,711	-
Payroll taxes	127	913	3,931	861	950	1,703	713	1,737	1,716	301	669	598
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-
Postage and shipping	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-	-	-	-	-
Equipment rental and maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Printing and publications	-	-	-	-	-	-	-	-	-	-	-	-
Travel	189	251	19,386	1,941	1,092	2,514	318	2,183	2,060	122	1,713	230
Conferences and meetings	-	-	-	-	-	-	-	-	-	-	-	-
Subcontracts	-	-	-	-	-	-	-	-	-	-	-	-
Other	6	42	185	40	44	93	33	89	125	22	23	44
Total expenses	1,454	9,235	59,941	10,531	10,498	25,958	7,338	27,607	29,276	4,605	15,612	9,163
Excess revenues (expenses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Grant County Department of Social Services

Green County Department of Human Services

	Parent Aide	Safety Net Coordinator	CST Coordinator	Targeted Case Management	SED	Wisconsin Works (W-2)	Fall Prevention Coordinator	Targeted Case Management	Safety Net Coordinator	Adult Day Center Assistant	CYF Case Aide	Adult Day Center Assistant
REVENUES												
Program service revenue	\$ 64,729	\$ 14,277	\$ 10,828	\$ 19,672	\$ 15,612	\$ 46,964	\$ 4,759	\$ 27,552	\$ 2,592	\$ 4,147	\$ 4,439	\$ 28,593
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	64,729	14,277	10,828	19,672	15,612	46,964	4,759	27,552	2,592	4,147	4,439	28,593
EXPENSES												
Specific assistance to individuals	-	-	-	-	-	455	-	-	-	-	-	1,310
Salaries and wages	41,658	11,067	8,808	15,340	10,496	35,863	3,850	20,657	2,049	3,714	3,976	22,569
Employee benefits	-	-	-	1,567	2,711	5,251	-	3,381	-	-	-	1,172
Payroll taxes	3,654	793	895	1,416	669	3,884	391	1,386	147	424	453	1,153
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	99	-	-	-	-	-	887
Telephone	-	-	-	-	-	-	-	-	-	-	-	1,320
Postage and shipping	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	576	-	-	-	-	-	-
Equipment rental and maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Printing and publications	-	-	-	-	-	-	-	-	-	-	-	-
Travel	19,204	2,359	1,079	1,272	1,713	621	498	2,080	385	-	-	141
Conferences and meetings	-	-	-	-	-	-	-	-	-	-	-	-
Subcontracts	-	-	-	-	-	-	-	-	-	-	-	-
Other	213	58	46	77	23	215	20	48	11	9	10	41
Total expenses	64,729	14,277	10,828	19,672	15,612	46,964	4,759	27,552	2,592	4,147	4,439	28,593
Excess revenues (expenses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
 SCHEDULE OF REVENUES AND EXPENSES BY FUNDING SOURCE AND BY CONTRACT
 Year Ended June 30, 2006

	Green County Department of Human Services		Iowa County Health Department	Richland County Department of Health and Human Services								
	Adult Day Center Assistant	CYF Case Aide	Tobacco Coalition	Front End Verification	CMO Care Manager	Resource Center Supervisor	Technology Assistant	Maintenance	Parent Aide	Social Worker Resource Center	Clinical Therapist	Disability Benefit Specialist
REVENUES												
Program service revenue	\$ 4,071	\$ 2,505	\$ 2,210	\$ 6,634	\$ 26,809	\$ 28,552	\$ 15,875	\$ 637	\$ 16,776	\$ 29,125	\$ 30,752	\$ 14,640
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	4,071	2,505	2,210	6,634	26,809	28,552	15,875	637	16,776	29,125	30,752	14,640
EXPENSES												
Specific assistance to individuals	-	-	-	-	-	-	-	-	-	-	-	-
Salaries and wages	3,684	2,266	2,001	5,241	19,934	23,608	13,204	526	10,940	21,864	23,912	12,429
Employee benefits	-	-	-	882	3,346	2,516	891	-	3,144	4,854	4,500	-
Payroll taxes	378	233	204	487	1,786	2,118	1,455	60	1,130	2,065	2,125	1,348
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-
Postage and shipping	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-	226	-	-	-
Equipment rental and maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Printing and publications	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	1,624	259	189	50	994	228	8	777
Conferences and meetings	-	-	-	-	20	-	62	-	289	20	-	20
Subcontracts	-	-	-	-	-	-	-	-	-	-	-	-
Other	9	6	5	24	99	51	74	1	53	94	207	66
Total expenses	4,071	2,505	2,210	6,634	26,809	28,552	15,875	637	16,776	29,125	30,752	14,640
Excess revenues (expenses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Richland County Department of Health and Human Services

	Clerical Assistant	LTE File Clerk	Front End Verification	CMO Care Manager	Resource Center Supervisor	Technology Assistant	Maintenance	Parent Aide	Social Worker Resource Center	Clinical Therapist	CMO Transcriptionist	LTE File Clerk
	REVENUES											
Program service revenue	\$ 7,846	\$ 139	\$ 7,015	\$ 26,577	\$ 30,881	\$ 16,585	\$ 1,430	\$ 15,770	\$ 54,247	\$ 26,948	\$ 121	\$ 2,212
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	7,846	139	7,015	26,577	30,881	16,585	1,430	15,770	54,247	26,948	121	2,212
EXPENSES												
Specific assistance to individuals	-	-	-	-	-	-	-	-	-	-	-	-
Salaries and wages	6,988	125	5,632	20,336	25,589	15,244	1,223	4,180	42,047	24,389	111	2,001
Employee benefits	-	-	989	3,763	2,612	24	-	4,891	8,060	650	-	-
Payroll taxes	796	14	368	1,381	1,769	1,100	125	2,259	2,915	1,745	10	206
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-
Postage and shipping	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	3,340	-	-	-	-
Equipment rental and maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Printing and publications	-	-	-	-	-	-	-	-	-	-	-	-
Travel	44	-	-	996	758	117	79	1,009	700	37	-	-
Conferences and meetings	-	-	-	-	100	62	-	-	340	-	-	-
Subcontracts	-	-	-	-	-	-	-	-	-	-	-	-
Other	18	-	26	101	53	38	3	91	185	127	-	5
Total expenses	7,846	139	7,015	26,577	30,881	16,585	1,430	15,770	54,247	26,948	121	2,212
Excess revenues (expenses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF REVENUES AND EXPENSES BY FUNDING SOURCE AND BY CONTRACT
Year Ended June 30, 2006

	Richland County Department of Health and Human Services		Rock County Department of Human Services		Southwest Wisconsin Community Action Program		Other	Total
	Disability Benefit Specialist	Clerical Assistant	Clerical	Clerical	Case Manager	Case Manager		
REVENUES								
Program service revenue	\$ 15,583	\$ 7,478	\$ 11,064	\$ 10,449	\$ 4,101	\$ 4,369	\$ 60,269	\$ 3,964,453
Other revenue	-	-	-	-	-	-	21,014	21,014
Total revenues	15,583	7,478	11,064	10,449	4,101	4,369	81,283	3,985,467
EXPENSES								
Specific assistance to individuals	-	-	-	-	-	-	1,097	609,159
Salaries and wages	13,402	6,775	10,224	9,664	3,676	3,847	500	1,339,796
Employee benefits	158	-	-	-	-	-	-	172,096
Payroll taxes	1,004	582	727	687	416	278	-	120,193
Professional fees	-	-	-	-	-	-	43,515	111,259
Supplies	-	-	-	-	-	-	9,373	55,699
Telephone	-	-	-	-	-	-	10,971	62,369
Postage and shipping	-	-	-	-	-	-	-	2,781
Occupancy	-	-	-	-	-	234	-	93,559
Equipment rental and maintenance	-	-	-	-	-	-	-	11,729
Printing and publications	-	-	-	-	-	-	-	462
Travel	690	-	88	74	-	-	-	121,446
Conferences and meetings	135	-	-	-	-	-	50	14,445
Subcontracts	-	-	-	-	-	-	-	1,133,351
Other	194	121	25	24	9	10	3,727	125,073
Total expenses	15,583	7,478	11,064	10,449	4,101	4,369	69,233	3,973,417
Excess revenues (expenses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,050	\$ 12,050



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 AND THE *PROVIDER
AGENCY AUDIT GUIDE*

To the Workforce Development Board Membership
Southwest Wisconsin Workforce Development Board, Inc.
Platteville, Wisconsin

We have audited the financial statements of Southwest Wisconsin Workforce Development Board, Inc. as of and for the year ended June 30, 2006, and have issued our report thereon dated October 13, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Provider Agency Audit Guide*, 1999 revision, issued by the Wisconsin Departments of Health and Family Services, Workforce Development, and Corrections.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Southwest Wisconsin Workforce Development Board, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Southwest Wisconsin Workforce Development Board, Inc.'s financial statements are free of 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* or the *Provider Agency Audit Guide*.

This report is intended solely for the information and use of the board membership, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Wegner LLP
October 13, 2006



REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Workforce Development Board Membership
Southwest Wisconsin Workforce Development Board, Inc.
Platteville, Wisconsin

Compliance

We have audited the compliance of Southwest Wisconsin Workforce Development Board, Inc. with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. Southwest Wisconsin Workforce Development Board, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Southwest Wisconsin Workforce Development Board, Inc.'s management. Our responsibility is to express an opinion on Southwest Wisconsin Workforce Development Board, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Southwest Wisconsin Workforce Development Board, 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. Our audit does not provide a legal determination of Southwest Wisconsin Workforce Development Board, Inc.'s compliance with those requirements.

In our opinion, Southwest Wisconsin Workforce Development Board, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control over Compliance

The management of Southwest Wisconsin Workforce Development Board, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Southwest Wisconsin Workforce Development Board, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in

which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the board membership, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Wegner LLP", written in a cursive style.

Wegner LLP
October 13, 2006

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2006

A. Summary of Auditor's Results

Financial Statements

- | | |
|---|---------------|
| 1. Type of auditor's report issued? | Unqualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Reportable condition(s) identified not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | |
|--|---------------|
| 4. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Reportable condition(s) identified not considered to be material weaknesses? | None reported |
| 5. Type of auditor's report issued on compliance for major programs? | Unqualified |
| 6. Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? | No |
| 7. Identification of major programs: | CFDA No. |
| WIA Cluster: | |
| WIA Adult Program | 17.258 |
| WIA Youth Activities | 17.259 |
| WIA Dislocated Workers | 17.260 |
| 8. Dollar threshold used to distinguish between Type A and Type B programs? | \$300,000 |
| 9. Auditee qualified as low-risk auditee? | Yes |

B. Financial Statement Findings

No matters were reported

C. Federal and State Award Findings and Questioned Costs

No matters were reported

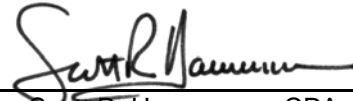
D. Other Issues

- | | |
|---|-----|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern? | No |
| 2. Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, reportable condition, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the <i>Provider Agency Audit Guide</i> : | |
| Department of Health and Family Services | No |
| Department of Workforce Development | No |
| Department of Corrections | N/A |
| Grant County Department of Social Services | No |
| Green County Department of Human Services | No |
| Iowa County Health Department | No |
| Richland County Department of Health and Human Services | No |
| Rock County Department of Human Services | No |

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
Year Ended June 30, 2006

3. Was a Management Letter or other document conveying audit comments issued as a result of this audit?
4. Name and signature of partner

Yes



Scott R. Haumersen, CPA
October 13, 2006

5. Date of report