

Communication with Those Charged with Governance

December 9, 2009

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. for the year ended June 30, 2009, and have issued our report thereon dated December 9, 2009. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information orally during the entrance conference call and in the engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Southwest Wisconsin Workforce Development Board, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. The Organization, however, elected to defer the application of Financial Accounting Standards Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, as described in Note 1. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the allocation of expenses by function is based on an analysis of the hours and resources spent on the Organization's program services and supporting activities. We evaluated the key factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial

statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 9, 2009. Attached is a copy of management's written representations.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the board membership and management of Southwest Wisconsin Workforce Development Board, Inc. 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

Southwest Wisconsin Workforce Development Board, Inc.
 Summary of Audit Differences
 Year Ended June 30, 2009

Description (Nature) of Audit Difference	Known or Likely	Cause	Financial Statements Effect—Amount of Over (Under) Statement of:					Change in Net Assets
			Total Assets	Total Liabilities	Net Assets	Revenues	Expenses	
Organization did not capitalize computer equipment	Known	Amounts charged to expense accounts and not capitalized	\$ (12,505)	\$ -	\$ (12,505)	\$ -	\$ 12,505	\$ (12,505)
Expenses recorded in the improper period	Known	Fall 2009 expenses were recorded as current period expenses	(8,898)	21,642	(30,540)		30,540	\$ (30,540)
Grant charged for the reimbursement of expense	Known	Grant charged for the reimbursement of expense	30,540		30,540	30,540		\$ 30,540
Accrued payroll and related liabilities not recorded as of year-end	Known	Payroll and related amounts are recorded as expenses when paid.	-	(88,941)	88,941	-	(88,941)	\$ 88,941
Adjust grant revenue and receivables for effect of accrued payroll and related liabilities not recorded as of year-end	Known	Payroll and related amounts are recorded as expenses when paid.	(88,941)	-	(88,941)	(88,941)		\$ (88,941)
Effect of unadjusted audit differences—prior years						35,792	35,792	-
Net audit differences			\$ (79,804)	\$ (67,299)	\$ (12,505)	\$ (22,609)	\$ (10,104)	\$ (12,505)
Financial statement caption totals			\$ 737,788	\$ 533,593	\$ 204,195	\$ 5,165,855	\$ 5,161,428	\$ 4,427
Net audit differences as % of financial statement captions			-10.82%	-12.61%	-6.12%	-0.44%	-0.20%	-282.47%

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