



FINANCIAL STATEMENTS WITH  
ADDITIONAL INFORMATION

June 30, 2007 and 2006

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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, 2007 and 2006, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Southwest Wisconsin Workforce Development Board, Inc.'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, 2007 and 2006, 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 19, 2007 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 accompanying 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*

Wegner LLP  
October 19, 2007



**SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2007 and 2006

	2007	2006
<b>ASSETS</b>		
Cash	\$ 18,632	\$ 45,386
Receivables	375,219	304,138
Prepaid expenses	17,048	12,149
Vehicle (less accumulated depreciation of \$18,700 and \$11,754, respectively)	534	7,480
<b>Total assets</b>	<b>\$ 411,433</b>	<b>\$ 369,153</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 156,943	\$ 207,086
Accrued expenses	16,713	13,283
Refundable advances	67,045	25,229
Note payable	370	4,919
Funds held for future health benefits	16,275	22,203
Total liabilities	257,346	272,720
<b>NET ASSETS</b>		
Unrestricted	154,087	96,433
<b>Total liabilities and net assets</b>	<b>\$ 411,433</b>	<b>\$ 369,153</b>

See accompanying notes.

**SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.**  
**STATEMENTS OF ACTIVITIES**  
Years Ended June 30, 2007 and 2006

	2007	2006
<b>REVENUES</b>		
Government grants	\$ 3,716,543	\$ 3,904,184
Program service revenue	121,043	60,269
Other revenue	19,145	21,014
Total revenues	3,856,731	3,985,467
<b>EXPENSES</b>		
Program services		
Adult and dislocated workers programs	1,740,229	1,879,220
Youth activities	454,092	584,044
Wisconsin Works programs	838,896	868,050
Senior Community Service Employment Program	199,303	129,967
Other programs	249,809	138,715
Supporting activities		
Management and general	316,748	373,421
Total expenses	3,799,077	3,973,417
<b>Change in net assets</b>	57,654	12,050
Unrestricted net assets—beginning of year	96,433	84,383
<b>Unrestricted net assets—end of year</b>	<b>\$ 154,087</b>	<b>\$ 96,433</b>

See accompanying notes.

**SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended June 30, 2007 and 2006

	2007	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 57,654	\$ 12,050
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	6,946	6,411
(Increase) decrease in assets		
Receivables	(71,081)	57,576
Prepaid expenses	(4,899)	(1,244)
Increase (decrease) in liabilities		
Accounts payable	(50,143)	(39,311)
Accrued expenses	3,430	(14,320)
Refundable advances	41,816	22,020
Funds held for future health benefits	(5,928)	(4,277)
<b>Net cash provided (used) by operating activities</b>	<b>(22,205)</b>	<b>38,905</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on notes payable	(4,549)	(4,228)
Net increase (decrease) in cash	(26,754)	34,677
Cash—beginning of year	45,386	10,709
<b>Cash—end of year</b>	<b>\$ 18,632</b>	<b>\$ 45,386</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Interest paid	\$ 201	\$ 521

See accompanying notes.

**SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007 and 2006

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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).

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 cost-reimbursement 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 for allowable costs incurred 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. All receivables at June 30, 2007 are due in less than one year. Funding sources may periodically remit funds to the Organization based on estimated expenses. The excess of funds remitted over expenses incurred is recorded as refundable advances.

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, 2007 and 2006

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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 Tax Status**

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, 2007 and 2006

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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; development of the Wisconsin Virtual Job Center that provides an on-line one stop source for information and services about finding a job, hiring qualified workers, learning about the local economy, and exploring career training opportunities; 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, 2007. 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. Interest expense for the years ended June 30, 2007 and 2006 was \$201 and \$521, respectively.

NOTE D—LEASES

The Organization leases space for its administrative offices and program operations under operating leases that expire at various dates through January 31, 2012. 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 \$53,822 and \$53,080 for the years ended June 30, 2007 and 2006, respectively.

**SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007 and 2006

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NOTE E—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 the participant's compensation. In addition, the Organization matches 50% of the participant's contributions up to 14% of the participant's compensation. Total expense for the years ended June 30, 2007 and 2006 was \$68,100 and \$54,107, respectively.

NOTE F—ECONOMIC DEPENDENCY

The Organization receives most of its support from federal awards passed through the DWD and from agreements with county agencies. A substantial reduction in the level of this support 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, 2007

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	213,730	-	-	-	-	213,730	
Wisconsin Department of Workforce Development								
WIA Title I Dislocated Worker	DWSWIA0511ADT	-	-	-	77,555	-	77,555	
WIA Title I National Emergency Grant	DWSWIA0511NEG	-	-	-	695,958	-	695,958	
WIA Title I Rock County OIC Connections Project	DWSWIA0511STW	-	-	-	-	53,044	53,044	
WIA Title I National Emergency Grant	DWSWIA0512NEG	-	-	-	77,781	-	77,781	
WIA Title I Youth	DWSWIA0611YTH	-	-	5,648	-	-	5,648	
WIA Title I Adult	DWSWIA0711ADT	-	351,607	-	-	-	351,607	
WIA Title I Youth	DWSWIA0711YTH	-	-	448,445	-	-	448,445	
WIA Title I State Rapid Response	DWSWIA0711SRR	-	-	-	13,420	-	13,420	
WIA Title I Disability Program Navigator	0409	-	-	-	-	35,143	35,143	
WIA Title I Administration	0701	-	-	-	156,998	-	156,998	
DLW Dislocated Worker and DLW Admin Allocations	0706	-	-	-	455,313	-	455,313	
WIA Title I Technology-based ("Virtual") Job Center	0720	-	-	-	-	100,000	100,000	
WIA Title I Safe-Lifting	0759	-	-	-	-	20,000	20,000	
WIA Title I Statewide Activities Rock County OIC Workforce Academy Project	0764-0766	-	-	-	-	87,988	87,988	
WIA Title I Statewide Activities Administered by the Governor's Council on Workforce Investment	0768	-	-	-	-	1,000	1,000	
WIA Title I Statewide Activities Administered by the Governor's Council on Workforce Investment	0769	-	-	-	-	1,000	1,000	
Workforce Development Board of South Central Wisconsin								
WIA Title I Statewide Activities Administered on Advice of the Governor's Council on Workforce Investment	10-06-97	-	-	-	-	13,914	13,914	
WIA Title I Statewide Activities Administered on Advice of the Governor's Council on Workforce Investment	10-07-97	-	-	-	-	1,922	1,922	
<b>Total pass-through programs</b>		<u>213,730</u>	<u>351,607</u>	<u>454,093</u>	<u>1,320,027</u>	<u>2,561,593</u>	<u>35,143</u>	<u>2,810,466</u>
<b>Total expenditures of federal awards</b>		<u>\$ 213,730</u>	<u>\$ 351,607</u>	<u>\$ 454,093</u>	<u>\$ 1,320,027</u>	<u>\$ 2,561,593</u>	<u>\$ 35,143</u>	<u>\$ 2,810,466</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, 2007

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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, 2007, funds totaling \$435,866 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	\$ 184,490
WIA Youth Activities	17.259	308,618
WIA Dislocated Workers	17.260	403,952
		<u>\$ 897,060</u>

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.  
 SCHEDULE OF REVENUES AND EXPENSES BY FUNDING SOURCE AND BY CONTRACT  
 Year Ended June 30, 2007

	Wisconsin Department of Workforce Development											
	Wisconsin Department of Health and Family Services										National Emergency Grant	WIA Title I Dislocated Worker
	Title V--SCSEP	WIA Title I Administration	WIA Title I Technology- based ("Virtual") Job Center	WIA Title I Credentialing Project	WIA Title I Grow II Project	WIA Title I Grow II Project	WIA Title I Baldridge Express Assessment	WIA Title I Adult	WIA Title I Youth	WIA Title I Youth	WIA Title I Youth	WIA Title I Youth
<b>REVENUES</b>												
Government grants	\$ 213,730	\$ 156,998	\$ 100,000	\$ 1,000	\$ 13,914	\$ 1,922	\$ 1,000	\$ 351,607	\$ 5,648	\$ 448,445	\$ 695,958	\$ 77,555
Program service revenue	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>213,730</b>	<b>156,998</b>	<b>100,000</b>	<b>1,000</b>	<b>13,914</b>	<b>1,922</b>	<b>1,000</b>	<b>351,607</b>	<b>5,648</b>	<b>448,445</b>	<b>695,958</b>	<b>77,555</b>
<b>EXPENSES</b>												
Grants and allocations	-	-	-	-	-	-	-	184,490	-	308,618	143,268	-
Specific assistance to individuals	609	-	-	-	-	-	-	97,552	-	39,970	208,028	25,390
Salaries and wages	188,458	66,624	-	-	7,493	1,233	-	34,202	5,551	43,925	232,777	48,707
Employee benefits	3,049	19,330	-	-	1,330	326	-	5,517	13	9,744	24,272	206
Payroll taxes	16,945	8,013	-	-	1,309	95	-	2,938	20	5,295	13,535	252
Professional fees	-	15,980	89,088	-	-	-	-	3,526	-	5,799	3,941	2,700
Supplies	16	3,010	-	-	1,503	-	-	1,608	-	1,297	2,283	-
Telephone	2,175	4,776	-	-	814	-	-	6,083	-	9,279	10,721	-
Postage and shipping	-	37	-	-	-	-	-	606	-	867	1,443	-
Occupancy	1,621	9,384	-	-	375	98	-	4,151	26	7,603	19,820	176
Equipment rental and maintenance	-	-	-	-	-	-	-	1,743	-	1,857	2,708	-
Travel	857	13,197	-	-	1,050	170	-	2,686	38	4,930	21,020	124
Conferences and meetings	-	5,052	-	1,000	40	-	1,000	334	-	592	1,611	-
Other	-	11,595	10,912	-	-	-	-	6,171	-	8,669	10,531	-
<b>Total expenses</b>	<b>213,730</b>	<b>156,998</b>	<b>100,000</b>	<b>1,000</b>	<b>13,914</b>	<b>1,922</b>	<b>1,000</b>	<b>351,607</b>	<b>5,648</b>	<b>448,445</b>	<b>695,958</b>	<b>77,555</b>
Excess revenues (expenses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	Wisconsin Department of Workforce Development							Grant County Department of Social Services				
	WIA Title I OIC Connections Project	WIA Title I Dislocated Worker	WIA Title I Disability Program Navigator	WIA Title I OIC Workforce Academy	WIA Title I National Emergency Grant	WIA Title I State Rapid Response	WIA Title I Safe-Lifting	Work Experience (DVR)	SED	IVE	SED	SED
	<b>REVENUES</b>											
Government grants	\$ 53,044	\$ 455,313	\$ 35,143	\$ 87,988	\$ 77,781	\$ 13,420	\$ 20,000	\$ 2,473	\$ 35,252	\$ 11,926	\$ 11,943	\$ 1,989
Program service revenue	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>53,044</b>	<b>455,313</b>	<b>35,143</b>	<b>87,988</b>	<b>77,781</b>	<b>13,420</b>	<b>20,000</b>	<b>2,473</b>	<b>35,252</b>	<b>11,926</b>	<b>11,943</b>	<b>1,989</b>
<b>EXPENSES</b>												
Grants and allocations	-	203,717	-	-	44,767	12,200	-	-	-	-	-	-
Specific assistance to individuals	333	132,031	-	329	739	-	-	-	-	-	-	-
Salaries and wages	27,244	53,387	5,990	51,738	18,973	1,220	-	2,300	26,606	8,015	8,027	1,439
Employee benefits	8,820	10,777	11,200	9,904	3,642	-	-	6	4,324	2,658	2,662	8
Payroll taxes	1,839	6,864	3,667	5,147	1,376	-	-	167	1,667	529	530	161
Professional fees	-	21	570	1,500	1,452	-	20,000	-	-	-	-	-
Supplies	12,484	2,315	632	4,271	381	-	-	-	-	-	-	-
Telephone	275	12,472	982	3,285	926	-	-	-	-	-	-	-
Postage and shipping	-	1,391	9	-	44	-	-	-	-	-	-	-
Occupancy	1,628	10,793	4,986	9,288	1,877	-	-	-	-	-	-	-
Equipment rental and maintenance	-	3,538	23	-	140	-	-	-	-	-	-	-
Travel	126	6,077	6,487	359	1,851	-	-	-	2,655	724	724	381
Conferences and meetings	-	587	62	275	410	-	-	-	-	-	-	-
Other	295	11,343	535	1,892	1,203	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>53,044</b>	<b>455,313</b>	<b>35,143</b>	<b>87,988</b>	<b>77,781</b>	<b>13,420</b>	<b>20,000</b>	<b>2,473</b>	<b>35,252</b>	<b>11,926</b>	<b>11,943</b>	<b>1,989</b>
Excess revenues (expenses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.  
 SCHEDULE OF REVENUES AND EXPENSES BY FUNDING SOURCE AND BY CONTRACT  
 Year Ended June 30, 2007

Grant County Department of Social Services

	Volunteer Programs	Parent Mentors	Safety Net Coordinator	CST Coordinator	Targeted Case Management	Fall Prevention Coordinator	Targeted Case Management	SED	IVE	Social Worker	Parent Mentors	Safety Net Coordinator
<b>REVENUES</b>												
Government grants	\$ 9,308	\$ 42,133	\$ 11,183	\$ 5,368	\$ 27,566	\$ 78	\$ 19,828	\$ 22,988	\$ 16,491	\$ 16,491	\$ 35,374	\$ 10,622
Program service revenue	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>9,308</b>	<b>42,133</b>	<b>11,183</b>	<b>5,368</b>	<b>27,566</b>	<b>78</b>	<b>19,828</b>	<b>22,988</b>	<b>16,491</b>	<b>16,491</b>	<b>35,374</b>	<b>10,622</b>
<b>EXPENSES</b>												
Grants and allocations	-	-	-	-	-	-	-	-	-	-	-	-
Specific assistance to individuals	-	-	-	-	-	-	-	-	-	-	-	-
Salaries and wages	8,334	26,219	8,292	4,611	20,773	70	15,408	18,004	10,584	10,584	21,404	7,695
Employee benefits	44	134	43	24	2,274	-	1,862	921	3,636	3,636	109	40
Payroll taxes	733	2,393	732	441	1,432	8	1,438	1,683	900	900	2,348	861
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-
Postage and shipping	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-	-	-	-	-
Equipment rental and maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Travel	197	13,387	2,116	292	3,087	-	1,120	2,380	1,371	1,371	11,513	2,026
Conferences and meetings	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>9,308</b>	<b>42,133</b>	<b>11,183</b>	<b>5,368</b>	<b>27,566</b>	<b>78</b>	<b>19,828</b>	<b>22,988</b>	<b>16,491</b>	<b>16,491</b>	<b>35,374</b>	<b>10,622</b>
Excess revenues (expenses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Grant County Department of Social Services

Green County Department of Human Services

	CST Coordinator	Targeted Case Management	Wisconsin Works (W-2)	Wisconsin Works (W-2)	Targeted Case Management	Adult Day Center Assistant	CYF Case Aide	LTE Mental Health	Adult Day Center Assistant	Adult Day Center Assistant	Adult Day Center Assistant	CYF Case Aide
<b>REVENUES</b>												
Government grants	\$ 9,909	\$ 25,547	\$ 10,982	\$ 20,015	\$ 19,873	\$ 4,171	\$ 5,728	\$ 21,672	\$ 19,849	\$ 4,175	\$ 15,306	\$ 5,573
Program service revenue	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>9,909</b>	<b>25,547</b>	<b>10,982</b>	<b>20,015</b>	<b>19,873</b>	<b>4,171</b>	<b>5,728</b>	<b>21,672</b>	<b>19,849</b>	<b>4,175</b>	<b>15,306</b>	<b>5,573</b>
<b>EXPENSES</b>												
Grants and allocations	-	-	-	-	-	-	-	-	-	-	-	-
Specific assistance to individuals	-	-	-	228	-	-	-	-	484	-	-	-
Salaries and wages	8,166	19,421	8,949	15,187	14,818	3,736	5,130	16,320	13,647	3,739	11,614	4,991
Employee benefits	43	2,113	1,069	1,381	1,635	9	13	70	3,450	10	951	13
Payroll taxes	925	1,773	880	1,611	1,456	426	585	1,833	1,923	426	1,268	569
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	89	-	-	-	-	11	-	-	-
Telephone	-	-	-	1,450	-	-	-	-	-	-	-	-
Postage and shipping	-	-	-	12	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-	-	-	-	-	-
Equipment rental and maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Travel	775	2,240	84	57	1,964	-	-	3,269	334	-	1,473	-
Conferences and meetings	-	-	-	-	-	-	-	180	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>9,909</b>	<b>25,547</b>	<b>10,982</b>	<b>20,015</b>	<b>19,873</b>	<b>4,171</b>	<b>5,728</b>	<b>21,672</b>	<b>19,849</b>	<b>4,175</b>	<b>15,306</b>	<b>5,573</b>
Excess revenues (expenses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.  
 SCHEDULE OF REVENUES AND EXPENSES BY FUNDING SOURCE AND BY CONTRACT  
 Year Ended June 30, 2007

Richland County Department of Health and Human Services

	Front End Verification	CMO Care Manager	Resource Center Supervisor	Technology Assistant	Maintenance	Parent Aide	Social Worker Resource Center	Clinical Therapist	Disability Benefit Specialist	Clerical Assistant	LTE File Clerk	Front End Verification
<b>REVENUES</b>												
Government grants	\$ 6,727	\$ 29,125	\$ 31,144	\$ 18,251	\$ 2,770	\$ 16,327	\$ 27,354	\$ 33,149	\$ 17,311	\$ 15,367	\$ 2,090	\$ 6,398
Program service revenue	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>6,727</b>	<b>29,125</b>	<b>31,144</b>	<b>18,251</b>	<b>2,770</b>	<b>16,327</b>	<b>27,354</b>	<b>33,149</b>	<b>17,311</b>	<b>15,367</b>	<b>2,090</b>	<b>6,398</b>
<b>EXPENSES</b>												
Grants and allocations	-	-	-	-	-	-	-	-	-	-	-	-
Specific assistance to individuals	-	-	-	-	-	-	-	-	-	-	-	-
Salaries and wages	5,613	21,540	25,517	15,157	2,413	4,798	21,035	25,821	15,084	11,269	1,859	5,226
Employee benefits	737	4,792	2,800	2,021	13	5,503	4,208	4,990	79	3,139	5	682
Payroll taxes	377	1,451	1,831	1,073	275	1,994	1,452	1,823	1,091	930	226	490
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-
Postage and shipping	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	2,339	-	-	-	-	-	-
Equipment rental and maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	1,342	831	-	69	1,693	480	147	837	9	-	-
Conferences and meetings	-	-	165	-	-	-	179	368	220	20	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>6,727</b>	<b>29,125</b>	<b>31,144</b>	<b>18,251</b>	<b>2,770</b>	<b>16,327</b>	<b>27,354</b>	<b>33,149</b>	<b>17,311</b>	<b>15,367</b>	<b>2,090</b>	<b>6,398</b>
<b>Excess revenues (expenses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Richland County Department of Health and Human Services

Rock County Department of  
Human Services

	CMO Care Manager	Resource Center Supervisor	Technology Assistant	Maintenance	Parent Aide	Social Worker Resource Center	Clinical Therapist	LTE File Clerk	Benefit Specialist	Clerical Assistant	Clerical	Clerical
<b>REVENUES</b>												
Government grants	\$ 30,192	\$ 29,390	\$ 18,629	\$ 2,688	\$ 16,471	\$ 25,984	\$ 31,974	\$ 33,796	\$ 16,548	\$ 18,565	\$ 12,490	\$ 12,155
Program service revenue	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>30,192</b>	<b>29,390</b>	<b>18,629</b>	<b>2,688</b>	<b>16,471</b>	<b>25,984</b>	<b>31,974</b>	<b>33,796</b>	<b>16,548</b>	<b>18,565</b>	<b>12,490</b>	<b>12,155</b>
<b>EXPENSES</b>												
Grants and allocations	-	-	-	-	-	-	-	-	-	-	-	-
Specific assistance to individuals	-	-	-	-	-	-	-	-	-	-	-	-
Salaries and wages	20,705	24,323	15,143	2,332	11,691	20,060	24,652	26,547	14,379	11,890	11,077	10,887
Employee benefits	5,921	2,647	1,998	12	2,256	3,936	4,661	121	76	5,522	28	27
Payroll taxes	1,796	2,167	1,485	265	1,326	1,821	2,176	2,594	1,481	1,145	1,262	1,241
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-
Postage and shipping	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	-	27	-	-	-	-	-	-	-
Equipment rental and maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Travel	1,665	233	3	79	1,171	167	245	4,534	592	8	123	-
Conferences and meetings	105	20	-	-	-	-	120	-	20	-	-	-
Other	-	-	-	-	-	-	120	-	-	-	-	-
<b>Total expenses</b>	<b>30,192</b>	<b>29,390</b>	<b>18,629</b>	<b>2,688</b>	<b>16,471</b>	<b>25,984</b>	<b>31,974</b>	<b>33,796</b>	<b>16,548</b>	<b>18,565</b>	<b>12,490</b>	<b>12,155</b>
<b>Excess revenues (expenses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.  
SCHEDULE OF REVENUES AND EXPENSES BY FUNDING SOURCE AND BY CONTRACT  
Year Ended June 30, 2007

<u>Southwest Wisconsin Community Action Program</u>				
	<u>Case Manager</u>	<u>Case Manager</u>	<u>Other</u>	<u>Total</u>
<b>REVENUES</b>				
Government grants	\$ 4,132	\$ 3,237	\$ -	\$ 3,716,543
Program service revenue	-	-	121,043	121,043
Other revenue	-	-	19,145	19,145
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	4,132	3,237	140,188	3,856,731
<b>EXPENSES</b>				
Grants and allocations	-	-	-	897,060
Specific assistance to individuals	-	-	-	505,693
Salaries and wages	3,787	2,915	1,620	1,468,945
Employee benefits	79	7	4,057	201,585
Payroll taxes	266	292	1,213	131,436
Professional fees	-	-	31,780	176,357
Supplies	-	-	5,141	35,041
Telephone	-	-	5,399	58,637
Postage and shipping	-	-	-	4,409
Occupancy	-	-	1,305	75,497
Equipment rental and maintenance	-	-	-	10,009
Travel	-	23	1,028	127,791
Conferences and meetings	-	-	11,642	24,002
Other	-	-	19,349	82,615
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	4,132	3,237	82,534	3,799,077
Excess revenues (expenses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,654</u>	<u>\$ 57,654</u>



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, 2007, and have issued our report thereon dated October 19, 2007. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southwest Wisconsin Workforce Development Board, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Southwest Wisconsin Workforce Development Board, Inc.'s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2007-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant



deficiencies that are also considered to be material weaknesses. However, we do not believe that the significant deficiency described above is a material weakness.

### **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 management, the board membership, others within the entity, the Wisconsin Department of Workforce Development, 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*

Wegner LLP  
October 19, 2007



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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, 2007. 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, 2007.

**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 the 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 the 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, 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 Southwest Wisconsin Workforce Development Board, Inc.'s internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the board membership, others within the entity, the Wisconsin Department of Workforce Development, 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*

Wegner LLP  
October 19, 2007

**SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2007

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**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. Significant deficiency(ies) identified not considered to be material weaknesses? | Yes         |
| 3. Noncompliance material to the financial statements noted?                        | No          |

**Federal Awards**

- |  |               |
|--|---------------|
| 4. Internal control over major programs:   |               |
| a. Material weakness(es) identified?   | No            |
| b. Significant deficiency(ies) 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**

Significant Deficiency

2007-1—Period-end Financial Reporting Process

*Criteria:* The Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework for effective internal control over financial reporting states that control activities should be selected and developed to ensure that the entity retains individuals competent in financial reporting and related oversight roles, which would include individuals capable of preparing financial statements in accordance with and appropriate disclosures required by generally accepted accounting principles.


*Condition:* The persons responsible for the accounting and reporting function lack sufficient skills and knowledge to apply generally accepted accounting principles in preparing the financial statements and related disclosures. The Organization's management has requested that the independent auditor assist in drafting the financial statements and related disclosures as part of the audit.

*Effect:* The lack of the ability to review the work performed by the independent auditor is an indication of a lack of control. As a result, material disclosure and classification misstatements may not be prevented or detected by the internal control or prior to the independent auditor's involvement in drafting the financial statements.

**SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.**  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)  
 Year Ended June 30, 2007

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*Recommendation:* The options for addressing this deficiency include hiring an employee with or training an employee in the appropriate skills or hiring another accounting firm to prepare the financial statements or choosing to continue to have the independent auditor draft the financial statements and receive the communication at the end of the audit identifying a deficiency. Choosing to continue having the independent auditor draft the financial statements is a viable option given that the communication is a restricted use communication intended for use only by management, those charged with governance of the organization, and certain legislative or regulatory bodies. Organizations of Southwest Wisconsin Workforce Development Board, Inc.'s size commonly use an accounting firm for both the financial statement preparation and the audit. Management ultimately needs to determine the value of incurring the additional expense of hiring or training a staff person or hiring another firm to prepare its financial statements. If it determines that the value or additional benefit does not justify the cost, it can continue to have its independent auditor draft its financial statements.

<b>C. Federal and State Award Findings and Questioned Costs</b>	No matters were reported
<b>D. Other Issues</b>	
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, significant deficiency, 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
Richland County Department of Health and Human Services	No
Rock County Department of Human Services	No
3. Was a Management Letter or other document conveying audit comments issued as a result of this audit?	Yes
4. Name and signature of partner	
5. Date of report	<hr/> Scott R. Haumersen, CPA October 19, 2007