



FINANCIAL STATEMENTS WITH  
ADDITIONAL INFORMATION

June 30, 2009 and 2008

# DRAFT

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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, 2009 and 2008, 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, 2009 and 2008, 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 December 9, 2009 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. 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 important for 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  
Madison, Wisconsin  
December 9, 2009

**SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2009 and 2008

	2009	2008
<b>ASSETS</b>		
Cash	\$ 303,641	\$ 63,357
Receivables	409,046	266,621
Prepaid expenses	16,453	13,725
Vehicle (less accumulated depreciation of \$13,589 and \$6,177, respectively)	8,648	16,060
<b>Total assets</b>	<b>\$ 737,788</b>	<b>\$ 359,763</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 371,400	\$ 123,256
Accrued expenses	16,138	16,919
Refundable advances	140,032	10,049
Funds held for future health benefits	6,023	9,770
<b>Total liabilities</b>	<b>533,593</b>	<b>159,994</b>
<b>NET ASSETS</b>		
Unrestricted	204,195	199,769
<b>Total liabilities and net assets</b>	<b>\$ 737,788</b>	<b>\$ 359,763</b>

See accompanying notes.

**SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.**  
**STATEMENTS OF ACTIVITIES**  
Years Ended June 30, 2009 and 2008

	2009	2008
<b>REVENUES</b>		
Government grants	\$ 5,122,230	\$ 2,859,340
Program service revenue	42,350	47,586
Other revenue	1,275	32,082
<b>Total revenues</b>	<b>5,165,855</b>	<b>2,939,008</b>
<b>EXPENSES</b>		
Program services		
Adult and dislocated workers programs	3,028,258	830,488
Youth activities	454,404	424,590
Human service and Job Center programs	549,424	879,642
Senior Community Service Employment Program	406,420	306,510
Other programs	301,326	191,158
Supporting activities		
Management and general	402,315	243,150
Grant writing	19,282	17,788
<b>Total expenses</b>	<b>5,161,429</b>	<b>2,893,326</b>
<b>Change in net assets</b>	<b>4,426</b>	<b>45,682</b>
Unrestricted net assets—beginning of year	199,769	154,087
<b>Unrestricted net assets—end of year</b>	<b>\$ 204,195</b>	<b>\$ 199,769</b>

See accompanying notes.

**SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.**  
**STATEMENTS OF CASH FLOWS**  
Years Ended June 30, 2009 and 2008

	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 4,426	\$ 45,682
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	7,412	6,711
(Increase) decrease in assets		
Receivables	(142,425)	108,598
Prepaid expenses	(2,728)	3,323
Increase (decrease) in liabilities		
Accounts payable	248,144	(33,687)
Accrued expenses	(781)	206
Refundable advances	129,983	(56,996)
Funds held for future health benefits	(3,747)	(6,505)
<b>Net cash flows from operating activities</b>	<b>240,284</b>	<b>67,332</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of vehicle	-	(22,237)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on note payable	-	(370)
Net increase in cash	240,284	44,725
Cash—beginning of year	63,357	18,632
<b>Cash—end of year</b>	<b>\$ 303,641</b>	<b>\$ 63,357</b>

See accompanying notes.

**SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2009 and 2008

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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. Comprehensive services for employers and job seekers may be obtained through the Rock County Job Center in Janesville or the Job Center located at the Southwest Wisconsin Technical College in Fennimore. Services may also be obtained through the Agency's Virtual Job Center website. The Organizations' programs and activities are primarily funded by Workforce Investment Act (WIA) funds passed through the Wisconsin Department of Workforce Development (DWD).

**NOTE 1—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 determined the receivable will not be collected. All receivables at June 30, 2009 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

**SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2009 and 2008

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NOTE 1—SIGNIFICANT ACCOUNTING POLICIES (continued)

liabilities that may arise from such reviews since the amount, if any, cannot be presently determined.

**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).

The Organization has elected to defer the application of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, in accordance with FASB Staff Position No. FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*. The Organization evaluates any uncertain tax positions in accordance with SFAS No. 5, *Accounting for Contingencies*, until it applies the provisions of Interpretation 48.

**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

**SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2009 and 2008

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**NOTE 1—SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

*Human service and Job Center program*—The human service and Job Center programs provide the necessary and appropriate service to prepare individuals to work and to obtain and maintain viable, self-sustaining employment.

*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.

*Grant writing*—Grant writing expenses include the costs incurred in soliciting bequests and grants from foundations or other organizations or government grants reportable as contributions.

**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.

**Date of Management's Review**

Management has evaluated subsequent events through December 9, 2009, the date which the financial statements were available to be issued.

**SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2009 and 2008

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**NOTE 2—CONDITIONAL PROMISES TO GIVE**

The Organization has numerous grants for which the grantor agencies' promises to give are conditioned upon the Organization incurring certain qualifying expenses under the grant programs. At June 30, 2009, these conditional promises to give totaled approximately \$5,200,000. These promises will be recognized as revenue when the respective conditions are met in future years.

**NOTE 3—LINE OF CREDIT**

The Organization has a \$50,000 revolving line of credit, which was unused at June 30, 2009. Advances on the credit line are payable on demand and carry an interest rate of .50% over prime. The credit line is secured by substantially all assets of the Organization.

**NOTE 4—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 \$100,460 and \$56,203 for the years ended June 30, 2009 and 2008, respectively.

**NOTE 5—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, 2009 and 2008 was \$70,825 and \$67,500, respectively.

**NOTE 6—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, 2009

United States Department of Labor											
Pass-through Entity Identifying Number	Senior Community Service Employment Program	Workforce Investment Act (WIA) Cluster				Total WIA Cluster	Work Incentives Grant	Total			
		WIA Adult Program	WIA Youth Activities	WIA Dislocated Workers	Work Incentives Grant						
	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 Services											
Title V--SCSEP	70,567	-	-	-	-	-	70,567				
Title V--SCSEP	363,107	-	-	-	-	-	363,107				
Wisconsin Department of Workforce Development											
WIA Title I Dislocated Worker	-	-	-	231,442	231,442	-	231,442				
WIA Title I Dislocated Worker	-	-	-	737,761	737,761	-	737,761				
WIA Title I National Emergency Grant-Flood Disaster	-	-	-	129,814	129,814	-	129,814				
WIA Title I National Emergency Grant-Auto Related	-	-	-	1,075,558	1,075,558	-	1,075,558				
WIA Title I Youth	-	-	86,889	-	86,889	-	86,889				
WIA Title I Youth	-	-	306,253	-	306,253	-	306,253				
WIA Title I Adult	-	78,334	-	-	78,334	-	78,334				
WIA Title I Adult	-	360,790	-	-	360,790	-	360,790				
WIA Title I State Rapid Response	-	-	-	495,152	495,152	-	495,152				
WIA Title I Disability Navigator	-	-	-	-	-	59,638	59,638				
WIA Title I Administration	-	-	69,951	-	69,951	-	69,951				
WIA Title I Southwest Emerging Industries Skills Partnership Grant	-	-	-	-	-	-	-				
WIA Title I American Recovery and Reinvestment Act	-	-	-	30,634	30,634	-	30,634				
Dislocated Worker Youth	-	-	61,262	-	61,262	-	61,262				
WIA Title I American Recovery and Reinvestment Act Adult	-	950	-	-	950	-	950				
WIA Title I American Recovery and Reinvestment Act Administration	-	-	-	832	832	-	832				
Total pass-through programs	433,674	440,074	524,355	2,701,193	3,853,751	59,638	4,347,063				
<b>Total expenditures of federal awards</b>	<b>\$ 433,674</b>	<b>\$ 440,074</b>	<b>\$ 524,355</b>	<b>\$ 2,701,193</b>	<b>\$ 3,853,751</b>	<b>\$ 59,638</b>	<b>\$ 4,347,063</b>				

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, 2009

**NOTE 1—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 2—WIA CLUSTER**

During the year ended June 30, 2009, funds totaling \$188,129 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 3—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	\$ 110,000
WIA Youth Activities	17.259	259,157
WIA Dislocated Workers	17.260	795,015
		<u>\$ 1,164,172</u>

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.  
 SCHEDULE OF REVENUES AND EXPENSES BY FUNDING SOURCE AND BY CONTRACT  
 Year Ended June 30, 2009

		Wisconsin Department of Workforce Development											
		WIA Title I Administration	WIA Title I Adult	WIA Title I Youth	WIA Title I Dislocated Worker	WIA Title I ARRA Administration	WIA Title I ARRA Adult	WIA Title I ARRA Youth	WIA Title I Dislocated Worker	WIA Title I ARRA Youth	WIA Title I National Emergency Grant	WIA Title I Disability Program Navigator	WIA Title I State Rapid Response
<b>REVENUES</b>													
Government grants	\$ 433,674	\$ 188,129	\$ 439,124	\$ 393,142	\$ 969,204	\$ 832	\$ 950	\$ 61,262	\$ 30,634	\$ 1,205,372	\$ 59,638	\$ 495,152	
Program service revenue	-	-	-	-	-	-	-	-	-	-	-	-	
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total revenues</b>	<b>433,674</b>	<b>188,129</b>	<b>439,124</b>	<b>393,142</b>	<b>969,204</b>	<b>832</b>	<b>950</b>	<b>61,262</b>	<b>30,634</b>	<b>1,205,372</b>	<b>59,638</b>	<b>495,152</b>	
<b>EXPENSES</b>													
Grants and allocations	8,795	-	110,000	214,266	160,000	-	-	44,891	-	464,267	-	170,748	
Specific assistance to individuals	365,395	-	227,196	36,386	604,266	-	950	2,708	30,634	457,961	4,593	225,626	
Salaries and wages	6,537	64,695	54,880	72,606	91,365	-	-	6,896	-	137,572	26,620	75,092	
Employee benefits	28,613	8,275	9,571	13,088	20,038	-	-	754	-	24,402	7,819	3,472	
Payroll taxes	2,507	10,366	5,331	7,208	11,331	807	-	672	-	17,455	2,765	1,512	
Professional fees	2,943	7,912	1,339	1,476	2,512	-	-	2,908	-	7,894	1,439	2,471	
Supplies	3,211	7,309	2,658	2,813	6,829	25	-	1,298	-	5,995	1,590	1,039	
Telephone	3,320	4,489	4,570	7,773	13,444	-	-	149	-	54,155	5,915	2,151	
Occupancy	1,170	2,823	7,260	11,428	14,152	-	-	-	-	2,466	1,673	445	
Equipment rental and maintenance	954	3,730	2,442	3,257	3,342	-	-	-	-	2,311	1,244	620	
Printing and publications	3,142	12,116	4,517	7,681	8,896	-	-	3,846	-	10,907	4,582	2,122	
Travel	631	5,773	522	1,607	982	-	-	48	-	1,377	595	507	
Conferences and meetings	6,456	18,020	7,142	9,154	28,719	-	-	-	-	15,704	803	1,869	
Other	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total expenses</b>	<b>433,674</b>	<b>188,129</b>	<b>439,124</b>	<b>393,142</b>	<b>969,204</b>	<b>832</b>	<b>950</b>	<b>61,262</b>	<b>30,634</b>	<b>1,205,372</b>	<b>59,638</b>	<b>495,152</b>	
Excess revenues (expenses)	-	-	-	-	-	-	-	-	-	-	-	-	

		Grant County Department of Social Services										Richland County Department of Health and Human Services		
		IVE	SED	Parent Mentors	Safety Net	Gallatin CTS/IVE	Employment Center	W2	Leis TCM	Fraud	CMO Care Manager	Enders		
<b>REVENUES</b>														
Government grants	\$ 69,951	\$ 31,344	\$ 31,259	\$ 36,157	\$ 23,793	\$ 20,638	\$ 4,263	\$ 1,377	\$ 43,301	\$ 13,554	\$ 67,933	\$ 63,285		
Program service revenue	-	-	-	-	-	-	-	-	-	-	-	-		
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Total revenues</b>	<b>69,951</b>	<b>31,344</b>	<b>31,259</b>	<b>36,157</b>	<b>23,793</b>	<b>20,638</b>	<b>4,263</b>	<b>1,377</b>	<b>43,301</b>	<b>13,554</b>	<b>67,933</b>	<b>63,285</b>		
<b>EXPENSES</b>														
Grants and allocations	-	-	-	-	-	-	-	-	-	-	-	-		
Specific assistance to individuals	55,200	-	21,154	21,650	16,173	16,950	3,727	90	35,077	11,028	47,240	52,820		
Salaries and wages	8,971	6,894	110	83	42	42	9	-	1,149	1,575	13,984	5,505		
Employee benefits	1,026	1,763	1,756	1,970	1,742	1,917	492	-	3,738	951	3,737	4,417		
Payroll taxes	536	-	-	-	-	-	-	-	-	-	-	-		
Professional fees	1,002	-	-	-	-	-	-	-	-	-	-	-		
Supplies	372	-	-	-	-	-	-	-	-	-	-	-		
Telephone	303	-	-	-	-	-	-	-	-	-	-	-		
Occupancy	759	-	-	-	-	-	-	-	-	-	-	-		
Equipment rental and maintenance	158	-	-	-	-	-	-	-	-	-	-	-		
Printing and publications	215	1,469	1,465	12,427	5,795	1,729	35	-	3,337	-	2,873	543		
Travel	642	-	-	-	-	-	-	-	-	-	-	-		
Conferences and meetings	197	-	-	-	-	-	-	-	-	-	99	-		
Other	570	-	-	-	-	-	-	-	-	-	-	-		
<b>Total expenses</b>	<b>69,951</b>	<b>31,344</b>	<b>31,259</b>	<b>36,157</b>	<b>23,793</b>	<b>20,638</b>	<b>4,263</b>	<b>1,377</b>	<b>43,301</b>	<b>13,554</b>	<b>67,933</b>	<b>63,285</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, 2009

	Richland County Department of Health and Human Services										Rock County Department of Human Services	Iowa County Department of Social Services
	Technology Assistant	Maintenance	Day Care Certification	Family Aides	Clinical Therapist	LTE Cuiwer	LTE Wilson	LTE Mental Health	Disability Benefit Specialist	Clerical	Health Educator	ADRC Positions
<b>REVENUES</b>												
Government grants	\$ 44,549	\$ 3,744	\$ 7,762	\$ 41,374	\$ 68,511	\$ 19,557	\$ 4,366	\$ 60,930	\$ 35,982	\$ 34,036	\$ 29,321	\$ 28,738
Program service revenue	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>44,549</b>	<b>3,744</b>	<b>7,762</b>	<b>41,374</b>	<b>68,511</b>	<b>19,557</b>	<b>4,366</b>	<b>60,930</b>	<b>35,982</b>	<b>34,036</b>	<b>29,321</b>	<b>28,738</b>
<b>EXPENSES</b>												
Grants and allocations	-	-	-	-	-	-	-	-	-	-	-	-
Specific assistance to individuals	-	-	-	-	-	-	-	-	-	-	-	-
Salaries and wages	34,883	3,102	6,226	22,606	53,504	16,707	3,941	43,894	31,237	30,987	26,280	20,393
Employee benefits	6,533	16	901	8,026	10,371	88	10	5,709	481	99	139	2,313
Payroll taxes	3,133	384	635	3,524	4,482	2,043	415	3,845	3,002	2,950	2,902	2,772
Professional fees	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	-	-	-	3,325	-	-	-	-	-	-	-	-
Equipment rental and maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Printing and publications	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	242	-	3,797	16	683	-	7,482	1,118	-	-	1,572
Conferences and meetings	-	-	-	96	-	26	-	-	144	-	-	-
Other	-	-	-	-	128	-	-	-	-	-	-	1,688
<b>Total expenses</b>	<b>44,549</b>	<b>3,744</b>	<b>7,762</b>	<b>41,374</b>	<b>68,511</b>	<b>19,557</b>	<b>4,366</b>	<b>60,930</b>	<b>35,982</b>	<b>34,036</b>	<b>29,321</b>	<b>28,738</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>

Green County Department of Human Services

	Porter Field	CFY Case Aide	Other	Total
<b>REVENUES</b>				
Government grants	\$ 8,239	\$ 12,220	\$ 38,933	\$ 5,122,230
Program service revenue	-	-	42,350	42,350
Other revenue	-	-	1,275	1,275
<b>Total revenues</b>	<b>8,239</b>	<b>12,220</b>	<b>82,558</b>	<b>5,165,855</b>
<b>EXPENSES</b>				
Grants and allocations	-	-	-	1,164,172
Specific assistance to individuals	-	-	17,541	1,675,143
Salaries and wages	7,321	10,857	1,150	1,464,302
Employee benefits	18	27	1,708	202,007
Payroll taxes	900	1,336	739	140,061
Professional fees	-	-	18,223	42,802
Supplies	-	-	11,115	46,337
Telephone	-	-	5,400	57,073
Occupancy	-	-	887	107,990
Equipment rental and maintenance	-	-	16,157	16,157
Printing and publications	-	-	120	18,235
Travel	-	-	440	103,484
Conferences and meetings	-	-	9,072	21,628
Other	-	-	11,737	102,038
<b>Total expenses</b>	<b>8,239</b>	<b>12,220</b>	<b>78,132</b>	<b>5,161,429</b>
<b>Excess revenues (expenses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,426</b>	<b>\$ 4,426</b>

**SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.**  
**SCHEDULE OF PRIOR-YEAR FINDINGS**  
Year Ended June 30, 2009

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2008-1 Period-end Financial Reporting Process

*Status:* Efforts were made by the Organization to improve internal controls during the fiscal year. First, the financial statements were prepared by the Fiscal Department, and reviewed by the audit firm for accuracy and compliance with the new accounting standards. Second, an additional person was added to the fiscal staff to assist with accounts payable and payroll processing.

The Organization had Fiscal Staff participate in trainings, conducted by Wegner LLP, as well as other agencies, to better understand the internal control changes created by generally accepted accounting and auditing standards. The Organization is continuing to make an effort to comply with these new standards and routinely review agency policies and internal control procedures to ensure segregation of duties.

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, 2009, and have issued our report thereon dated December 9, 2009. 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 2009-1 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 consider item 2009-1 described above to be 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  
Madison, Wisconsin  
December 9, 2009

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 major federal program for the year ended June 30, 2009. Southwest Wisconsin Workforce Development Board, Inc.'s major federal program is 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 its major federal program for the year ended June 30, 2009.

**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  
Madison, Wisconsin  
December 9, 2009

**SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 Year Ended June 30, 2009

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

**Federal Awards**

- |  |               |
|--|---------------|
| 4. Internal control over major program:  |               |
| 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 program?  | 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 program:  | 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**

Material Weakness

2009-1 Preparation of Financial Statements in Accordance with Generally Accepted Accounting Principles

*Condition:* Management has taken steps to establish control over the financial reporting process, including reconciling general ledger amounts to the draft financial statements using grouping schedules provided by us and reviewing the adequacy of financial statement disclosures by completing a disclosure checklist we provided. However, additional measures are needed to enable management to conclude the financial statements and related disclosures are complete and presented in accordance with generally accepted accounting principles.

*Criteria:* Management is responsible for selecting and using appropriate accounting policies, for establishing and maintaining internal controls in the financial reporting system, and for the fair presentation of the financial statements and related disclosures in conformity with generally accepted accounting principles.

**SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
 Year Ended June 30, 2009

*Effect:* A misstatement of the financial statements could occur and not be prevented or detected by the Organization's internal control.

*Cause:* The Organization's accounting personnel have made efforts to familiarize themselves with certain accounting pronouncements that have or may affect the Organization's financial statements and disclosures; however, the ability to produce in-house financial statements that incorporate the increasingly rigorous accounting requirements is beyond the added duties and responsibilities of the Organization's accounting personnel.

<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
Iowa County Department of Social 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 December 9, 2009