

IOWA COUNTY, WISCONSIN
ADDITIONAL REPORTS AND SCHEDULES
REQUIRED BY OMB A-133
FOR THE YEAR ENDED DECEMBER 31, 2012

IOWA COUNTY, WISCONSIN

ADDITIONAL REPORTS AND SCHEDULES
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FOR THE YEAR ENDED DECEMBER 31, 2012

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Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance
With *Government Auditing Standards*

Independent Auditor's Report

The County Board of Supervisors
Iowa County
Dodgeville, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America 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 the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Iowa County, Wisconsin, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Iowa County, Wisconsin's basic financial statements, and have issued our report thereon dated September 30, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Iowa County'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 a 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 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items #12-1 and #12-2 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Iowa County's financial statements are free of 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*.

Iowa County, Wisconsin's Response to Findings

Iowa County, Wisconsin's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Iowa County, Wisconsin's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

September 30, 2013
Mineral Point, WI

JOHNSON BLOCK AND COMPANY, INC.

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**Report on Compliance for Each Major Federal and State Program;
Report on Internal Control Over Compliance;
And Report on Schedules of Expenditures of Federal and State Awards
Required by OMB Circular A-133 and the State Single Audit Guidelines**

Independent Auditor's Report

To the County Board of Supervisors
Iowa County, Wisconsin
Dodgeville, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited Iowa County, Wisconsin's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration that could have a direct and material effect on each of Iowa County, Wisconsin's major federal and state programs for the year ended December 31, 2012. The County's major federal and state programs are identified in the summary of auditor's 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 and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Iowa County Wisconsin's major federal and state 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 of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Those standards, OMB Circular A-133 and the State Single Audit Guidelines 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 or state program occurred. An audit includes examining on a test basis, evidence about the County'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 and state program. However, our audit does not provide a legal determination of Iowa County, Wisconsin's compliance with those requirements.

Opinion on Each Major Federal and State Program

In our opinion, Iowa County, Wisconsin, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance 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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance 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 over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the State Single Audit Guidelines, issued by the Wisconsin Department of Administration. Accordingly, this report is not suitable for any other purpose.

Report on Schedules of Expenditures of Federal and State Awards Required by OMB Circular A-133 and the State Single Audit Guidelines, issued by the Wisconsin Department of Administration

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Iowa County, Wisconsin as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Iowa County, Wisconsin's basic financial statements. We issued our report thereon dated September 30, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Guidelines, issued by the Wisconsin Department of Administration, and are not a required part of the basic 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal and state awards are fairly presented in all material respects in relation to the financial statements as a whole.

JOHNSON BLOCK AND COMPANY, INC.

A handwritten signature in cursive script that reads "Johnson Block and Company, Inc." The signature is written in black ink and is positioned to the right of the printed company name.

Mineral Point, Wisconsin
October 14, 2013

Iowa County, Wisconsin
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012

Federal Agency/ Pass-Through Agency/ Program Title	Federal CFDA Number	(Accrued) Deferred Beginning Balance	Cash Received	Accrued (Deferred) Ending Balance	Revenues	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Social Services Block Grant	93.667					
<i>Passed through State of Wisconsin:</i>						
<i>Department of Health Services</i>			\$ 14,915		\$ 14,915	\$ 14,915
<i>Department of Workforce Development</i>			32,468		32,468	32,468
Total Social Services Block Grant	93.667		47,383		47,383	47,363
Temporary Assistance for Needy Families	93.558					
<i>Passed Through State of Wisconsin:</i>						
<i>Department of Health Services</i>			7,612		7,612	7,612
<i>Department of Health Services through Rock County</i>			2,509		2,509	2,509
<i>Department of Children and Families</i>			50,429		50,429	50,429
<i>Department of Workforce Development through Grant County</i>			7,700		7,700	7,700
Total - Temporary Assistance for Needy Families	93.558		68,250		68,250	68,250
Foster Care - Title IV-E	93.658					
<i>Passed Through State of Wisconsin:</i>						
<i>Department of Corrections</i>			2,180		2,180	2,180
<i>Department of Workforce Development</i>			11,862		11,862	11,862
Total-Foster Care - Title IV-E	93.658		14,042		14,042	14,042
Child Welfare Services - State Grants	93.645					
<i>Passed Through State of Wisconsin :</i>						
<i>Department of Corrections</i>			1,744		1,744	1,744
<i>Department of Workforce Development</i>			73,439		73,439	73,439
Total-Child Welfare Services - State Grants	93.645		75,183		75,183	75,183
Medical Assistance Program	93.778					
<i>Passed Through State of Wisconsin:</i>						
<i>Department of Health Services</i>			2,386		2,386	2,386
<i>Department of Health Services through Rock County</i>			107,672		107,672	107,672
<i>Age AdvantAge-Area Agency on Aging</i>			38,739		38,739	38,739
<i>Passed Through Wisconsin's Physicians Service</i>			24,610		24,610	24,610
Total - Medical Assistance Program	93.778		173,407		173,407	173,407

Iowa County, Wisconsin
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012

Federal Agency/ Pass-Through Agency/ Program Title	Federal CFDA Number	(Accrued) Deferred Beginning Balance	Cash Received	Accrued (Deferred) Ending Balance	Revenues	Expenditures
<i>Passed Through State of Wisconsin - Department of Health Services:</i>						
Public Health Emergency Preparedness	93.069	(1,712)	39,117		37,405	37,405
Immunization Grants	93.268		7,549		7,549	7,549
Maternal and Child Health Service Block Grant to the States	93.994		7,815		7,815	7,815
HCR - Infrastructure & QI	93.507		5,778		5,778	5,778
<i>Passed Through Rock County:</i>						
State Children's Insurance Program	93.767		14,529		14,529	14,529
<i>Passed Through State of Wisconsin - Department of Administration:</i>						
Low-Income Home Energy Assistance	93.568		15,051		15,051	15,051
<i>Passed Through State of Wisconsin - Age AdvantAge-Area Agency on Aging:</i>						
<i>Aging Cluster:</i>						
Special Programs for the Aging Title III-B	93.044	(25,696)	25,696			
Special Programs for the Aging Title III-C	93.045		36,331	3,459	39,790	39,790
Total - Aging Cluster		(25,696)	62,027	3,459	39,790	39,790
Title III-E National Family Caregiver Support Program	93.052	(3,600)	10,971	5,886	13,257	13,257
Affordable Care Act - Medicare Improvements for Patients and Providers	93.518		2,239		2,239	2,239
Centers for Medicare and Medicaid Services Research, Demonstrations, and Evaluations	93.779	(10,566)	11,956		1,390	1,390
<i>Passed Through State of Wisconsin - Department of Workforce Development:</i>						
Child Support Program	93.563	(28,330)	126,049	27,283	125,002	125,002
Promoting Safe and Stable Families	93.556		41,200		41,200	41,200
Child Care Administration	93.596		33,185		33,185	33,185
Youth Independent Living	93.674		1,797		1,797	1,797
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		(69,904)	757,528	36,628	724,252	724,252

Iowa County, Wisconsin
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012

Federal Agency/ Pass-Through Agency/ Program Title	Federal CFDA Number	(Accrued) Deferred Beginning Balance	Cash Received	Accrued (Deferred) Ending Balance	Revenues	Expenditures
U.S. DEPARTMENT OF AGRICULTURE						
State Administration Matching Grants for Food Stamp Program	10.561					
<i>Passed Through:</i>						
Rock County			77,642		77,642	77,642
State of Wisconsin Department of Workforce Development			201		201	201
Total - State Administration Matching Grants for Food Stamp Program	10.561		77,843		77,843	77,843
TOTAL U.S. DEPARTMENT OF AGRICULTURE			77,843		77,843	77,843
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Community Development Block Grant						
<i>Passed Through State of Wisconsin - Department of Administration:</i>						
Community Development Block Grant - Emergency Assistance Program	14.228	(257,761)	281,900	875	25,014	25,014
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			281,900	875	25,014	25,014
U.S. DEPARTMENT OF JUSTICE						
<i>Passed Through State of Wisconsin - Department of Justice and Homeland Security:</i>						
Federal Cease Grant	16.000		1,881		1,881	1,881
<i>Passed through State of Wisconsin - Office of Justice Assistance:</i>						
Byrne Memorial Justice Assistance	16.738	9,338			9,338	9,338
Recovery Act - Byrne Memorial Justice Assistance Grant	16.804			20,267	20,267	20,267
TOTAL U.S. DEPARTMENT OF JUSTICE			1,881	20,267	31,486	31,486
U.S. DEPARTMENT OF TRANSPORTATION						
Highway Safety Cluster.						
<i>Passed Through State of Wisconsin - Department of Transportation:</i>						
State and Community Safety Grant	20.600	(24,111)	63,195	12,146	51,230	51,230
Occupant Protection Incentive Grants (Speed and Alcohol Grants)	20.602	(2,324)	17,786		15,462	15,462
<i>Passed Through Grant County:</i>						
Highway 151 Corridor Grant	20.602		3,195		3,195	3,195
Total - Highway Safety Cluster		(26,435)	84,176	12,146	69,887	69,887
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			84,176	12,146	69,887	69,887

Iowa County, Wisconsin
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2012

Federal Agency/ Pass-Through Agency/ Program Title	Federal CFDA Number	(Accrued) Deferred Beginning Balance	Cash Received	Accrued (Deferred) Ending Balance	Revenues	Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY						
Homeland Security Grant Program:	97.067					
<i>Passed Through State of Wisconsin - Office of Justice Assistance:</i>						
Homeland Security Grant Program - PSC Project		(527,288)	579,677	220,323	272,712	272,712
Homeland Security Grant Program - WISCOM Upgrade to Local Agencies			127,000		127,000	127,000
Homeland Security Grant Program - Mutual Aid Radio Replacement		(64,669)	256,723		192,054	192,054
Total - Homeland Security Program:	97.067	(591,957)	963,400	220,323	591,766	591,766
<i>Passed Through United Way - FEMA:</i>						
Emergency Food & Shelter Program	97.024		1,823		1,823	1,823
Emergency Management - Performance Grant	97.042	(9,222)	16,588	26,777	34,143	34,143
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY		(601,179)	981,811	247,100	627,732	627,732
TOTAL - ALL FEDERAL AWARDS		\$ (945,941)	\$ 2,185,139	\$ 317,016	\$ 1,556,214	\$ 1,556,214

Iowa County, Wisconsin
Schedule of Expenditures of State Awards
For the Year Ended December 31, 2012

State Agency/ Pass-Through Agency/ Program Title	State Grant/ Pass Through Program Number	(Accrued) Deferred Beginning Balance	Cash Received	Accrued (Deferred) Ending Balance	Revenues	Expenditures
WISCONSIN DEPARTMENT OF ADMINISTRATION						
Land Information Board - Training Grant	505118		\$ 300	\$	300	\$ 300
Land Information Board - Grants-in-Aid	505438	23,210	15,254	(5,767)	32,698	32,698
Public Benefits Fund	505371		18,185		18,185	18,185
TOTAL WISCONSIN DEPARTMENT OF ADMINISTRATION		23,210	33,739	(5,767)	51,183	51,183
WISCONSIN DEPARTMENT OF AGRICULTURE						
Soil and Water Conservation Project	115150	(33,877)	100,390	24,387	90,900	90,900
Land and Water Resource Management - Plan Implementation	115400	(20,528)	82,019	1,340	62,831	62,831
TOTAL WISCONSIN DEPARTMENT OF AGRICULTURE		(54,405)	182,409	25,727	153,731	153,731
WISCONSIN DEPARTMENT OF CHILDREN AND FAMILIES						
State Funded Foster Care - Title IV-E	4373324		26		26	26
Basic County Allocation	4373561	(101,603)	218,848		117,245	117,245
State/County Match	4373681	(20,876)	41,758		20,882	20,882
TOTAL WISCONSIN DEPARTMENT OF CHILDREN AND FAMILIES		(122,479)	260,632		138,153	138,153
WISCONSIN DEPARTMENT OF CORRECTIONS						
Youth Aids - Community Intervention	410302		140,829		140,829	140,829
TOTAL WISCONSIN DEPARTMENT OF CORRECTIONS			140,829		140,829	140,829
WISCONSIN DEPARTMENT OF HEALTH SERVICES						
Basic County Allocation	435561		111,961		111,961	111,961
Adult Protective Services	435312		18,918		18,918	18,918
CST Counties 2014	43581099		32,303		32,303	32,303
Maternal & Child Health Service Block Grant	435159320		574		574	574
CC WWWP Service Coord GPR FED	435157000		11,192	1,056	12,248	12,248
Limited Agent Program	435124000		6,924		6,924	6,924
State/County Match	435681		14,761		14,761	14,761
CLTS PD Other	435817		15,304		15,304	15,304
CLTS PD OTH CWA ADMIN	435847		1,901		1,901	1,901
<i>Passed Through Rock County</i>						
IMAA State Share	435283		69,927		69,927	69,927
<i>Passed Through AgeAdvantAge - Area Agency</i>						
Senior Community Services	435560330	(5,551)	11,102		5,551	5,551
Elder Abuse Direct Services	435564900	(5,162)	12,887	2,175	9,900	9,900
TOTAL WISCONSIN DEPARTMENT OF HEALTH SERVICES		(10,713)	307,754	3,231	300,272	300,272
WISCONSIN DEPARTMENT OF JUSTICE						
Drug Crimes Enforcement Grant	455255	(8,129)	11,833	5,636	9,340	9,340
Crime Victim & Witness Assistance Surcharge	455503	(11,534)	23,652	13,339	25,457	25,457
TOTAL WISCONSIN DEPARTMENT OF JUSTICE		(19,663)	35,485	18,975	34,797	34,797

The accompanying notes are an integral part of this schedule.

Iowa County, Wisconsin
Schedule of Expenditures of State Awards
For the Year Ended December 31, 2012

State Agency/ Pass-Through Agency/ Program Title	State Grant/ Pass Through Program Number	(Accrued) Deferred Beginning Balance	Cash Received	Accrued (Deferred) Ending Balance	Revenues	Expenditures
WISCONSIN DEPARTMENT OF MILITARY AFFAIRS						
EPCRA Emergency Planning Grant	465.337	(1,555)	5,287	5,598	9,330	9,330
Computer and Hazmat Response Equipment Grant	465.367			1,721	1,721	1,721
TOTAL WISCONSIN DEPARTMENT OF MILITARY AFFAIRS		(1,555)	5,287	7,319	11,051	11,051
WISCONSIN DEPARTMENT OF NATURAL RESOURCES						
Wildlife Damage Claims	370.553	(3,204)	15,847	1,895	14,539	14,539
Boat Landing-Lake Access Grant	370.573		201		201	201
Snowmobile Aids	370.574		28,453	152	28,605	28,605
TOTAL WISCONSIN DEPARTMENT OF NATURAL RESOURCES		(3,204)	44,502	2,047	43,345	43,345
WISCONSIN DEPARTMENT OF TRANSPORTATION						
Specialized Transportation Assistance Program - Elderly and Handicapped Aids for Counties	395.101	24,450	68,117	(24,450)	68,117	68,117
TOTAL WISCONSIN DEPARTMENT OF TRANSPORTATION		24,450	68,117	(24,450)	68,117	68,117
WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPEMENT						
<i>Passed Through: Grant County, Wisconsin Department of Social Services:</i>						
Wisconsin Works (W-2)	437.215		7,700		7,700	7,700
Child Support Program	437.7603		15,019		15,019	15,019
Food Stamp Agency Incentive	437.267	(7)	201		194	194
TOTAL WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPEMENT		(7)	22,920		22,913	22,913
TOTAL - ALL STATE AWARDS		\$ (164,366)	\$ 1,101,673	\$ 27,083	\$ 964,391	\$ 964,391

Iowa County, Wisconsin
Notes to the Schedules of Expenditures of
Federal and State Awards
For the Year Ended December 31, 2012

1. The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of Iowa County, Wisconsin and is presented on the accrual basis of accounting. 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. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.
2. Title XIX Medical Assistance payments to Iowa County for the year ended December 31, 2012 were \$2,493,997.
3. The Iowa County Fair Association is considered a separate entity. Therefore, state aid and related expenditures of the Fair Association are not reflected in this schedule.
4. Matching costs for State program #395.101 for the year ended December 31, 2012 was \$56,867.
5. Expenditures for child support are comprised of the following:

	Expenditures
Direct Costs	\$ 101,059
Fees	(3,334)
Cooperative Agreements	42,296
Totals per Schedule of Expenditures of Federal and State Awards	\$ 140,021

Iowa County, Wisconsin
 Schedule of Findings and Questioned Cost
 For the Year Ended December 31, 2012

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

- Material Weakness(es) identified? _____ Yes X No
- Significant deficiency (ies) identified that are not considered to be material weaknesses? X Yes _____ None Reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal Control over major programs:

- Material Weakness(es) identified? _____ Yes X No
- Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ Yes X None Reported

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.600/20.602	Highway Safety Cluster
93.563	Child Support Program
97.067	Homeland Security Grant

Dollar Threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? _____ Yes X No

State Awards

Internal Control over major programs:

- Material Weakness(es) identified? _____ Yes X No
- Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ Yes X None Reported

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with the State of Wisconsin Single Audit Guidelines _____ Yes X No

Management Letter Issued? X Yes _____ No

Iowa County, Wisconsin
 Schedule of Findings and Questioned Cost (Continued)
 For the Year Ended December 31, 2012

Section I – Summary of Auditor’s Results (Continued)

Identification of major programs:

<u>State Number</u>	<u>Name of Program</u>
115.400	Land and Water Resource Management
410.302	Community and Youth Aids
435.561	Basic County Allocation
435.681	State/County Match
437.3561	Basic County Allocation
437.3681	State/County Match
437.7603	Child Support Program

Dollar threshold to distinguish between type A and type B programs: \$100,000

Section II - Financial Statement Findings

Finding #12-1- Preparation of Financial Statements

Condition: The County’s staff does not prepare the financial statements and accompanying notes.

Criteria: Internal controls over preparation of the financial statements, including note disclosures, should be in place to provide reasonable assurance that a misstatement in the financial statements would be prevented or detected.

Cause: The County does not prepare the financial statements and related notes.

Effect: Because management relies on the auditor to assist with the preparation of the financial statements, the County’s system of internal control may not prevent, detect, or correct misstatements in the financial statements.

Recommendation: The County remains informed about its responsibility for the financial statements and assign a person with suitable skills to review and accept responsibility for the financial statements.

Response: The auditors prepare the financial statements but we review and accept the statements prior to them being issued. We prepare financial reports that are reviewed by management and the County Administrative Services Committee on a monthly basis. Any concerns or questions are addressed throughout the year. A request has been made for additional finance staff to address this issue.

Iowa County, Wisconsin
Schedule of Findings and Questioned Cost (Continued)
For the Year Ended December 31, 2012

Finding #12-2 – Bloomfield Healthcare and Rehabilitation Center Cash Reconciliation

Condition: The Center's general ledger control account was not reconciled to the County's general ledger control account on a monthly basis.

Criteria: A reconciliation of the Center's general ledger cash account to the balance in the County's general ledger account should be done on a monthly basis.

Cause: Activity recorded by the County is not always recorded by the Center in the same accounting period. Adjustments are made during audit procedures to reflect all activity recorded by the County.

Effect: Transactions that affect the Center's bank accounts are not being reflected on the Center's general ledger on a timely basis. Additionally, interim financial statements could be materially misstated.

Recommendation: We recommend that treasurer's cash reconciliations be performed on a monthly basis and reviewed for accuracy of financial reporting and completeness by someone other than the person performing the reconciliation. The reviewer should initial the reconciliation as an indication of approval when done.

We also recommend providing monthly financial statements to the Health and Human Services Committee.

Response: As of January 1, 2013, the Center's general ledger software is integrated with the County's. The County intends on having treasurer's cash reconciliations completed on a monthly basis for all future periods.

Each month, all County Board members are given a report of year-to-date revenues and expenses. This report includes total revenues and total expenses for Bloomfield. The Center and County will provide further financial reports to the Health and Human Services Committee upon request.

Section III – Federal Award Findings and Questioned Costs

None

Section IV – State Award Findings and Questioned Cost

None

**STATUS OF PRIOR YEAR
FINDINGS AND QUESTIONED COSTS**

Iowa County, Wisconsin
Summary of Prior Audit Findings
For the Year Ended December 31, 2012

#11-1 – This is still a finding. See finding #12-1.

#11-2 – Patient billings are being prepared on a monthly basis.

#11-3 – The Clerk of Courts cash reconciliation is being prepared on a monthly basis.

#11-4 – Reported expenditures are reconciled to the general ledger throughout the year.