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August 25, 2014

Board of Directors
Alliance for Strategic Growth, Inc.
122 East Main Street
Muncie, IN 47305

We have reviewed the audit report prepared by Wipfli, LLP, for the period July 1, 2012 to June 30, 2013. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of Alliance for Strategic Growth, Inc., as of June 30, 2013, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

Alliance for Strategic Growth, Inc.

Muncie, Indiana

Financial Statements and Supplementary Information
Year Ended June 30, 2013

Alliance for Strategic Growth, Inc.

Financial Statements and Supplementary Information
Year Ended June 30, 2013

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Independent Auditor's Report

Board of Directors
Alliance for Strategic Growth, Inc.
Muncie, Indiana

Report on Financial Statements

We have audited the accompanying financial statements of Alliance for Strategic Growth, Inc., which comprise the statement of financial position as of June 30, 2013, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alliance for Strategic Growth, Inc. as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

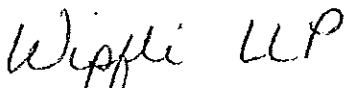
Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and other financial assistance, Schedules A-1 to A-2, which is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* is presented for purposes of additional analysis. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2014, on our consideration of Alliance for Strategic Growth, 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* in considering Alliance for Strategic Growth, Inc.'s internal control over financial reporting and compliance.


Wipfli LLP

January 30, 2014
Madison, Wisconsin

Alliance for Strategic Growth, Inc.

Statement of Financial Position

June 30, 2013

<i>Assets</i>	
Current assets:	
Cash	\$ 462,845
Grants receivable	54,642
Accounts receivable	1,819
Prepaid expenses and other assets	28,931
TOTAL ASSETS	\$ 548,237

<i>Liabilities and Net Assets</i>	
Current liabilities:	
Accounts payable	\$ 143,981
Accrued payroll and related expenses	200,095
Grant funds received in advance	55,725
Total current liabilities	399,801
Unrestricted net assets	148,436
TOTAL LIABILITIES AND NET ASSETS	\$ 548,237

See accompanying notes to financial statements.

Alliance for Strategic Growth, Inc.

Statement of Activities

Year Ended June 30, 2013

Revenue:	
Grant revenue	\$ 4,228,127
Interest and other revenue	11,095
<hr/>	
Total revenue	4,239,222
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Expenses:	
Program activity - Job training	3,802,304
Support and administration	428,216
<hr/>	
Total expenses	4,230,520
<hr/>	
Change in unrestricted net assets	8,702
Unrestricted net assets at beginning of year	139,734
<hr/>	
Unrestricted net assets at end of year	\$ 148,436

See accompanying notes to financial statements.

Alliance for Strategic Growth, Inc.

Statement of Cash Flows

Year Ended June 30, 2013

Increase (decrease) in cash:		
Cash flows from operating activities:		
Change in unrestricted net assets		\$ 8,702
Adjustments to reconcile change in unrestricted net assets to net cash used in operating activities:		
Depreciation		2,392
Changes in operating assets and liabilities:		
Grants receivable		76,609
Accounts receivable		1,938
Prepaid expenses and other assets		3,971
Accounts payable		14,173
Accrued payroll and related expenses	(14,072)
Grant funds received in advance	(121,870)
Net cash used in operating activities	(28,157)
Change in cash	(28,157)
Cash at beginning of year		491,002
Cash at end of year		\$ 462,845

See accompanying notes to financial statements.

Alliance for Strategic Growth, Inc.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

Nature of Operations

Alliance for Strategic Growth, Inc. (ASG) was organized as a nonprofit corporation on July 30, 2002. ASG was formed to comply with the requirements of the Workforce Investment Act of the State of Indiana by overseeing the provision of convenient, customer-friendly employment and training services in the nine-county area of Blackford, Delaware, Henry, Jay, Randolph, Wayne, Rush, Fayette, and Union counties in Indiana. ASG is supported through federal and state grants. ASG acts as the Workforce Investment Board for Economic Growth Region 6 to enhance and sustain an educated, skilled and employable workforce. Approximately 99% of grant revenue was received from the State of Indiana Department of Workforce Development.

Basis of Presentation

All financial statements are prepared using the accrual basis of accounting in accordance to principles generally accepted in the United States.

Classification of Net Assets

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of ASG and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of ASG and/or the passage of time. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Currently, ASG does not have any temporarily restricted net assets.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by ASG. Generally, the donors of these assets permit ASG to use all or part of the income earned on any related investments for general or specific purposes. Currently, ASG does not have any permanently restricted net assets.

Use of Estimates

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

Alliance for Strategic Growth, Inc.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to ASG that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

A. Grant Awards that are Contributions

Grants that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related allowable expenses are incurred. Amounts received in excess of expenses are reflected as grant funds received in advance.

B. Grant Awards that are Exchange Transactions

Exchange transactions reimburse based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed.

Accounts Receivable

ASG considers the accounts receivable to be fully collectible, accordingly, no allowance for doubtful accounts receivable is recorded. If the amounts become uncollectible, they will be charged to operations when that determination is made.

Property and Equipment

Property and equipment are capitalized at cost and depreciated over their useful life using the straight-line method. ASG capitalizes equipment purchased with agency funds with a cost greater than \$5,000 and a useful life of more than one year. Donation of property and equipment are recorded as support at the estimated fair market value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose.

Alliance for Strategic Growth, Inc.

Notes to Financial Statements

Note 1 **Summary of Significant Accounting Policies (Continued)**

Property and Equipment (Continued)

Property and equipment purchased with grant funds are held in trust by ASG for the benefit of the people of the State of Indiana while used in the program for which they were purchased or in other future authorized programs. The State of Indiana defines equipment as items with a unit cost over \$500. Its disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The cumulative cost of equipment purchased with grant funds is \$213,517. All items have a unit cost of less than \$5,000. This property and equipment is not reflected in these financial statements as it is held in trust by the State of Indiana and it does not meet the definition of equipment as defined by ASG's policies.

Income Taxes

ASG is a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code and are exempt from federal and Indiana income taxes.

ASG is required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. ASG has determined there are no amounts to record as assets or liabilities related to uncertain tax positions. Federal returns for the fiscal year ended June 30, 2010 and thereafter remain subject to examination by the Internal Revenue Service.

Cost Allocation

Joint costs are allocated to benefiting programs using various allocation methods depending on the type of joint cost being allocated. Joint costs are those costs incurred for the common benefit of all of ASG's programs, which cannot be readily identified with a final cost objective.

Subsequent Events

Subsequent events have been evaluated through January 30, 2014, which is the date the financial statements were available to be issued.

Note 2 **Grants Receivable**

The grants receivable balance of \$54,642 represents amounts due from Indiana Department of Workforce Development at June 30, 2013.

Alliance for Strategic Growth, Inc.

Notes to Financial Statements

Note 3 Operating Leases

ASG leases various facilities for the operations to support workforce development. ASG leases one facility for their administrative office and eight offices for employment and training services. Rent expense for ASG for the year ended June 30, 2013, was \$684,129. Future minimum lease payments on leases having terms beyond June 30, 2013, are as follows:

2014	\$ 626,299
2015	578,930
2016	546,603
2017	541,323
2018	455,386
Thereafter	491,340
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Total	<u>\$ 3,239,881</u>

Note 4 Retirement Plan

ASG has a 403(b) tax sheltered annuity retirement plan that covers all regular employees. The retirement benefits are fully vested with the employee after three years of service. The Board of Directors determines the annual contribution, and the total contribution paid by ASG on behalf of the employees will not exceed 16% of the employees' salary. There was no employer contribution to the plan during the year ended June 30, 2013.

Note 5 Concentration of Credit Risk

ASG maintains deposits at a financial institution. Accounts at this financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year, the bank balance may have been in excess of the FDIC coverage. Bank balances in excess of FDIC coverage are insured by the Public Deposit Insurance Fund.

Note 6 Grant Awards

At June 30, 2013, ASG has commitments to perform services under various grants with contract periods spanning multiple fiscal years of approximately \$1,950,000. These commitments are not recognized in the accompanying financial statements as they are conditional awards.

Supplementary Information

Alliance for Strategic Growth, Inc.

Schedule A-1

Schedule of Expenditures of Federal Awards and Other Financial Assistance

Year Ended June 30, 2013

CFDA Number	Grant Number	Program Name	Grantor Agency	Program Period	Program or Award Amount	Expenditures
ASSISTANCE PROGRAMS AS IDENTIFIED IN THE CATALOG OF FEDERAL DOMESTIC ASSISTANCE						
Department of Labor						
17.258	CI-2-WIB-1-06	WIA Adult	Indiana DWD	07/01/11-06/30/13	\$ 784,280	\$ 349,399
17.258	CI-2-WIB-1-06	WIA Administration	Indiana DWD	07/01/11-06/30/13	87,143	27,501
17.258	CI-3-WIB-2-06	WIA Adult	Indiana DWD	07/01/12-06/30/14	738,856	305,727
17.258	CI-3-WIB-2-06	WIA Administration	Indiana DWD	07/01/12-06/30/14	82,095	54,333
Subtotal 17.258						736,960
17.259	CI-2-WIB-1-06	WIA Youth	Indiana DWD	07/01/11-06/30/13	929,997	230,213
17.259	CI-2-WIB-1-06	WIA Administration	Indiana DWD	07/01/11-06/30/13	103,333	30,579
17.259	CI-3-WIB-2-06	WIA Youth	Indiana DWD	07/01/12-06/30/14	904,174	645,258
17.259	CI-3-WIB-2-06	WIA Administration	Indiana DWD	07/01/12-06/30/14	100,463	66,489
17.259	CI-3-DISC-2a-06	WIA Discretionary	Indiana DWD	07/01/12-06/30/13	72,519	72,519
17.259	CI-3-BC-2-06	Business Consultant	Indiana DWD	07/01/12-06/30/13	16,200	16,200
Subtotal 17.259						1,061,258
17.260	CI-2-RR-1-06	RR Key Plastic	Indiana DWD	08/15/11-10/31/12	130,125	6,151
17.278	CI-2-WIB-1-06	WIA Dislocated Worker	Indiana DWD	07/01/11-06/30/13	801,907	253,455
17.278	CI-2-WIB-1-06	WIA DW trans to Adult	Indiana DWD	07/01/11-06/30/13	344,231	14,560
17.278	CI-2-WIB-1-06	WIA Administration	Indiana DWD	07/01/11-06/30/13	127,349	41,483
17.278	CI-3-WIB-2-06	WIA Dislocated Worker	Indiana DWD	07/01/12-06/30/14	735,849	617,024
17.278	CI-3-WIB-2-06	WIA DW trans to Adult	Indiana DWD	07/01/12-06/30/14	367,922	367,922
17.278	CI-3-WIB-2-06	WIA Administration	Indiana DWD	07/01/12-06/30/14	122,639	81,166
17.278	CI-3-BC-2-06	Business Consultant	Indiana DWD	07/01/12-06/30/13	90,000	90,000
17.278	CI-3-RR-2-06	RR Del, Jay, Henry	Indiana DWD	05/01/13-06/30/14	137,953	2,651
Subtotal 17.278						1,468,261
Subtotal Cluster 17.258, 17.259, 17.260 and 17.278						3,272,630
17.207	CI-3-BC-2-06	Business Consultant	Indiana DWD	07/01/12-06/30/13	10,200	10,200
17.207	CI-2-IS-1-06	Dis. Veterans' Outreach Program	Indiana DWD	07/01/11-09/30/12	11,733	2,102
17.207	CI-2-IS-1-06	Local Veterans' Emp. Program	Indiana DWD	07/01/11-09/30/12	16,362	3,032
17.207	CI-2-IS-1-06	Wagner Peyser	Indiana DWD	07/01/11-09/30/12	467,061	83,723
17.207	CI-3-IS-2-06	Wagner Peyser	Indiana DWD	10/01/12-09/30/14	268,185	211,811
17.801	CI-3-IS-2-06	Dis. Veterans' Outreach Program	Indiana DWD	10/01/12-09/30/14	37,544	25,334
17.804	CI-3-IS-2-06	Local Veterans' Emp. Program	Indiana DWD	10/01/12-09/30/14	46,261	33,402
Subtotal Cluster 17.207, 17.801 and 17.804						369,604
17.225	CI-2-IS-1-06	Unemployment Insurance	Indiana DWD	07/01/11-09/30/12	351,567	63,128
17.225	CI-3-IS-2-06	Unemployment Insurance	Indiana DWD	10/01/12-09/30/14	199,765	148,137
17.225	CI-3-IS-2-06	Unemployment Insurance REA	Indiana DWD	10/01/12-09/30/14	57,656	47,862
						259,127
17.245	CI-3-IS-2-06	Trade Adjustment Acc	Indiana DWD	10/01/12-09/30/14	41,090	18,960
17.271	CI-3-BC-2-06	Business Consultant	Indiana DWD	07/01/12-06/30/13	3,600	3,600
17.275-ARRA	CI-2-SEOJT-9a-06	ARRA Green OJT	Indiana DWD	07/01/11-01/28/13	286,060	42,605
17.275-ARRA	CI-2-SEOJT-1-06	ARRA Green OJT	Indiana DWD	07/01/11-06/30/13	260,000	115,186
17.275-ARRA	CI-2-SEITA-9a-06	ARRA Green ITA	Indiana DWD	07/01/11-01/28/13	20,000	17,233
Subtotal 17.275-ARRA						175,024

See Independent Auditor's Report.

Alliance for Strategic Growth, Inc.

Schedule A-2

Schedule of Expenditures of Federal Awards and Other Financial Assistance

Year Ended June 30, 2013

CFDA Number	Grant Number	Program Name	Grantor Agency	Program Period	Program or Award Amount	Expenditures
ASSISTANCE PROGRAMS AS IDENTIFIED IN THE CATALOG OF FEDERAL DOMESTIC ASSISTANCE(Continued)						
Department of Labor (Continued)						
17.277-ARRA	C1-2-NEGOJTARRA-0a-06	ARRA NEG OJT	Indiana DWD	07/01/11-09/30/12	117,479	<u>18,026</u>
Total Federal Programs						<u>4,116,971</u>
STATE AND LOCAL PROGRAMS						
N/A	C1-2-PISY-2-06	PISY	Indiana DWD	04/18/12-11/30/12	10,500	4,381
N/A	C1-3-AEIN-2-06	GED Incentive	Indiana DWD	07/01/12-12/31/13	20,000	8,750
N/A	C1-3-JAGCD-2-06	JAG CD	Indiana DWD	07/01/12-06/30/14	4,400	1,065
N/A	C1-3-PIABE-2-06	ABE	Indiana DWD	07/01/12-06/30/13	92,035	60,423
N/A	N/A	AHEC	NIAHEC	05/15/12-06/30/13	2,500	2,383
N/A	2011-0818-01	Blackford Cnty Foundation	Blackford County	08/18/11-09/30/13	9,500	7,581
N/A	N/A	Blackford Scholarship Fund	Blackford County	07/01/12-06/30/13	650	650
N/A	20130124	Delaware Foundation	Delaware County	05/20/13-05/19/14	20,000	0
N/A	8645	Wayne Foundation	Wayne County	05/16/13-05/15/14	5,000	0
N/A	N/A	IYI	Indiana Youth Initiative	05/31/12-09/30/12	1,500	1,500
N/A	N/A	United Way	United Way	08/01/12-06/30/14	36,667	<u>24,423</u>
Subtotal State and Local Programs						<u>111,156</u>
TOTAL						<u><u>\$ 4,228,127</u></u>

Notes to Schedule of Expenditures of Federal Awards and Other Financial Assistance

NOTE 1: The Schedule of Expenditures of Federal Awards and Other Financial Assistance (the "Schedule") includes the federal grant activity of Alliance for Strategic Growth, Inc. under programs of the federal government for the year ended June 30, 2013. 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*. Because the schedule presents only a selected portion of the operations of Alliance for Strategic Growth, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Alliance for Strategic Growth, Inc.

NOTE 2: Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

See Independent Auditor's Report.



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Board of Directors
Alliance for Strategic Growth, Inc.
Muncie, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Alliance for Strategic Growth, Inc., which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon January 30, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Alliance for Strategic Growth, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Alliance for Strategic Growth, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Alliance for Strategic Growth, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Alliance for Strategic Growth, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Wipfli LLP

January 30, 2014
Madison, Wisconsin



Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance

Board of Directors
Alliance for Strategic Growth, Inc.
Muncie, Indiana

Report on Compliance for Each Major Federal Program

We have audited Alliance for Strategic Growth, Inc.'s compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013. Alliance for Strategic Growth, Inc.'s major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Alliance for Strategic Growth, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; 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 Alliance for Strategic Growth, 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 on compliance for each major federal program. However, our audit does not provide legal determination Alliance for Strategic Growth, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Alliance for Strategic Growth, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.


Report on Internal Control Over Compliance

Management of Alliance for Strategic Growth, Inc. is responsible for establishing and maintaining effective internal control over compliance (internal control) with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Alliance for Strategic Growth, Inc.'s internal control with the types of requirements that could have a direct and material effect on each major federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of Alliance for Strategic Growth, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Wipfli LLP

January 30, 2014
Madison, Wisconsin

Alliance for Strategic Growth, Inc.

Schedule of Findings and Questioned Costs

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements of Alliance for Strategic Growth, Inc.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters.
3. No instances of noncompliance material to the financial statements of Alliance for Strategic Growth, Inc. were disclosed during the audit.
4. There were no significant deficiencies disclosed during the audit of the major federal award programs as reported in the Independent Auditor's Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance.
5. The auditor's report on compliance for the major federal award programs for Alliance for Strategic Growth, Inc. expresses an unmodified opinion.
6. There were no audit findings relative to the major federal award programs for Alliance for Strategic Growth, Inc.
7. The programs tested as major programs were the Department of Labor CFDA Cluster #17.258, #17.259, #17.260, and #17.278, and CFDA #17.275-ARRA.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Alliance for Strategic Growth, Inc. was determined to be a low-risk auditee.

B. Findings – Financial Statements Audit

None

C. Findings and Questioned Costs – Major Federal Award Programs Audit

Findings: None

Questioned Costs: None

D. Prior-Year Findings

None

