

**PLYMOUTH COUNTY, IOWA
Independent Auditors' Report
Financial Statements
And
Supplemental Information
Schedule of Findings and Questioned Costs
June 30, 2006**

PLYMOUTH COUNTY, IOWA

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PLYMOUTH COUNTY, IOWA

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PLYMOUTH COUNTY, IOWA

COUNTY OFFICIALS

Name	Title	Term Expires
John Schneider	Board of Supervisors	December 31, 2008
Jim Henrich	Board of Supervisors	December 31, 2008
C. Gordon Greene	Board of Supervisors	December 31, 2006
Paul Sitzmann	Board of Supervisors	December 31, 2006
Craig Anderson	Board of Supervisors	December 31, 2006
K. Kae Meyer	County Auditor	December 31, 2008
Linda Dobson	County Treasurer	December 31, 2006
Jolynn Goodchild	County Recorder	December 31, 2006
Mike Van Otterloo	County Sheriff	December 31, 2008
Darin J. Raymond	County Attorney	December 31, 2008
Robert Heyderhoff	County Assessor	December 31, 2009



21 1st Avenue NW
P.O. Box 1010
Le Mars, IA 51031
Phone (712) 546-7801
Fax (712) 546-6543

INDEPENDENT AUDITORS' REPORT

Board of Supervisors
Plymouth County, Iowa

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of PLYMOUTH COUNTY, IOWA (the County) as of and for the year ended June 30, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the County. Our responsibility is to express opinions on the financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Plymouth County, Iowa, as of June 30, 2006, and the change in financial position for the year then ended, in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis and budgetary comparison information are not required parts of the basic financial statements but are supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 31, 2006 on our consideration of Plymouth County, Iowa's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2005 (which are not presented herein) and expressed unqualified opinions on the major fund and aggregate remaining fund information.

The accompanying combining non-major fund financial statements, and the Schedule of Expenditures of Federal Awards which is presented for purposes of additional analysis is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
October 31, 2006

PLYMOUTH COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

PLYMOUTH COUNTY PROVIDES THIS MANAGEMENT'S DISCUSSION AND ANALYSIS OF ITS FINANCIAL STATEMENTS. THIS NARRATIVE OVERVIEW AND ANALYSIS OF THE ACCRUAL ACCOUNTING AND FINANCIAL ACTIVITIES IS FOR THE FISCAL YEAR ENDING JUNE 30, 2006. WE ENCOURAGE READERS TO CONSIDER THIS INFORMATION IN CONJUNCTION WITH THE COUNTY'S FINANCIAL STATEMENTS, WHICH FOLLOW.

SOME OF THE INFORMATION PRESENTED IS NOT EASILY COMPARABLE TO PRIOR YEARS. THIS IS DUE TO THE OMISSION OF REPORTING CAPITAL ASSETS IN PRIOR YEARS. IN FUTURE YEARS, COMPARISONS WILL BE MEANINGFUL AND WILL GO FURTHER IN EXPLAINING THE COUNTY'S FINANCIAL POSITION AND RESULTS OF OPERATIONS.

2006 FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the end of FY06 by \$35,963,064 (net assets)
- Plymouth County's total net assets increased by \$42,323,889. \$39,785,209 of the change is the result of including capital assets (net of accumulated depreciation) in FY06
- At the end of FY06, Plymouth County governmental funds reported combined ending fund balances of \$5,341,285, a \$1,071,305 decrease from the prior year. Approximately 62% of this total amount \$3,287,954, is available for spending at the County's discretion (unreserved fund balance)
- At the end of FY2006, unreserved fund balance for the general fund was \$833,887, or 17% of total general fund expenditures
- The County's total debt decreased by \$380,358. The decrease was a result of the normal scheduled principal payments on the outstanding debt.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements as well as other requirements as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the government's financial activities.

The **Government-wide Financial Statements** consist of a statement of net assets and a statement of activities. These provide information about the activities of Plymouth County as a whole and present an overall view of the County's finances.

The **Fund Financial Statements** tell how governmental services were financed in the short-term as well as what remains for future spending. Fund financial statements report Plymouth County's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Plymouth County acts solely as an agent or custodian for the benefit of those outside of the government.

Notes to the Financial Statements provide more detailed data and explain some of the information in the financial statements.

Supplemental Information provides detailed information about the non-major special revenue and the individual fiduciary funds.

REPORTING THE COUNTY AS A WHOLE

The Statement of Net Assets and the Statement of Activities

One of the most important questions asked about the County's finances is "Is the County as a whole better off or worse off as a result of the year's activities?" The statement of net assets and the statement of activities report information about activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus. This is similar to the accounting used by most private sector companies. All of the current year's revenues and expenditures are taken into account regardless of when cash is received or paid.

The **statement of net assets** presents all of the County's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in the County's net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The **statement of activities** presents information showing how the County's net assets changed during the fiscal year. All changes in net assets are reported as soon as the event or change occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The County's governmental activities are displayed in the statement of net assets and the statement of activities. Governmental activities include public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, government services to residents, administration, interest on long-term debt and capital projects. Property tax and state and federal grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide detailed information about individual funds, not the County as a whole. Some funds are required to be established by Iowa law or by bond covenants. The County can establish other funds to help it control and manage money for particular purposes.

Plymouth County has two types of funds:

- 1) Governmental funds account for most of the County's basic services. These focus on how money flows in and out of those funds. These balances left at year-end are available for spending. The county has 15 governmental funds. These main governmental funds include: 1) the General Fund, 2) the Special Revenue funds such as Mental Health Fund, Rural Services Fund, Secondary Roads Fund, Local Option Sales Tax Fund, Urban Renewal Fund 3) the Debt Service Fund, and 4) the Capital Projects Fund. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The governmental funds required financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balance.

- 2) Fiduciary funds are used to report assets held in a trust or agency capacity for others and cannot be used to support the government's own programs. These fiduciary funds include agency funds that account for Emergency Management Services, the County Assessor, and the Emergency 911 as a few examples.

The fiduciary funds required financial statements include a statement of fiduciary assets and liabilities

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. Plymouth County's total net assets for FY06 totaled approximately \$35,930,762. The analysis that follows focuses on the components of net assets for the governmental activities.

Net Assets of Governmental Activities

	2006	2005
Current and other assets	\$12,324,066	\$20,566,025
Capital assets	43,021,470	39,785,209
Total Assets	<u>55,345,536</u>	<u>60,351,234</u>
Long-term debt outstanding	12,540,314	12,920,672
Other liabilities	6,842,158	14,006,178
Total liabilities	<u>19,382,472</u>	<u>26,926,850</u>
Net assets:		
Invested in capital assets, net of related debt	38,521,740	34,900,209
Restricted	1,273,900	628,084
Unrestricted	(3,832,306)	(2,103,909)
Total net assets, restated	<u>\$35,963,064</u>	<u>\$33,424,384</u>

An insignificant portion of the County's net assets (restricted) represents resources that are subject to external restrictions on how they may be used. Unfortunately, there is not a positive balance in unrestricted net assets, which is used to meet the County's ongoing obligations to citizens and creditors. There is a negative balance due to the \$7,840,000 general obligation bond issued in 2005. This was not issued for County assets; it was for a grant awarded to LeMars Business Initiative Corporation to be used for economic development purposes.

The County's net assets increased by \$2,538,680 during the current year. This increase is attributable to factors such as: an increase in property tax revenue, an increase in charges for services, and a decrease in capital project expenditures.

Governmental Activities – Governmental activities increased the County's net assets by \$2,538,680. Key elements of this increase are as follows:

Change in Net Assets of Governmental Activities

	2006
Revenues:	
Program revenues:	
Charges for service and sales	\$ 1,363,277
Operating grants and contributions	5,703,996
Capital grants and contributions	3,848,603
General revenues:	
Property tax	5,485,126
General intergovernmental revenues	51,736
Interest & penalty on taxes	51,572
State tax credits	294,302

Local Option Sales Tax	993,751
Other general revenues	236,994
Total revenues	<u>\$18,399,071</u>
Program expenses:	
Public safety and legal services	\$ 2,530,676
Physical health and social services	243,049
Mental health	1,565,347
County environment and education	673,471
Roads and transportation	6,930,193
Government services to residents	791,302
Administration	2,234,938
Non-program services	327,239
Interest on long-term debt	564,176
Total expenses	<u>15,860,391</u>
Increase in net assets	<u>2,538,680</u>
Net assets July 1, 2005 (restated with prior period adjustment)	<u>33,424,384</u>
Net assets June 30, 2006	<u>\$35,963,064</u>

In future years, a comparison to previous year's activity will be presented.

The following information was taken from the FY06 adopted Plymouth County budget:

Plymouth County adopted a County wide total property tax rate of 7.69761 per thousand dollars of taxable valuation in FY06.

The levy rates in the General Basic Fund were 3.30000 and 3.90000 in the Rural Basic Fund.

The MH/DD levy was set at 0.39117 per thousand dollars of taxable valuation.

The Debt Service levy was set at 0.10644 per thousand dollars of taxable valuation.

INDIVIDUAL MAJOR FUND ANALYSIS

As Plymouth County completed FY06, its budgetary governmental funds reported a combined fund balance of \$5,341,285. FY05 combined fund balances were \$6,412,590. This represents a total decrease of \$1,071,308.

The General Fund, as the operating fund of Plymouth County, ended FY06 with a balance of \$833,887. The General Fund ending fund balance in FY05 was \$756,083. This represents an increase of \$77,804. The General Fund is increasing slightly. Additional property taxes will need to be raised to stabilize the fund or drastic cuts to expenses are needed to increase the General Fund balance to a healthy state.

The MH/DD Fund ended FY06 with a balance of \$310,876. The ending fund balance for FY05 was \$716,239. This represents a decrease of \$405,363. The MH/DD Fund is entirely determined by state mandated formulas. Even though the balance has dropped from last year, the balance is adequate to begin FY07. If state mandates continue to determine the amount of money we can levy in this fund then cuts to services currently funded may be required. Also expenditures in the mental health services fund increased thus reducing ending fund balances.

The Rural Services Fund ended FY06 with a balance of \$802,869. The ending fund balance for FY05 was \$1,193,650. This represents a decrease of \$390,781. The Rural Services fund balance has decreased due to the County budgeting a large portion of the Sheriff's deputy salaries and expenses from the Rural Services fund. In the past, these were budgeted in the General Basic Fund.

The Secondary Road Fund ended FY06 with a balance of \$1,725,887. The ending fund balance for FY05 was \$1,558,064. This represents a decrease of \$167,823.

The Urban Renewal Fund ended FY06 with a balance of (\$697,338). This consists of the County's commitment to purchase property known as "Winter Feed Lots" which incurred \$100,000 of expense in this fund, \$580,206 of expense for the County to pave Keystone Ave. and \$17,132 of additional attorney and consulting expenses. The ending fund balance for FY05 was (\$20,460). This increases the deficit fund balance by (\$676,878). Plymouth County electively added this fund as a major governmental fund, which has a specific community focus. The county intends to finance this deficit with future TIF revenues.

The Local Option Sales Tax Fund ended FY06 with a balance of \$1,491,199. The ending fund balance for FY05 was \$1,311,477. This represents an increase of \$179,722.

The Debt Service Fund ended FY06 with a balance of \$585,392. The ending fund balance for FY05 was \$673,983. This represents a decrease of \$88,591.

General Fund Budgetary Highlights

The differences between the original FY06 budget and the FY06 final amended budget resulted from two budget amendments. The first budget amendment increased General Basic revenues by \$266,500 and increased expenses by \$420,000. The second amendment increased revenues by \$300,000 and increased expenditures by \$311,376. The total net budgetary increase for FY06 is \$164,876. This net increase is to be budgeted from the remaining available fund balances. (Budget figures and amendments are figured on a cash basis.)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of FY06, Plymouth County had approximately \$43,021,470 invested in capital assets, net of accumulated depreciation. At the end of FY 05, Plymouth County had approximately \$39,785,209 invested in capital assets, net of accumulated depreciation.

Capital Assets of Governmental Activities at Year End

	2006
Land (capital asset not being depreciated)	\$ 405,130
Buildings and improvements	6,822,170
Equipment	3,176,457
Infrastructure	32,533,166
Construction in progress (capital asset not being depreciated)	84,547
Total Governmental Activities Capital Assets	43,021,470
Less: Total Capital Assets not being depreciated	(489,677)
Total Governmental Activities Capital Assets being depreciated, net	\$ 42,531,793

The County had a total accumulated depreciation expense on June 30, 2006 of \$23,833,145. Additional information on the County's capital assets can be found in Note 5 of the financial statements.

Long Term Debt

At the end of FY06 Plymouth County had total bonded indebtedness of \$12,340,000, including general obligation and local option sales tax revenue bonds.

Outstanding Debt of Governmental Activities at Year-End

	2006	2005
General obligation bonds, series 1996 – Courthouse Addition	\$ 105,000	\$ 205,000
Sales tax revenue bonds, series 2002 – Law Enforcement	4,395,000	4,680,000
Net total of related debt to county capital assets	4,500,000	4,885,000
General obligation bonds, series 2005A – Urban Renewal	7,840,000	7,840,000
Net total outstanding debt	<u>\$12,340,000</u>	<u>\$ 12,725,000</u>

Additional information on the County's long-term debt can be found in Note 6.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Plymouth County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2007 budget, tax rates, and fees that finance the various County services. The tax rate for FY07 in the Rural Basic Fund remains constant, at the 3.90000 maximum levy. However, it was necessary to increase the tax levy rate in the General Basic Fund from 3.30000 to 3.50000 in order to properly fund operations of this fund for FY07. The General Fund ended FY06 with a \$77,804 net change in fund balance from FY05. (Plymouth County budgets on a cash basis, therefore, amounts in this budget section are also presented on a cash basis, while the rest of this report previous has been reported on an accrual basis.) The increase to reach the maximum tax levy for the General Basic Fund is intended to help stabilize the General Fund. Plymouth County did receive an increase of 61,907,245 of taxable valuation for FY07 compared to FY06, which will create additional property tax revenue for the General Basic Fund in FY07. The tax levy rate in the Debt Service Fund was reduced slightly to .09865 in FY07 from .010644

in FY06. This levy is responsible for the courthouse addition general obligation bond principal and interest payment in FY07.

These factors were taken into account when adopting the budget for fiscal year 2007. The amounts available for appropriation in the General Fund are approximately \$4,741,445. The amounts available for appropriation in Special Revenue Funds are approximately \$10,627,937. The amounts available for appropriation in the Debt Service Fund are \$950,254.

If these estimates are realized, Plymouth County's General Fund balance is expected to raise at FY07 year-end. This is due in part to a \$200,000 budgetary transfer from the Local Option Sales Tax Fund and the additional property tax revenue as noted above. The Rural Fund balance is expected to decrease in FY07 from FY06 due to expenses exceeding revenues. This is due to the fact the Sheriff deputies salaries, benefits and operating expenses are included in this fund in FY07 as they also were in FY 06. However, they were budgeted in the General Basic Fund in FY05 and prior.

Plymouth County will also be increasing the fund balance deficit in the Urban Renewal Fund as expenses incur in FY07. This deficit is to be repaid with future TIF revenue from the expected valuation growth within that TIF area.

CONTACTING THE COUNTY'S FINANCIAL MANAGER

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Plymouth County finances, and to show the County's accountability for the money it receives. This Management Discussion and Analysis was prepared by Deputy Auditor, Stacey Feldman with approval by Auditor, K. Kae Meyer. If you have questions about this report or need additional financial information, contact:

K. Kae Meyer, Plymouth County Auditor or Stacey Feldman, Plymouth County Deputy Auditor

**Plymouth County Auditor's Office
215 4th Ave. SW
Le Mars, Iowa, 51031
Phone: (712) 546-6100
Fax: (712) 546-5784**

PLYMOUTH COUNTY BOARD OF SUPERVISORS FOR FY 05-06:

Paul Sitzmann Jim Henrich John Schneider Gordon Greene Craig Anderson

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF NET ASSETS
JUNE 30, 2006

	Governmental Activities
ASSETS	
Cash and Pooled Investments	\$ 3,435,086
Receivables:	
Property Tax	51,784
Future Property Tax	6,319,853
Accrued Interest	34,261
Accounts	9,227
Due from Other Governmental Agencies	869,883
Inventories	651,466
Prepaid Insurance	81,781
Bond Issue Costs	136,033
Restricted Assets:	
Cash and Pooled Investments	734,692
Land	405,130
Construction in Progress	84,547
Infrastructure, Property and Equipment, Net of Accumulated Depreciation	42,531,793
Total Assets	55,345,536
LIABILITIES	
Accounts Payable	410,573
Due to Other Governmental Agencies	29,245
Deferred Revenue - Future Property Tax	6,319,853
Accrued Interest Payable	46,184
Salaries and Benefits Payable	36,303
Long Term Liabilities:	
Due Within One Year:	
General Obligation Bonds	105,000
Revenue Bonds	300,000
Compensated Absences	200,314
Due in More Than One Year:	
General Obligation Bonds	7,840,000
Revenue Bonds	4,095,000
Total Liabilities	19,382,472
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	38,521,470
Restricted for:	
Debt Service	1,273,900
Unrestricted	(3,832,306)
Total Net Assets	\$ 35,963,064

See Accompanying Notes to Financial Statements

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Charges for Services</u>
Primary Government:			
Governmental Activities:			
Public safety and legal services	\$ 2,530,676	\$ 564,978	
Physical health and social services	243,049	10	
Mental health	1,565,347		
County environment and education	673,471		221,649
Roads and transportation	6,930,193		94,804
Government services to residents	791,302		452,339
Administration	2,234,938		29,497
Non-program services	327,239		
Debt Service	564,176		
Total governmental activities	<u>\$ 15,860,391</u>	<u>\$ 1,363,277</u>	

Program Revenues		Net (Expense) Revenue and Changes in Net Assets
Operating Grants Contributions	Capital Grants Contributions	Governmental Activities
		\$ (1,965,698)
\$ 86,100		(156,939)
786,032		(779,315)
171,191		(280,631)
4,129,119	\$ 3,848,603	1,142,333
9,234		(329,729)
		(2,205,441)
306,587		(20,652)
215,733		(348,443)
<u>\$ 5,703,996</u>	<u>\$ 3,848,603</u>	<u>\$ (4,944,515)</u>

General Revenues:

Property taxes	5,485,126
Interest and penalties on taxes	51,572
State tax credits	294,302
Local option sales tax	993,751
General intergovernmental revenues	51,736
Interest	369,714
Miscellaneous	236,994
Total general revenues	<u>7,483,195</u>
Change in net assets	2,538,680
Net assets - beginning	(6,360,825)
Prior Period Adjustment	39,785,209
Net assets - beginning, restated	<u>33,424,384</u>
Net assets - ending	<u>\$ 35,963,064</u>

See Accompanying Notes to Financial Statements

COUNTY OF PLYMOUTH, IOWA
BALANCE SHEET
Governmental Funds
JUNE 30, 2006

	General	Mental Health	Rural Services
Assets			
Cash and Pooled Investments	\$ 636,554	\$ 509,224	\$ 127,842
Receivables:			
Property Tax	48,986	551	2,069
Future Property Tax	3,481,513	363,771	2,318,798
Accrued Interest	22,853		
Accounts	4,447		
Due from Other Funds			697,338
Due from Other Governmental Agencies	193,720		
Prepaid Insurance	81,781		
Inventories			
Restricted Assets:			
Cash and Pooled Investments			
Total Assets	<u>4,469,854</u>	<u>873,546</u>	<u>3,146,047</u>
Liabilities and Equity			
Liabilities:			
Accounts Payable	86,386	198,374	7,106
Due to Other Funds			
Due to Other Governmental Agencies	15,793		13,452
Unearned Revenue	48,040	525	2,038
Deferred Revenue - Future Property Tax	3,481,513	363,771	2,318,798
Salaries and Benefits Payable	4,235		1,784
Total Liabilities	<u>3,635,967</u>	<u>562,670</u>	<u>2,343,178</u>
Fund Balances:			
Reserved for Debt Service			
Reserved for Inventories			
Reserved for Prepaid Insurance	81,781		
Unreserved for:			
General Fund	752,106		
Special Revenue Fund		310,876	802,869
Capital Project Fund			
Total Fund Balances (Deficit)	<u>833,887</u>	<u>310,876</u>	<u>802,869</u>
Total Liabilities and Equity	<u>\$ 4,469,854</u>	<u>\$ 873,546</u>	<u>\$ 3,146,047</u>

See Accompanying Notes to Financial Statements

Secondary Roads	Local Option Sales Tax	Joint Urban Renewal	Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 675,075	\$ 636,220		\$ 574,550	\$ 275,621	\$ 3,435,086
			178		51,784
			110,488	45,283	6,319,853
			10,835	573	34,261
	4,235			545	9,227
					697,338
507,339	156,363			12,461	869,883
					81,781
651,466					651,466
	734,692				734,692
1,833,880	1,531,510	-	696,051	334,483	12,885,371
77,709	40,311	\$ 697,338		687	410,573
					697,338
					29,245
			171		50,774
			110,488	45,283	6,319,853
30,284					36,303
107,993	40,311	697,338	110,659	45,970	7,544,086
651,466	734,692		585,392		1,320,084
					651,466
					81,781
					752,106
1,074,421	756,507	(697,338)		219,622	2,466,957
				68,891	68,891
1,725,887	1,491,199	(697,338)	585,392	288,513	5,341,285
\$ 1,833,880	\$ 1,531,510	\$ -	\$ 696,051	\$ 334,483	\$ 12,885,371

See Accompanying Notes to Financial Statements

PLYMOUTH COUNTY, IOWA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
June 30, 2006

Amounts reported for governmental activities in the statement of net assets are different because:

Total Fund Balance - Governmental Funds (page 18)		\$ 5,341,285
Infrastructure, property, and equipment used in governmental activities are not financial resources and, therefore, are not reported in the funds.		43,021,470
Deferred revenues from the balance sheet that provide current financial resources for governmental activities.		50,774
Accrued expenses from the balance sheet that require current financial resources for governmental activities.		(46,184)
Bond issue costs are reported in the governmental activities but are not reported in the funds as they do not provide current economic resources.		136,033
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
	Revenue Bonds	(4,395,000)
	General Obligation Bonds	(7,945,000)
	Compensated Absences	(200,314)
		<u>(12,540,314)</u>
Total Net Assets - Governmental Activities (page 14)		<u>\$ 35,963,064</u>

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COUNTY OF PLYMOUTH, IOWA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
Year Ended June 30, 2006

	General	Mental Health	Rural Services
Revenue:			
Property and other county taxes	\$ 2,921,235	\$ 346,179	\$ 2,067,612
Interest and penalties on taxes	51,572		
Intergovernmental	862,784	804,493	139,675
Licenses and permits	50		12,630
Charges for services	1,007,702		11,050
Use of money and property	264,699		
Miscellaneous	85,358	9,213	
Total Revenue	5,193,400	1,159,885	2,230,967
Expenditures:			
Current operating:			
Public safety and legal services	1,885,822		593,185
Physical health and social services	224,317		15,292
Mental Health		1,565,248	
County environment and education	356,991		298,020
Roads and transportation			
Government services to residents	765,611		
Administration	1,410,380		25,251
Non-program services	327,239		
Capital projects			
Debt service:			
Principal			
Interest			
Total Expenditures	4,970,360	1,565,248	931,748
Excess (deficiency) of revenues over expenditures	223,040	(405,363)	1,299,219
Other financing sources (uses):			
Transfers in	11,769		
Transfers (out)	(160,500)		(1,690,000)
Total other financing sources (uses)	(148,731)	-	(1,690,000)
Net Change in Fund Balances	74,309	(405,363)	(390,781)
Fund balances (deficits) - beginning of year	756,083	716,239	1,193,650
Increase (Decrease) in Reserve for:			
Prepaid Insurance	3,495		
Inventory			
Fund balances (deficits) - end of year	\$ 833,887	\$ 310,876	\$ 802,869

See Accompanying Notes to Financial Statements

Secondary Roads	Local Option Sales Tax	Joint Urban Renewal	Debt Service	Other Governmental Funds	Total Governmental Funds
	\$ 993,751		\$ 105,137	\$ 43,805	\$ 6,477,719
					51,572
\$ 4,316,923			220,895	21,510	6,366,280
3,731					16,411
2,793				6,029	1,027,574
39,813	44,029	\$ 129,830	28,633	5,093	512,097
58,846				132,044	285,461
4,422,106	1,037,780	129,830	354,665	208,481	14,737,114
				56,336	2,535,343
					239,609
					1,565,248
				134	655,145
4,727,746		65,348			4,793,094
				21,486	787,097
	539,257	124,818		67,297	2,167,003
					327,239
1,210,571		437,215			1,647,786
			385,200		385,200
			556,184		556,184
5,938,317	539,257	627,381	941,384	145,253	15,658,948
(1,516,211)	498,523	(497,551)	(586,719)	63,228	(921,834)
1,837,000			498,128	3,500	2,350,397
	(318,801)	(179,327)		(1,769)	(2,350,397)
1,837,000	(318,801)	(179,327)	498,128	1,731	-
320,789	179,722	(676,878)	(88,591)	64,959	(921,834)
1,558,064	1,311,477	(20,460)	673,983	223,554	6,412,590
					3,495
(152,966)					(152,966)
\$ 1,725,887	\$ 1,491,199	\$ (697,338)	\$ 585,392	\$ 288,513	\$ 5,341,285

See Accompanying Notes to Financial Statements

COUNTY OF PLYMOUTH, IOWA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2006

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds (page 21)	\$ (921,834)
<p>Governmental funds report capital outlays, including infrastructure, as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current year as follows:</p>	
Expenditures for capital assets	5,433,612
Depreciation Expense	<u>(2,185,377)</u>
	3,248,235
In the Statement of Activities, the loss on the disposition of capital assets is reported whereas the governmental funds report the proceeds from the sale as an increase in financial resources	(11,975)
Revenues reported in the funds that are not available to provide current financial resources	1,158
Accrued interest expense that does not require current financial resources	(285)
Inventories and insurance in the governmental funds have been recorded as expenditures when paid. However, the statement of activities will report these items as expenditures in the period that the corresponding net asset is exhausted.	(149,470)
The effect of bond issuance costs when new debt is issued, whereas, these amounts are deferred and amortized in the Statement of Activities.	(7,507)
Compensated absences that do not require current financial resources.	(4,642)
The repayment of the principal of bonded long-term debt consumes the current financial resources of governmental funds without affecting the net assets. The statement of activities does not reflect the payment of principal on bonded long-term debt. The principal paid on bonded long-term debt during the current year was:	<u>385,000</u>
Change in net assets of governmental activities (page 16)	<u>\$ 2,538,680</u>

COUNTY OF PLYMOUTH, IOWA
STATEMENT OF FIDUCIARY NET ASSETS
Fiduciary Funds
June 30, 2006

ASSETS	
Cash and Pooled Investments	\$ 1,394,467
Receivables:	
Property Tax	43,041
Future Property Tax	22,924,366
Assessments	14,275
Accounts	45,062
Accrued Interest	761
Due from Other Governments	21,916
Total Assets	<u>24,443,888</u>
 LIABILITIES	
Accounts Payable	1,728
Due to Other Governments	24,439,139
Compensated Absences	3,021
Total Liabilities	<u>\$ 24,443,888</u>

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COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2006

Note 1 - Summary of Significant Accounting Policies

The County of Plymouth, Iowa (the County) is a political subdivision of the State of Iowa and operates under the Home Rule provisions of the Constitution of Iowa. The County operates under the Board of Supervisors form of government. Elections are on a partisan basis. Other elected officials operate independently with the Board of Supervisors. These officials are the Auditor, Recorder, Treasurer, Sheriff, and Attorney. The County provides numerous services to citizens, including law enforcement, health and social services, parks and cultural activities, planning and zoning, roadway construction and maintenance, general administrative services, and economic development.

A. Reporting Entity

For financial reporting purposes, the County has included all funds, organizations, agencies, boards, commissions and authorities. The County has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the County to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the County. Plymouth County has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The County participates in several jointly governed organizations for which the County is not financially accountable or that the nature and significance of the relationship with the County are such that exclusion does not cause the County's financial statements to be misleading or incomplete. The County Board of Supervisors are members of or appoint representatives to the following boards and commissions: Plymouth County Assessor's Conference Board, Plymouth County and Municipal Joint Disaster Services Commission, and County Joint E911 Service Board. Financial transactions of these organizations are included in the County's financial statements only to the extent of the County's fiduciary relationship with the organization and, as such, are reported as Agency Funds of the County.

B. Basic Financial Statements – Government-Wide Statements

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The County's Public Safety and Legal Services, Physical Health and Social Services, County Environment and Education, and Government Services to Residents are classified as governmental activities. The County has no business-type activities.

In the government-wide Statement of Net Assets, the governmental activities column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The County first uses restricted resources to finance qualifying activities.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2006

Note 1 - Summary of Significant Accounting (Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions (administration, law enforcement, courts, roads, etc.). The functions are also supported by general government revenues (property taxes, fines, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating grants, and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

This government-wide focus is more on the sustainability of the County as an entity and the change in the County's net assets resulting from the current year's activities.

C. Basis of Presentation - Fund Accounting

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds. Nonmajor funds are summarized into a single column. GASB No. 34 sets forth minimum criteria for the determination of major funds. The County electively added funds, as major funds, which had a specific community focus. The nonmajor funds are combined in a column in the fund financial statements.

The County reports the following major governmental funds:

Governmental Fund Types – The focus of the governmental funds' measurement (in the fund statements) is upon the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The County reports the following major governmental funds.

- 1) General Fund – The General Fund is the general operating fund of the County. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenses, the fixed charges and the capital improvement costs that are not paid from other funds.

- 2) Special Revenue Funds

The Mental Health Fund is used to account for property tax and other revenues designated to be used to fund mental health, mental retardation, and developmental disabilities services.

The Rural Services Fund is used to account for property tax and other revenues to provide services which are primarily intended to benefit those persons residing in the County outside of incorporated city areas.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2006

Note 1 - Summary of Significant Accounting (Continued)

The Secondary Roads Fund is used to account for secondary road construction and maintenance.

The Local Option Sales Tax Fund is used to account for the revenues from the tax authorized by referendum and used for county infrastructure and county improvements.

The Joint Urban Renewal Fund is used to account for the TIF dollars that will be generated by a new TIF district established in Plymouth County.

- 3) Debt Service Fund – The Debt Service Fund is used to account for the payment of interest and principal on the County's general long-term debt.

Fiduciary Fund Types - Fiduciary funds are used to report assets held in an agency or custodial capacity for others and therefore not available to support County programs. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not incorporated into the government-wide statements.

The agency funds of the County account for the property taxes levied by political subdivisions within the county, collections of those amounts by the county, and the remittance of the collected amounts to the subdivisions.

D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual accounting is used for all activities in the government-wide financial statements and for the fiduciary activities in the fund financial statements. Revenues are recognized when earned and expenses are recognized when incurred.

Modified accrual is used by all governmental funds in the fund financial statements. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues.

Expenditures are recorded when the related fund liability is incurred. An exception to this general rule is that principal and interest on general obligation debt, if any, is recognized when due.

Those revenues susceptible to accrual are property taxes and intergovernmental revenues. Licenses, fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2006

Note 1 - Summary of Significant Accounting (Continued)

- E. Budgets – The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2006, disbursements did not exceed the amounts budgeted.
- F. Cash and Pooled Investments – The cash balances of most County funds are pooled and invested. The County has defined cash and cash equivalents to include cash on hand and demand deposits. In addition, each fund's equity in the county's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty. Interest earned on investments is recorded in the General Fund, unless otherwise provided by law. The County uses the following method in determining the reported amounts:

<u>Type</u>	<u>Method</u>
Certificates of Deposit	Cost
Iowa Public Agency Investment Trust	Fair value determined by current share price

- G. Property Tax Receivable - The County's property tax rates were extended against the assessed valuation of the County as of January 1, 2004 to compute the amounts for the accrual period July 1, 2005 to June 30, 2006. These taxes were due and payable in two installments on September 30, 2005 and March 31, 2006 at the County Treasurer's Office. Property tax receivable represents taxes that are due and payable but have not been collected.
- H. Future Property Taxes Receivable – This represents taxes certified by the Board of Supervisors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Supervisors is required to certify its budget in March of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year.
- Although the succeeding year property tax receivable has been recorded, for governmental funds the revenue is recorded as unearned revenue and will not be recognized as revenue until the year for which it is levied. For agency funds, as no revenues are recorded, the amounts are reflected as being due from other governments.
- I. Assessments Receivable – Assessments receivable represent the amounts due from individuals for work done which benefits their property. These assessments are payable by individuals in not less than ten or more than twenty annual installments. Each annual installment with interest on the unpaid balance is due on September 30 and is subject to the same interest and penalties as other taxes. Assessments receivable represents assessments, which are due and payable in the next year but have not been collected and are recorded in a fiduciary fund of the County.
- J. Due to/from Other Funds – During the course of operations numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2006

Note 1 - Summary of Significant Accounting (Continued)

- K. Due to/from Other Governments - Due to/from other governments represents state tax credits due from the State of Iowa, various shared revenues, grants, and reimbursements receivable and taxes and other revenues collected by the County which will be remitted to other governments.
- L. Inventories - Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. Reported inventories in the fund financial statements are equally offset by a fund balance reserve, which indicates that they are not available to liquidate current obligations.
- M. Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of property tax receivable not collected within sixty days after year-end.
- N. Landfill - The County participates in a 28E agreement with Plymouth County Solid Waste Agency and therefore, is not required to account for landfill post closure costs.
- O. Compensated Absences - County employees accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide and fiduciary fund financial statements. A liability for these amounts is reported in the governmental fund financial statements only for employees that have resigned or retired. The compensated absence liability has been computed based on rates of pay in effect at June 30, 2006. The compensated absence liability attributable to the governmental activities will be paid primarily by General and Secondary Roads Funds.
- P. Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Assets. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the governmental fund financial statements, the face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Premiums and discounts on new debt issued are reported as an other financing source or use.

- Q. Fund Equity - In the governmental fund financial statements, reservations of fund balance are reported for amounts that are not available for appropriation or are legally restricted by outside parties for use a specific purpose.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2006

Note 1 - Summary of Significant Accounting (Continued)

R. Capital Assets – Capital assets, which include property, equipment and vehicles, and infrastructure assets (e.g., roads, bridges, curbs, gutters, sidewalks, and similar items which are immovable and of value only to the government), are reported in the governmental activities column in the government-wide statement of net assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Reportable capital assets are defined by the County as assets with initial, individual costs in excess of \$5,000 for equipment, \$25,000 for land and buildings, and \$65,000 for infrastructure. Property and equipment of the County is depreciated using the straight line method over the following estimated useful lives:

Buildings and Structures	10 - 75 Years
Infrastructure	10 - 65 Years
Machinery and Equipment	5 - 20 Years

Note 2 - Deposits and Pooled Investments

The County's deposits at June 30, 2006 were entirely covered by federal depository insurance or by the state sinking fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The County is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Supervisors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; and certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The County had investments in the Iowa Public Investment Trust which are valued at an amortized cost of \$112,924 pursuant to Rule 2a-7 under the Investment Company Act of 1940. This investment is not rated. The County had no other investments meeting the definition of GASB Statement 40.

Note 3 - Interfund Receivables and Payables

The detail of interfund receivables and payables at June 30, 2006 is as follows:

<u>Fund Due To</u>	<u>Fund Due From</u>	<u>Amount</u>
Rural Services	Join Urban Renewal	\$ 697,338

The purpose of the interfund balances is to help finance short-term cash flow shortages.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2006

Note 4 - Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2006 is as follows:

	Transfer Out					
	General	Rural Services	Joint Urban Renewal	Local Option Sales Tax	Non-Major	Total
Transfer In:						
General		\$ 10,000			\$ 1,769	\$ 11,769
Secondary Roads	\$ 157,000	1,680,000				1,837,000
Debt Service Fund			\$ 179,327	\$ 318,801		498,128
Non-Major	3,500					3,500
	<u>\$ 160,500</u>	<u>\$ 1,690,000</u>	<u>\$ 179,327</u>	<u>\$ 318,801</u>	<u>\$ 1,769</u>	<u>\$2,350,397</u>

Transfers are used to:

1. Move resources from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.
2. Move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2006

Note - 5 Capital Assets

A summary of changes in capital assets is as follows:

	Balance July 1, 2005	Additions	Deletions	Balance July 30, 2006
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 405,130			\$ 405,130
Construction in Progress	508,516	\$ 84,547	\$ 508,516	84,547
Total capital assets not being depreciated	913,646	84,547	508,516	489,677
Capital assets being depreciated:				
Buildings	7,571,138	59,550		7,630,688
Equipment	6,444,551	374,080	32,789	6,785,842
Infrastructure	46,524,457	5,423,951		51,948,408
Total capital assets being depreciated	60,540,146	5,857,581	32,789	66,364,938
Less accumulated depreciation for:				
Buildings	694,067	114,451		808,518
Equipment	3,254,514	375,685	20,814	3,609,385
Infrastructure	17,720,001	1,695,241		19,415,242
Total accumulated depreciation	21,668,582	2,185,377	20,814	23,833,145
Total capital assets being depreciated, net	38,871,564	3,672,204	11,975	42,531,793
Governmental activities capital assets, net	\$ 39,785,210	\$3,756,751	\$ 520,491	\$ 43,021,470

Depreciation expense was charged to the functions as follows:

Public safety and legal services	\$ 45,016
Physical health and social services	3,434
County environment and education	17,044
Roads and transportation	1,996,949
Government services to residents	4,804
Administration	118,130
	\$ 2,185,377

Reconciliation of Invested in Capital Assets:

	Governmental Activities
Land	\$ 405,130
Construction	84,547
Capital Assets (net of accumulated depreciation)	42,531,793
Less: General Obligation Bonds (excludes \$7,840,000 Joint Urban Renewal Bonds not issued for capital assets)	(105,000)
Revenue Bonds	(4,395,000)
	\$ 38,521,470
Invested in Capital Assets, Net of Related Debt	

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2006

Note - 6 Long-Term Liabilities

The County's computed legal debt limit as of June 30, 2006, is \$74,288,171 of which \$7,945,000 is committed for outstanding general obligation bonds.

The following is a summary of changes in long-term liability for the year ended June 30, 2006:

	General Obligation Bonds	L.O.S.T. Revenue Bonds	Compensated Absences	Total
Balance Beginning of Year	\$ 8,045,000	\$ 4,680,000	\$ 195,627	\$12,920,627
Increases	-	-	200,314	200,314
Decreases	100,000	285,000	195,627	580,627
Balance End of Year	<u>\$ 7,945,000</u>	<u>\$ 4,395,000</u>	<u>\$ 200,314</u>	<u>\$12,540,314</u>
Due Within One Year	<u>\$ 105,000</u>	<u>\$ 300,000</u>	<u>\$ 200,314</u>	<u>\$ 605,314</u>

Bonds Payable

A summary of the County's June 30, 2006 general obligation and local option sales tax revenue bond indebtedness is as follows:

	Date Of Issue	Interest Rates	Annual Payments	Amount Originally Issued	Outstanding June 30, 2006
<i>General Obligation Bonds:</i> Series 1996	1996	4.75%	\$105,000	\$ 852,000	\$ 105,000
<i>Sales Tax Revenue Bonds:</i> Series 2002	2002	4.75 – 6.30%	\$300,000 - \$510,000	\$5,400,000	4,395,000
<i>General Obligation Urban Renewal Bonds:</i> Series 2005A	2005	3.15 – 4.40%	\$310,000 - \$630,000	\$7,840,000	<u>7,840,000</u> <u>\$ 12,340,000</u>

In June 2005, the County issued \$7,840,000 of General Obligation Urban Renewal Bonds to be used for economic development purposes in Plymouth County. The bonds will be repaid with future TIF revenues generated from the increased tax base.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2006

Note 6 - Long-Term Liabilities – (Continued)

The annual requirements to amortize all bonds outstanding as of June 30, 2006, are as follows:

Fiscal Year	General Obligation Principal	Sales Tax Revenue Bond		Total
		Principal	Interest	
2007	\$ 105,000	\$ 300,000	\$ 544,753	\$ 949,753
2008	-	320,000	520,235	840,235
2009	310,000	340,000	502,080	1,152,080
2010	325,000	360,000	475,330	1,160,330
2011	345,000	375,000	446,227	1,166,227
2012-2016	2,025,000	2,190,000	1,705,442	5,920,442
2017-2021	2,465,000	510,000	838,730	3,813,730
2022-2025	2,370,000	-	263,300	2,633,300
	<u>\$ 7,945,000</u>	<u>\$ 4,395,000</u>	<u>\$ 5,296,097</u>	<u>\$ 17,636,097</u>

\$1,320,084 is available to service the General Obligation and Sales Tax Revenue Bonds. The general obligation bonds are to be retired through property tax levies. The Sales Tax Revenue Bonds are to be retired through local option sales tax revenue and contributions from surrounding communities pursuant to a 28E agreement.

There are a number of limitations and restrictions contained in the various bond indentures creating certain reserve and sinking funds to insure repayment of the revenue bonds. A summary of the fund requirements is as follows:

Special Revenue	Type of Account	Required Balance June 30, 2006	Actual Balance June 30, 2006
Local Option Sales Tax	Sinking Fund	\$ 194,692	\$ 194,692*
Local Option Sales Tax	Reserve Fund	\$ 540,000	\$ 540,000*

*Amounts are classified as restricted assets on the combined balance sheet.

Note 7 - Risk Management

Plymouth County is a member in the Iowa Communities Assurance Pool, as allowed by Chapter 331.301 of the Code of Iowa. The Iowa Communities Assurance Pool (Pool) is a local government risk-sharing pool whose 531 members include various governmental entities throughout the State of Iowa. The Pool was formed in August 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, public officials liability, police professional liability, property and inland marine and boiler/machinery. There have been no reductions in insurance coverage from prior years.

Each members' annual casualty contributions to the Pool fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund, on a cash basis, the Pool's general and administrative expenses, claims, claims expenses and reinsurance expenses due and payable in the current year, plus all or any portion of any deficiency in capital.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2006

Note 7 - Risk Management (Continued)

Capital contributions are made during the first six years of membership and are maintained to equal 300 percent of the total current members' basis rates or to comply with the requirements of any applicable regulatory authority having jurisdiction over the Pool.

The Pool also provides property coverage. Members who elect such coverage make annual operating contributions which are necessary to fund, on a cash basis, the Pool's general and administrative expenses and reinsurance premiums, all of which are due and payable in the current year, plus all or any portion of any deficiency in capital. Any year-end operating surplus is transferred to capital. Deficiencies in operations are offset by transfers from capital and, if insufficient, by the subsequent year's member contributions.

The County's property and casualty contributions to the risk pool are recorded as expenditures from its operating funds at the time of payment to the risk pool. The County's annual contributions to the Pool for the year ended June 30, 2006 were \$214,325.

The Pool uses reinsurance and excess risk-sharing agreements to reduce its exposure to large losses. The Pool retains general, automobile, police professional, and public officials' liability risks up to \$350,000 per claim. Claims exceeding \$350,000 are reinsured in an amount not to exceed \$2,650,000 per claim and \$5,000,000 in aggregate per year. For members requiring specific coverage from \$2,000,000 to \$10,000,000, such excess coverage is also reinsured. Property and automobile physical damage risks are retained by the Pool up to \$100,000 each occurrence, each location, with excess coverage reinsured on an individual-member basis.

The Pool's intergovernmental contract with its members provides that in the event a casualty claim or series of claims exceeds the amount of risk-sharing protection provided by the member's risk-sharing certificate, or in the event that a series of casualty claims exhausts total members' equity plus any reinsurance and any excess risk-sharing recoveries, then payment of such claims shall be the obligation of the respective individual member.

The County does not report a liability for losses in excess of reinsurance or excess risk-sharing recoveries unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, at June 30, 2006, no liability has been recorded in the County's financial statements. As of June 30, 2006, settled claims have not exceeded the risk pool or reinsurance company coverage since the pool's inception.

Members agree to continue membership in the Pool for a period of not less than one full year. After such period, a member who has given 60 days prior written notice may withdraw from the Pool. Upon withdrawal, payments for all claims and claims expenses become the sole responsibility of the withdrawing member, regardless of whether a claim was incurred or reported prior to the member's withdrawal. Members withdrawing within the first six years of membership may receive a partial refund of their capital contributions. If a member withdraws after the sixth year, the member is refunded 100 percent of its capital contributions; however, the refund is reduced by an amount equal to the annual operating contribution which the withdrawing member would have made for the one-year period following withdrawal.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2006

Note 7 - Risk Management (Continued)

The County also carries commercial insurance purchased from other insurers for coverage associated with workers compensation and boiler and machinery. The County assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The County also participates in the Iowa Municipalities Workers' Compensation Association (IMWCA) for workman's compensation insurance.

Note 8 - Pension and Retirement

Iowa Public Employees Retirement System - The County contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits that are established by State statute plan to members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 3.7% of their annual covered salary and the County is required to contribute 5.75% of covered salary. Certain employees in special risk occupations and the County contribute on actuarially defined contribution rate. Contribution requirements are established by state statute. The County contribution to IPERS for the years ended June 30, 2006, 2005 and 2004 were \$259,868, \$240,599, and \$223,205, respectively, equal to the required contributions for each year.

Note 9 - 28E Agreement

During the year ended June 30, 2002, the County entered into several 28E Agreements with the communities in the County to contribute funds for the construction of a County jail from local option sales tax proceeds. The communities agreed to contribute a total of \$3,227,696 through November 2016. As of June 30, 2006, the communities have made payments totaling \$822,725.

Note 10 - Contingencies

The County receives significant financial assistance from the U.S. government. Entitlement to the resources is generally based on compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. Any disallowances as a result of these audits become a liability of the fund that receives the grant. As of June 30, 2006, the County estimates that no material liabilities will result from such audits.

The County is a defendant in a number of lawsuits in its normal course of operations. The outcome of these lawsuits is not presently determinable and an estimate of possible losses cannot be made.

Note 11 - Construction Commitment

The County has entered into several construction contracts totaling \$558,629 for bridge and culvert construction and roadway paving. As of June 30, 2006 costs of \$84,547 had been incurred against the contracts. The balance of \$474,082 will be paid as work on the projects progress.

COUNTY OF PLYMOUTH, IOWA
Notes to Financial Statements
June 30, 2006

Note 12 - Deficit Fund Balances

The County has one fund with a deficit fund balance at June 30, 2006. The County intends to finance this deficit from future TIF revenues.

The individual fund deficit was as follows:

Special Revenue – Joint Urban Renewal	\$ 697,338
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Note 13- Prior Period Adjustment

During the implementation of GASB Statement 34 in year 2003, the County's capital assets should have been included in government-wide financial statements and depreciated. The County opted to postpone the reporting of the capital assets until the current year. Total capital assets, prior to July 1, 2005, was \$39,785,209, net of accumulated depreciation.

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REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF PLYMOUTH, IOWA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET
AND ACTUAL (CASH BASIS) - ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2006

	Budgeted Amounts		Actual (Cash Basis)	Variance with Final Budget
	Original	Amended		Positive (Negative)
Revenue:				
Property and other county taxes	\$ 6,295,558	\$ 6,295,558	\$ 6,496,875	\$ 201,317
Interest and penalties on taxes	25,000	25,000	50,969	25,969
Intergovernmental	7,252,888	7,842,319	6,160,805	(1,681,514)
Licenses and permits	26,740	26,740	16,411	(10,329)
Charges for services	505,615	507,815	932,296	424,481
Use of money and property	210,140	210,140	508,884	298,744
Miscellaneous	795,234	861,754	319,343	(542,411)
Total Revenue	15,111,175	15,769,326	14,485,583	(1,283,743)
Expenditures:				
Current operating:				
Public safety and legal services	2,401,873	2,606,337	2,544,989	61,348
Physical health and social services	285,000	285,000	240,952	44,048
Mental Health	1,809,308	1,809,308	1,536,069	273,239
County environment and education	724,955	745,555	657,676	87,879
Roads and transportation	5,466,000	5,466,000	5,179,095	286,905
Government services to residents	667,720	842,396	789,074	53,322
Administration	2,364,502	2,627,062	2,281,255	345,807
Non-program services	-	400,000	272,445	127,555
Debt service	752,027	8,050,974	7,941,384	109,590
Capital projects	2,082,157	2,108,157	1,932,063	176,094
Total Expenditures	16,553,542	24,940,789	23,375,002	1,565,787
(Deficiency) of revenues over expenditures	(1,442,367)	(9,171,463)	(8,889,419)	282,044
Other financing sources (uses):				
Transfers in	1,847,000	1,947,000	2,360,397	413,397
Transfers out	(1,847,000)	(1,947,000)	(2,360,397)	(413,397)
Proceeds from Sale of Assets	28,000	28,000	-	(28,000)
Total other financing sources (uses)	28,000	28,000	-	(28,000)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (1,414,367)</u>	<u>\$ (9,143,463)</u>	(8,889,419)	<u>\$ 254,044</u>
Balance beginning of year			<u>13,059,197</u>	
Balance end of year			<u>\$ 4,169,778</u>	

COUNTY OF PLYMOUTH, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2006

In accordance with the Code of Iowa, the County Board of Supervisors annually adopts a budget on the cash basis following required public notice and hearing for all funds except Agency Funds, and appropriates the amount deemed necessary for each of the different County offices and departments. The budget may be amended during the year utilizing similar statutorily prescribed procedures. Encumbrances are not recognized in the cash basis budget and appropriations lapse at year end.

Formal and legal budgetary control is based upon 10 major classes of expenditures known as functions, not by fund or fund type. These 10 functions are: public safety and legal services, physical health and social services, mental health, county environment and education, roads and transportation, governmental services to residents, administration, non-program, debt service and capital projects. Function disbursements required to be budgeted include disbursements for the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. Legal budgetary control is also based upon the appropriation to each office or department. During the year, two budget amendments increased budgeted disbursements by \$8,387,247. The budget amendments are reflected in the final budgeted amounts.

In addition, annual budgets are similarly adopted in accordance with the Code of Iowa by the appropriate governing body as indicated: for the County Extension Office by the County Agricultural Extension Council, for the County Assessor by the County Conference Board, for the E911 System by the Joint E911 Service Board and for Emergency Management Services by the County Emergency Management Commission.

During fiscal year 2006, the County had two budget amendments. The amendments are as follows:

<u>Function</u>	<u>Original Budget</u>	<u>Amendments</u>	<u>Amended Budget</u>
Public Safety and Legal Services	\$ 2,401,873	\$ 204,464	\$ 2,606,337
Physical Health and Social Services	285,000	-	285,000
Mental Health	1,809,308	-	1,809,308
County Environment	724,955	20,600	745,555
Roads and Transportation	5,466,000	-	5,466,000
Government Services to Residents	667,720	174,676	842,396
Administration	2,364,502	262,560	2,627,062
Non-Program	-	400,000	400,000
Capital Projects	2,082,157	26,000	2,108,157
Debt Service	752,027	7,298,947	8,050,974
	<hr/>	<hr/>	<hr/>
Total	\$ 16,553,542	\$ 8,387,247	\$ 24,940,789
	<hr/>	<hr/>	<hr/>

COUNTY OF PLYMOUTH, IOWA
Notes to Required Supplementary Information – Budgetary Reporting
June 30, 2006

During the year ended June 30, 2006, disbursements did not exceed the amounts budgeted.

As noted previously, the actual results of operations are presented in accordance with U.S. generally accepted accounting principles which differ in certain respects from those practices used in the preparation of the 2005-06 budget. For purposes of preparing the budget comparison above, the actual expenses have been adjusted to the cash basis which is consistent with the County's budgeted expenditures. The adjustments required to convert the expenses to cash basis at the end of year are as follows:

	Governmental Funds		
		Total	
	Cash Basis	Accrual Adjustments	Modified Accrual Basis
Revenues	\$ 14,507,599	\$ 229,515	\$ 14,737,114
Expenditures	23,397,018	(7,738,070)	15,658,948
Net	(8,889,419)	7,967,585	(921,834)
Beginning Fund Balance	13,059,197	(6,646,607)	6,412,590
Increase in Reserve for Prepaid Insurance	-	3,495	3,495
Increase in Reserve for Inventory	-	(152,966)	(152,966)
Ending Fund Balance	\$ 4,169,778	\$ 1,171,507	\$ 5,341,285

OTHER SUPPLEMENTARY INFORMATION

COUNTY OF PLYMOUTH, IOWA
COMBINING BALANCE SHEET
Governmental Nonmajor Funds
JUNE 30, 2006

	Special Revenue Funds		
	Recorder's Records Management Fund	EMS Fund	REAP
Assets			
Cash and Pooled Investments	\$ 33,156		\$ 36,297
Receivables:			
Future Property Tax			
Accrued Interest	87		55
Accounts	545		
Due from Other Governmental Agencies			
Total Assets	<u>33,788</u>	-	<u>36,352</u>
Liabilities and Equity			
Liabilities:			
Accounts Payable			
Deferred Revenue - Future Property Tax			
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Unreserved for:			
Special Revenue Fund	33,788		36,352
Capital Project Fund			
Total Fund Balances (Deficit)	<u>33,788</u>	-	<u>36,352</u>
Total Liabilities and Equity	<u>\$ 33,788</u>	<u>\$ -</u>	<u>\$ 36,352</u>

Special Revenue Funds					
Forfeiture Fund	County TIF	Conservation Land Acquisition	Recorder's Electronic Transaction Fund	Capital Projects	Total
\$ 101,037	\$ 1,118	\$ 35,318		\$ 68,695	\$ 275,621
	45,283				45,283
235				196	573
					545
3,521		8,940			12,461
104,793	46,401	44,258	-	68,891	334,483
687					687
	45,283				45,283
687	45,283	-	-	-	45,970
104,106	1,118	44,258			219,622
				68,891	68,891
104,106	1,118	44,258	-	68,891	288,513
\$ 104,793	\$ 46,401	\$ 44,258	\$ -	\$ 68,891	\$ 334,483

COUNTY OF PLYMOUTH, IOWA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
Governmental Nonmajor Funds
YEAR ENDED JUNE 30, 2006

	Special Revenue Funds		
	Recorder's Records Management Fund	EMS Fund	REAP
Revenue:			
Property and other county taxes			\$ 6,251
Intergovernmental			
Charges for services	\$ 6,029		
Use of money and property	1,069	\$ 16	549
Miscellaneous			
Total Revenue	<u>7,098</u>	<u>16</u>	<u>6,800</u>
Expenditures:			
Current operating:			
Public safety and legal services			
County environment and education			
Government services to residents	10,545		
Administration			
Total Expenditures	<u>10,545</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of revenues over expenditures	<u>(3,447)</u>	<u>16</u>	<u>6,800</u>
Other financing sources (uses):			
Transfers in			
Transfers (out)		(1,769)	
Total other financing sources (uses)	<u>-</u>	<u>(1,769)</u>	<u>-</u>
Net Change in Fund Balances	(3,447)	(1,753)	6,800
Fund balances (deficits) - beginning of year	<u>37,235</u>	<u>1,753</u>	<u>29,552</u>
Fund balances - end of year	<u>\$ 33,788</u>	<u>\$ -</u>	<u>\$ 36,352</u>

Special Revenue Funds					
Forfeiture Fund	County TIF	Conservation Land Acquisition	Recorder's Electronic Transaction Fund	Capital Projects	Total
	\$ 43,805				\$ 43,805
\$ 6,319		\$ 8,940			21,510
					6,029
1,321				\$ 2,138	5,093
124,544				7,500	132,044
132,184	43,805	8,940	-	9,638	208,481
56,336					56,336
134					134
			\$ 10,941		21,486
	43,410			23,887	67,297
56,470	43,410	-	10,941	23,887	145,253
75,714	395	8,940	(10,941)	(14,249)	63,228
		3,500			3,500
					(1,769)
-	-	3,500	-	-	1,731
75,714	395	12,440	(10,941)	(14,249)	64,959
28,392	723	31,818	10,941	83,140	223,554
\$ 104,106	\$ 1,118	\$ 44,258	\$ -	\$ 68,891	\$ 288,513

COUNTY OF PLYMOUTH, IOWA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 Agency Funds
 June 30, 2006

	County Recorder	County Sheriff	Ag Extension Education	County Assessor
ASSETS				
Cash and Pooled Investments	\$ 73,691	\$ 7,560	\$ 2,327	\$ 78,417
Receivables:				
Property Tax			258	903
Future Property Tax Assessments			170,997	621,003
Accounts	64			
Accrued Interest				110
Due from Other Governments				
Total Assets	<u>73,755</u>	<u>7,560</u>	<u>173,582</u>	<u>700,433</u>
LIABILITIES				
Accounts Payable				46
Due to Other Governments	73,755	7,560	173,582	698,264
Compensated Absences				2,123
Total Liabilities	<u>\$ 73,755</u>	<u>\$ 7,560</u>	<u>\$ 173,582</u>	<u>\$ 700,433</u>

Schools	Area Schools	Corporations	Townships	City Special Assessments
\$ 181,370	\$ 9,118	\$ 84,703	\$ 3,826	\$ 2,718
21,289	1,054	19,296	235	
13,128,228	808,657	7,926,185	265,329	12,205
13,330,887	818,829	8,030,184	269,390	14,923
13,330,887	818,829	8,030,184	269,390	14,923
\$ 13,330,887	\$ 818,829	\$ 8,030,184	\$ 269,390	\$ 14,923

(continued)

COUNTY OF PLYMOUTH, IOWA
COMBINING STATEMENT OF FIDUCIARY NET ASSETS (Continued)
Agency Funds
JUNE 30, 2006

	Auto License-Use Tax	Joint Disaster	Brucellosis & Tuberculosis Eradication	Tax Redemption
ASSETS				
Cash and Pooled Investments	\$ 514,812	\$ 28,324	\$ 52	\$ 39,636
Receivables:				
Property Tax			6	
Future Property Tax Assessments			3,967	
Accounts Accrued Interest				
Due from Other Governments		13,860		
Total Assets	<u>514,812</u>	<u>42,184</u>	<u>4,025</u>	<u>39,636</u>
LIABILITIES				
Accounts Payable		44		
Due to Other Governments	514,812	41,242	4,025	39,636
Compensated Absences		898		
Total Liabilities	<u>\$ 514,812</u>	<u>\$ 42,184</u>	<u>\$ 4,025</u>	<u>\$ 39,636</u>

Emergency 911	Future Tax Payment	Recorder's Electronic Fee Fund	Drainage Districts	Total
\$ 274,456	\$ 74,335	\$ 505	\$ 18,617	\$ 1,394,467
				43,041
				22,924,366
			2,070	14,275
44,998				45,062
651				761
7,511		545		21,916
<u>327,616</u>	<u>74,335</u>	<u>1,050</u>	<u>20,687</u>	<u>24,443,888</u>
				1,728
1,638				24,439,139
325,978	74,335	1,050	20,687	3,021
<u>\$ 327,616</u>	<u>\$ 74,335</u>	<u>\$ 1,050</u>	<u>\$ 20,687</u>	<u>\$ 24,443,888</u>

COUNTY OF PLYMOUTH, IOWA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 Agency Funds
 Year Ended June 30, 2006

	Balance June 30, 2005	Addi- tions	Deduc- tions	Balance June 30, 2006
County Recorder				
Assets				
Cash and Pooled Investments	\$ 67,828	\$ 436,266	\$ 430,403	\$ 73,691
Accounts Receivable	91	64	91	64
Total Assets	<u>67,919</u>	<u>436,330</u>	<u>430,494</u>	<u>73,755</u>
Liabilities				
Due to Other Governments	<u>67,919</u>	<u>436,330</u>	<u>430,494</u>	<u>73,755</u>
Total Liabilities	<u>67,919</u>	<u>436,330</u>	<u>430,494</u>	<u>73,755</u>
County Sheriff				
Assets				
Cash and Pooled Investments	<u>5,710</u>	<u>136,221</u>	<u>134,371</u>	<u>7,560</u>
Total Assets	<u>5,710</u>	<u>136,221</u>	<u>134,371</u>	<u>7,560</u>
Liabilities				
Due to Other Governments	<u>5,710</u>	<u>136,221</u>	<u>134,371</u>	<u>7,560</u>
Total Liabilities	<u>5,710</u>	<u>136,221</u>	<u>134,371</u>	<u>7,560</u>
Agricultural Extension Education				
Assets				
Cash and Pooled Investments	2,147	165,831	165,651	2,327
Property Tax Receivable	241	258	241	258
Future Property Tax Receivable	<u>165,448</u>	<u>170,997</u>	<u>165,448</u>	<u>170,997</u>
Total Assets	<u>167,836</u>	<u>337,086</u>	<u>331,340</u>	<u>173,582</u>
Liabilities				
Due to Other Governments	<u>167,836</u>	<u>337,086</u>	<u>331,340</u>	<u>173,582</u>
Total Liabilities	<u>167,836</u>	<u>337,086</u>	<u>331,340</u>	<u>173,582</u>
County Assessor				
Assets				
Cash and Pooled Investments	90,493	325,938	338,014	78,417
Property Tax Receivable	470	903	470	903
Future Property Tax Receivable	<u>322,882</u>	<u>621,003</u>	<u>322,882</u>	<u>621,003</u>
Accrued Interest	83	110	83	110
Total Assets	<u>413,928</u>	<u>947,954</u>	<u>661,449</u>	<u>700,433</u>
Liabilities				
Accounts Payable	56	46	56	46
Compensated Absences	1,493	2,123	1,493	2,123
Due to Other Governments	<u>412,379</u>	<u>698,264</u>	<u>412,379</u>	<u>698,264</u>
Total Liabilities	<u>\$ 413,928</u>	<u>\$ 700,433</u>	<u>\$ 413,928</u>	<u>\$ 700,433</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
 Agency Funds
 Year Ended June 30, 2006

	Balance June 30, 2005	Addi- tions	Deduc- tions	Balance June 30, 2006
Schools				
<i>Assets</i>				
Cash and Pooled Investments	\$ 176,785	\$ 12,569,558	\$ 12,564,973	\$ 181,370
Property Tax Receivable	19,291	21,289	19,291	21,289
Future Property Tax Receivable	12,538,982	13,128,228	12,538,982	13,128,228
Total Assets	<u>12,735,058</u>	<u>25,719,075</u>	<u>25,123,246</u>	<u>13,330,887</u>
<i>Liabilities</i>				
Due to Other Governments	<u>12,735,058</u>	<u>25,719,075</u>	<u>25,123,246</u>	<u>13,330,887</u>
Total Liabilities	<u>12,735,058</u>	<u>25,719,075</u>	<u>25,123,246</u>	<u>13,330,887</u>
Area Schools				
<i>Assets</i>				
Cash and Pooled Investments	7,132	803,013	801,027	9,118
Property Tax Receivable	948	1,054	948	1,054
Future Property Tax Receivable	801,619	808,657	801,619	808,657
Total Assets	<u>809,699</u>	<u>1,612,724</u>	<u>1,603,594</u>	<u>818,829</u>
<i>Liabilities</i>				
Due to Other Governments	<u>809,699</u>	<u>1,612,724</u>	<u>1,603,594</u>	<u>818,829</u>
Total Liabilities	<u>809,699</u>	<u>1,612,724</u>	<u>1,603,594</u>	<u>818,829</u>
Corporations				
<i>Assets</i>				
Cash and Pooled Investments	59,230	7,083,178	7,057,705	84,703
Property Tax Receivable	13,309	19,296	13,309	19,296
Future Property Tax Receivable	7,082,932	7,926,185	7,082,932	7,926,185
Total Assets	<u>7,155,471</u>	<u>15,028,659</u>	<u>14,153,946</u>	<u>8,030,184</u>
<i>Liabilities</i>				
Due to Other Governments	<u>7,155,471</u>	<u>15,028,659</u>	<u>14,153,946</u>	<u>8,030,184</u>
Total Liabilities	<u>7,155,471</u>	<u>15,028,659</u>	<u>14,153,946</u>	<u>8,030,184</u>
Townships				
<i>Assets</i>				
Cash and Pooled Investments	3,278	251,664	251,116	3,826
Property Tax Receivable	296	235	296	235
Future Property Tax Receivable	251,443	265,329	251,443	265,329
Total Assets	<u>255,017</u>	<u>517,228</u>	<u>502,855</u>	<u>269,390</u>
<i>Liabilities</i>				
Due to Other Governments	<u>255,017</u>	<u>517,228</u>	<u>502,855</u>	<u>269,390</u>
Total Liabilities	<u>\$ 255,017</u>	<u>\$ 517,228</u>	<u>\$ 502,855</u>	<u>\$ 269,390</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
 Agency Funds
 Year Ended June 30, 2006

	Balance June 30, 2005	Addi- tions	Deduc- tions	Balance June 30, 2006
City Special Assessments				
<i>Assets</i>				
Cash and Pooled Investments	\$ 90	\$ 11,491	\$ 8,863	\$ 2,718
Assessments Receivable	12,151	12,205	12,151	12,205
Total Assets	<u>12,241</u>	<u>23,696</u>	<u>21,014</u>	<u>14,923</u>
<i>Liabilities</i>				
Due to Other Governments	12,241	23,696	21,014	14,923
Total Liabilities	<u>12,241</u>	<u>23,696</u>	<u>21,014</u>	<u>14,923</u>
Auto License and Use Tax				
<i>Assets</i>				
Cash and Pooled Investments	524,035	6,036,852	6,046,075	514,812
Total Assets	<u>524,035</u>	<u>6,036,852</u>	<u>6,046,075</u>	<u>514,812</u>
<i>Liabilities</i>				
Due to Other Governments	524,035	6,036,852	6,046,075	514,812
Total Liabilities	<u>524,035</u>	<u>6,036,852</u>	<u>6,046,075</u>	<u>514,812</u>
Joint Disaster				
<i>Assets</i>				
Cash and Pooled Investments	30,271	113,561	115,508	28,324
Due from Other Governments	-	13,860	-	13,860
Total Assets	<u>30,271</u>	<u>127,421</u>	<u>115,508</u>	<u>42,184</u>
<i>Liabilities</i>				
Accounts Payable	875	44	875	44
Compensated Absences	113	898	113	898
Due to Other Governments	29,283	41,242	29,283	41,242
Total Liabilities	<u>30,271</u>	<u>42,184</u>	<u>30,271</u>	<u>42,184</u>
Brucellosis and Tuberculosis Eradication				
<i>Assets</i>				
Cash and Pooled Investments	50	6,268	6,266	52
Property Tax Receivable	7	6	7	6
Future Property Tax	3,720	3,967	3,720	3,967
Total Assets	<u>3,777</u>	<u>10,241</u>	<u>9,993</u>	<u>4,025</u>
<i>Liabilities</i>				
Due to Other Governments	3,777	10,241	9,993	4,025
Total Liabilities	<u>\$ 3,777</u>	<u>\$ 10,241</u>	<u>\$ 9,993</u>	<u>\$ 4,025</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
 Agency Funds
 Year Ended June 30, 2006

	Balance June 30, 2005	Addi- tions	Deduc- tions	Balance June 30, 2006
Tax Redemption				
<i>Assets</i>				
Cash and Pooled Investments	\$ 18,734	\$ 210,981	\$ 190,079	\$ 39,636
Total Assets	<u>18,734</u>	<u>210,981</u>	<u>190,079</u>	<u>39,636</u>
<i>Liabilities</i>				
Due to Other Governments	18,734	210,981	190,079	39,636
Total Liabilities	<u>18,734</u>	<u>210,981</u>	<u>190,079</u>	<u>39,636</u>
E-911				
<i>Assets</i>				
Cash and Pooled Investments	231,204	199,122	155,870	274,456
Accounts Receivable	41,245	44,998	41,245	44,998
Accrued Interest	476	651	476	651
Due from Other Governments	-	7,511	-	7,511
Total Assets	<u>272,925</u>	<u>252,282</u>	<u>197,591</u>	<u>327,616</u>
<i>Liabilities</i>				
Accounts Payable	26,449	1,638	26,449	1,638
Salaries and Benefits Payable	339	-	339	-
Due to Other Governments	246,137	325,978	246,137	325,978
Total Liabilities	<u>272,925</u>	<u>327,616</u>	<u>272,925</u>	<u>327,616</u>
Future Tax				
<i>Assets</i>				
Cash and Pooled Investments	82,355	85,250	93,270	74,335
Total Assets	<u>82,355</u>	<u>85,250</u>	<u>93,270</u>	<u>74,335</u>
<i>Liabilities</i>				
Due to Other Governments	82,355	85,250	93,270	74,335
Total Liabilities	<u>82,355</u>	<u>85,250</u>	<u>93,270</u>	<u>74,335</u>
Recorder's Electronic Fee Fund				
<i>Assets</i>				
Cash	603	6,115	6,213	505
Due From Other Governments	631	545	631	545
Total Assets	<u>1,234</u>	<u>6,660</u>	<u>6,844</u>	<u>1,050</u>
<i>Liabilities</i>				
Due to Other Governments	1,234	6,660	6,844	1,050
Total Liabilities	<u>\$ 1,234</u>	<u>\$ 6,660</u>	<u>\$ 6,844</u>	<u>\$ 1,050</u>

(Continued)

COUNTY OF PLYMOUTH, IOWA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - (Continued)
 Agency Funds
 Year Ended June 30, 2006

	Balance July 1, 2005	Addi- tions	Deduc- tions	Balance June 30, 2006
Drainage Districts				
<i>Assets</i>				
Cash and Pooled Investments	\$ 10,116	\$ 17,817	\$ 9,316	\$ 18,617
Assessments	-	2,070	-	2,070
Total Assets	<u>10,116</u>	<u>19,887</u>	<u>9,316</u>	<u>20,687</u>
<i>Liabilities</i>				
Due to Other Governments	<u>10,116</u>	<u>19,887</u>	<u>9,316</u>	<u>20,687</u>
Total Liabilities	<u>10,116</u>	<u>19,887</u>	<u>9,316</u>	<u>20,687</u>
Total All Agency Funds				
<i>Assets</i>				
Cash and Pooled Investments	\$ 1,310,061	\$ 28,459,126	\$ 28,374,720	\$ 1,394,467
Receivables:				
Property Tax	34,562	43,041	34,562	43,041
Future Property Tax	21,167,026	22,924,366	21,167,026	22,924,366
Accounts	41,336	45,062	41,336	45,062
Assessments	12,151	14,275	12,151	14,275
Accrued Interest	559	761	559	761
Due from Other Governments	631	21,916	631	21,916
Total Assets	<u>22,566,326</u>	<u>51,508,547</u>	<u>49,630,985</u>	<u>24,443,888</u>
<i>Liabilities</i>				
Accounts Payable	27,380	1,728	27,380	1,728
Due to Other Governments	22,537,001	51,246,374	49,344,236	24,439,139
Compensated Absences	1,606	3,021	1,606	3,021
Salaries and Benefits Payable	339	-	339	-
Total Liabilities	<u>\$ 22,566,326</u>	<u>\$ 51,251,123</u>	<u>\$ 49,373,561</u>	<u>\$ 24,443,888</u>

COUNTY OF PLYMOUTH, IOWA

Schedule of Revenues By Source and Expenditures By Function - All Governmental Funds
 For the Years Ended June 30, 2006, 2005, 2004, 2003

	Modified Accrual Basis of Accounting			
	2006	2005	2004	2003
Revenue:				
Property and other county tax	\$ 6,477,719	\$ 6,066,442	\$ 6,117,788	\$ 5,468,980
Interest and penalty on property tax	51,572	41,285	54,117	73,955
Intergovernmental	6,366,280	5,764,705	6,098,652	5,736,528
Licenses and permits	16,411	19,970	13,720	15,685
Charges for services	1,027,574	714,999	645,852	671,938
Use of money and property	512,097	361,449	325,344	482,243
Miscellaneous	285,461	237,226	298,171	78,838
Total Revenue	\$ 14,737,114	\$ 13,206,076	\$ 13,553,644	\$ 12,528,167
Expenditures:				
Current operating:				
Public safety and legal services	\$ 2,535,343	\$ 2,275,934	\$ 2,026,630	\$ 1,728,393
Physical health and social services	239,609	246,990	314,657	328,268
Mental health	1,565,248	1,431,115	1,285,294	1,548,898
County environment and education	655,145	7,743,681	614,980	539,664
Roads and transportation	4,793,094	4,890,445	4,877,358	4,312,639
Government services to residents	787,097	588,414	535,747	494,248
Administration	2,167,003	2,418,039	1,855,790	1,240,332
Non-program services	327,239	41,639	25,000	-
Capital projects	1,647,786	2,454,669	2,617,181	6,044,927
Debt service	941,384	665,329	639,790	654,067
Total	\$ 15,658,948	\$ 22,756,255	\$ 14,792,427	\$ 16,891,436

PLYMOUTH COUNTY, IOWA
Schedule of Expenditures of Federal Awards (Cash Basis)
Year Ended June 30, 2006

	CFDA Number	Agency or Pass-Through Number	Program Disburse- ments
Direct:			
U.S. DEPARTMENT OF JUSTICE			
Bulletproof Vest Partnership Program	16.607		\$ 5,105
DEPARTMENT OF TRANSPORTATION			
Iowa Department of Transportation:			
Watershed Protection and Flood Prevention	10.903	LC-033239-73	14,854
		LC-231 109-73	37,949
		LC-033670-73	31,301
			<u>84,104</u>
Indirect:			
DEPARTMENT OF AGRICULTURE			
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
State Administrative Matching Grants for Food Stamp Program	10.561		13,240
DEPARTMENT OF JUSTICE			
Iowa Department of Justice:			
Crime Victim Assistance	16.575		22,900
DEPARTMENT OF TRANSPORTATION			
Iowa Department of Transportation:			
Highway Planning and Construction	20.205	BROS-C075(104)-8J	12,810
Iowa Department of Public Safety:			
Safety Incentive Grants for Use of Seatbelts	20.604		3,666
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605		4,322
			<u>7,988</u>
ELECTION ASSISTANCE COMMISSION			
Iowa Secretary of State			
Help America Vote Act Requirements Payments	90.401	06-HAVA-75-100	156,000 *
DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Iowa Secretary of State			
Voting Access for Individuals with Disabilities Grants to States	93.617	06-HAVA-75-002	4,266
Iowa Department of Human Services:			
Human Services Administrative Reimbursements:			
Temporary Assistance for Needy Families	93.558		15,968
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596		3,785
Foster Care - Title IV-E	93.658		8,251
Adoption Assistance	93.659		2,019
Medical Assistance Program	93.778		21,389
Social Services Block Grant	93.667		10,969
Social Services Block Grant	93.667		70,032
			<u>136,679</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:			
Iowa Department of Economic Development:			
Community Development Block Grant	14.238		250,661 *
FEDERAL EMERGENCY MANAGEMENT AGENCY			
Iowa Department of Public Defense:			
Emergency Management Performance Grants	97.042		14,232
State and Local All Hazards Emergency Operations Planning	97.054		10,297
Community Emergency Response Teams	97.051		15,935
			<u>40,464</u>
Total Expenditures of Federal Awards			<u>\$ 729,951</u>

* Total disbursements from this program exceeds 50% of the total federal awards and is considered a major program.

PLYMOUTH COUNTY, IOWA
Schedule of Expenditures of Federal Awards (Cash Basis) - (Continued)
Year Ended June 30, 2006

Notes to Schedule of Expenditures of Federal Awards

Note 1 - **Basis of Presentation** - The accompanying schedule of expenditures of federal awards includes the federal grant activity of Plymouth County and is presented on the cash 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.

PLYMOUTH COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2006

Part I: Summary of the Independent Auditor's Results

- (a) An unqualified opinion was issued on the financial statements.
- (b) No reportable conditions in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No reportable condition in internal control over major programs was disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) The major programs were as follows:
 - CFDA Number 90.401 – Help America Vote Act
 - CFDA Number 14.238 – Community Development Block Grant
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000
- (i) Plymouth County did not qualify as a low-risk auditee

Part II: Findings Related to the Financial Statement and Federal Award Expenditures

Instances of Non Compliance:

No matters were reported.

There were no prior year audit findings.

Reportable Conditions:

No matters were reported.

There were no prior year audit findings.

PLYMOUTH COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2006

Part III: Other Findings Related to Required Statutory Reporting

III-A-06 Certified Budget – Disbursements for the year ended June 30, 2006 did not exceed the amounts budgeted.

III-B-06 Questionable Expenses – We noted no expenditures that we believe may constitute unlawful expenditures from public funds as defined in an Attorney General's opinion dated April 25, 1979.

III-C-06 Travel Expenses – No expenditures of County money for travel expenses of spouses of County officials or employees were noted.

III-D-06 Business Transactions – There were no business transactions between the County and County officials and/or employees during the year ended June 30, 2006.

III-E-06 Bond Coverage – Surety bond coverage of County officials and employees is in accordance with statutory provisions. Township clerks are included in the blanket bond purchased by the County. Chapter 64.12 of the Code of Iowa requires that all bonds required of the township clerk be furnished and paid for by the township.

Recommendation – The amount of coverage should be reviewed annually to insure that the coverage is adequate for current operations. The County should seek reimbursement for the amount paid for the bond premiums for township clerks.

Response – We feel the amount each township owes is minimal and therefore, not worth the time it would take to figure and bill each township.

Conclusion – Response accepted.

III-F-06 Board Minutes – In accordance with Chapter 331.432 of the Code of Iowa, transfers were not authorized by resolution of the Board.

Recommendation – Transfers should be approved/authorized by resolution of the Board of Supervisors.

Response – The Board will do in future.

Conclusion – Response accepted.

III-G-06 County Extension Office – The County Extension Office is operated under the authority of Chapter 176A of the Code of Iowa and serves as an agency of the State of Iowa. This fund is administered by an extension council separate and distinct from the County operations and, consequently, is not included in these financial statements. Disbursements during the year ended June 30, 2006 for the County Extension Office did not exceed the amount budgeted.

PLYMOUTH COUNTY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2006

Part III: Other Findings Related to Statutory Reporting (Continued)

III-H-06 Resource Enhancement and Protection Certification – The County properly dedicated property tax revenue to conservation purposes as required by Chapter 455A.19(1)(b) of the Code of Iowa in order to receive the additional REAP funds allocated in accordance with subsections (b)(2) and (b)(3).

III-I-06 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12b and 12c of the Code of Iowa and the County's investment policy were noted.

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21 1st Avenue NW
P.O. Box 1010
Le Mars, IA 51031
Phone (712) 546-7801
Fax (712) 546-6543

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Supervisors
Plymouth County, Iowa:

Compliance:

We have audited the compliance of PLYMOUTH COUNTY, IOWA with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. Plymouth County's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Plymouth County's management. Our responsibility is to express an opinion on Plymouth County's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 program occurred. An audit includes examining, on a test basis, evidence about Plymouth 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. Our audit does not provide a legal determination on Plymouth County's compliance with those requirements.

In our opinion, Plymouth County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance:

The management of Plymouth County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Plymouth County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grant agreements that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report, a public record by law, is intended solely for the information and use of the board of supervisors, employees and citizens of Plymouth County and other parties to whom Plymouth County may report including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than those specified parties.

Williams & Company, P.C.
Certified Public Accountants

Le Mars, Iowa
October 31, 2006



21 1st Avenue NW
P.O. Box 1010
Le Mars, IA 51031
Phone (712) 546-7801
Fax (712) 546-6543

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors
Plymouth County, Iowa

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of PLYMOUTH COUNTY, IOWA as of and for the year ended June 30, 2006, which collectively comprise the County's basic financial statements listed in the table of contents, and have issued our report thereon dated October 31, 2006. We conducted our audit in accordance with U.S. generally accepted auditing standards and those standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance:

As part of obtaining assurance about whether Plymouth 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*.

Comments involving statutory and other legal matters about the County's operations for the year ended June 30, 2006 are based exclusively on knowledge obtained from procedures performed during our audit of the basic financial statements of the County. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes. Prior year statutory comments have all been resolved.

Internal Control Over Financial Reporting:

In planning and performing our audit, we considered Plymouth County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report, a public record by law, is intended solely for the information and use of the Board of Supervisors, employees and citizens of Plymouth County and other parties to whom Plymouth County may report including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Plymouth County during the course of our audit.

If you have any questions concerning any of the above matters we would be pleased to discuss them with you at your convenience.

Williams & Langang, P.C.
Certified Public Accountants

Le Mars, Iowa
October 31, 2006