



October 29, 2007

To the Finance Committee
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, 2007, 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 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 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 following deficiency to be a significant deficiency in internal control:

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. 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. 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.

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.

This communication is intended solely for the information and use of management, the finance committee, board membership, 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

A handwritten signature in black ink, appearing to read "Scott R. Haumersen". The signature is written in a cursive style with a horizontal line underneath the name.

Scott R. Haumersen, CPA
Partner