

**7.B.1 2004-05 Audit Report**  
(Finance Committee – Action)

As a recipient of federal funding, SWWDB is required to have an independent audit conducted annual. The audit of fiscal year 2004-05 records was conducted by Wegner LLP CPAs and Consultants, Madison.

Wegner representatives were on-site in early October to do the audit field work. Audit work has been completed and Mr. David Odahl, CPA met with the Finance Committee on November 1, 2005 to review the draft Audit Report and financial statements. Mr. Odahl also explained Management responsibilities, Auditor responsibilities, the definition of an “Unqualified Opinion”, the Audit Adjustments, Closing Entries, a review of the prior year Management Letter Comments, Current Year Observations, and Areas of IRS Interest. Mr. Odahl further explained that the Audit was an unqualified opinion, the best opinion possible, and has no findings or questioned costs.

Mr. Odahl will meet with the Finance Committee again immediately prior to the Board meeting to present the final Audit Report, review the management letter and entertain questions. Administration has prepared a response to the management letter and Annette Meudt, Director of Financial Operations will share that response with the Committee.

Several documents are being finalized by the audit firm and will be mailed as soon as available. They include: the 2004-05 SWWDB Audit Report and the Audit Management Letter. SWWDB will prepare and forward the SWWDB Response to the Management Letter. These documents will be mailed to you under a separate cover prior to the Board meeting.

Approval of the audit report is requested so SWWDB staff can forward the report to the State.