



December 9, 2009

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

This letter is written to provide a response to the Management Letter from Wegner LLP, and their comments and recommendations for the Southwest Wisconsin Workforce Development Board as a result of the audit prepared for fiscal year ended June 30, 2009.

Preparation of Financial Statements in Accordance with Generally Accepted Accounting Principles.

Recommendation: 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 Wegner LLP. Management also reviews the adequacy of financial statement disclosures by completing a disclosure checklist; however, Wegner LLP staff feel 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.

Proposed Action: Management proposes the following in response to Wegner LLP's recommendation:

1. Management implemented preparation of the annual Financial Statements a year ago. This action was taken in response to a recommendation contained in a previous Management Letter and was supported by Wegner, LLP, at that time, a reasonable correction action. The SWWDB Director of Finance prepared the 2008-09 Financial Statements in compliance with accepted accounting standards. The Director of Finance possesses the requisite knowledge and skills to accurately prepare the Financial Statements as evident by the fact that Wegner LLP made **no** adjusting journal entries to the SWWDB Financial Statements ending June 30, 2009.
2. Management feels that reasonable and adequate measures have been taken to ensure that the financial statements and related disclosures are complete and presented in accordance with generally accepted accounting principles. Management questions the need to take "additional measures" to ensure that the financial statements and related disclosures are complete and presented in accordance with generally accepted accounting principles. However, management will consider having a Finance Director from another workforce development board, who holds a C.P.A. Certification, review the financial statements prior to the audit fieldwork.

Adopting FASB Interpretation No. 48.

Recommendation: In June 2006 the Financial Standards Board (FASB) issued Interpretation No. 48, Accounting for Uncertainty in Income Taxes, commonly referred to as FIN 48. Basically, FIN 48 requires entities to compute income taxes for financial statement purposes by only considering tax positions that are more likely than not be sustained if the taxing authority examined the position. Any tax positions that do not meet the more-likely-than-not standard must be disclosed in the financial statements. FIN 48 is effective for the Organization for the year ended June 30, 2010.

Proposed Action: This recommendation does not affect the June 30, 2009 audit, and merely recommends that SWWDB review the 501 (c)(3) regulations to ensure it continues to comply with tax exempt status. Management contends that all SWWDB activities that occurred from July 1, 2008 to June 30, 2009 comply with the 501(c)(3) regulations. Management will review the 501(c)(3) regulations to ensure that SWWDB continues to meet the requirements for tax exempt status and will communicate the findings to the Board by June 2010.

The Southwest Wisconsin Workforce Development Board staff would like to thank Wegner LLP for their positive feedback and recommendations.

Sincerely,

A handwritten signature in blue ink that reads "Robert T. Borremans". The signature is written in a cursive style with a long horizontal line extending to the right.

Robert T. Borremans, Ed.D.
Executive Director

cc: Wegner LLP