



December 10, 2008

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

In planning and performing our audit of the financial statements of Southwest Wisconsin Workforce Development Board, Inc. as of and for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered Southwest Wisconsin Workforce Development Board, Inc.'s internal control over financial reporting (internal control) 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our Responsibilities

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness. It is important to note that control deficiencies are not necessarily problems you will choose to address, however, they do represent potential risks. Our job as your auditors is to ensure that you understand where you have these deficiencies or weaknesses so that you can make informed business decisions on how best to respond to those risks.

Definitions Related to Internal Control Deficiencies

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. 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.

Identified Deficiencies in Internal Control

In our communication dated October 29, 2007, we included a deficiency regarding the period-end financial reporting process that we considered to be a significant deficiency in internal control. 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. We have communicated a deficiency regarding the preparation of financial statements in accordance with generally accepted accounting principles in the schedule of findings and questioned costs accompanying the Organization's financial statements. We consider this deficiency to be a material weakness.



Other Comments

Redesigned Form 990

The IRS has released a redesigned Form 990, the form tax-exempt organizations are required to file annually. Organizations will begin using the new Form 990 for the 2008 tax year (i.e., forms filed in 2009).

Currently, the Form 990 consists of a 9-page core form that is completed by all filing organizations, a Schedule A that is completed by organizations entitled to receive tax-deductible contributions, and a Schedule B that is completed by organizations receiving certain contributions. The new Form 990 consists of an 11-page core form that is completed by all filing organizations and 16 schedules that are completed only by those organizations that conduct particular activities.

The redesign of Form 990 is based on three guiding principles: enhancing transparency, promoting tax compliance, and minimizing the burden on filing organizations. The new Form 990 requires new or expanded information about certain areas such as governance and management structure and policies, other IRS filings, compensation of officers and key employees, fundraising and gaming activities, non-cash contributions, and related organizations. However, the new Form 990 includes increased reporting thresholds and more structured schedules for certain activities in an attempt to minimize the burden on filing organizations. For example, the threshold for determining the highest compensated employees and independent contractors was increased from \$50,000 to \$100,000.

Among the significant changes on the new Form 990 is an increased focus on governance and management policies and practices. Much of the information regarding these policies and practices is provided by the filing organization in a brief narrative. For example, the organization must describe the process, if any, it uses to review the Form 990 before it is filed; whether it has a conflict of interest policy and, if so, how it monitors compliance with the policy; how it determines compensation of officers and key employees; and whether (and if so, how) it makes its governing documents and financial statements available to the public. Many of the questions on the new Form 990 about governance and management are based on good governance practices recommended, though not necessarily required, by the IRS.

The changes on the redesigned Form 990 as compared to the current form are too numerous to discuss in this letter. We recommend that the Organization review the new Form 990 and begin gathering the information needed to file a complete and accurate form. We estimate that our preparation time and the cost to you may as much double depending on the nature and extent of your activities. The more prepared you are to provide the information needed for the core form and applicable schedules, the less time will be required by us to prepare and file your form, reducing your cost and likely improving the quality of your Form 990. The redesigned Form 990 is available on the IRS web site at www.irs.gov/eo.

* * *

This letter does not affect our report dated November 24, 2008 on the financial statements of Southwest Wisconsin Workforce Development Board, Inc. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations.

This communication is intended solely for the information and use of the board membership, management, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Wegner LLP
CPAs & Consultants



Scott R. Haumersen, CPA
Partner